Stock Code: 3312

GMI Technology Inc.

2022

Annual Report

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GMI Technology Inc. Compiled
May 20, 2022 Printed

Statement of Declaration

The Company complied with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" that should be included in the consolidated financial statements of affiliated enterprises and the consolidated financial statements of parent and subsidiaries pursuant to the IFRS 10 approved by the Financial Supervisory Commission are the same in 2022 (from January 1, 2022 to December 31, 2022), and the relevant information to be disclosed in the consolidated financial statements of affiliated enterprises It has been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries, and it is not necessary to prepare the consolidated financial statements of affiliated companies separately.

Hereby declare

Name of Company: GMI

Technology Inc.

Chairman: Chia-Wen Yeh

Date: March 28, 2023

I. Name, title, contact telephone number and e-mail address of the spokesperson and acting spokesperson:

1. Spokesperson: Jason Lin — Title: Vice President of Finance
   Tel: (02)2659-9838#1005 — Email: jasonlin@gmitec.com
2. Acting Spokesperson: Yeh, Po-Chun — Title: Chief of Staff
   Tel: (02)2659-9838#1003 — Email: peggyyeh@gmitec.com

II. Company Address

Head Office Address: 2F, No. 57, Xingzhong Road, Neihu District, Taipei
Tel: (02)2659-9838
Hong Kong Branch Address: 9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.
Tel: 852-2343-2868

III. Name, address, website and telephone number of the stock transfer agent:

Name: Registrar Agency Department, Capital Securities Co.,Ltd.
Address: B2, No.97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
Website: http://www.capital.com.tw
Tel: (02)2702-3999

IV. Name, firm name, address, website and telephone number of the attesting CPA of the most recent annual financial report:

Attesting CPAs: Jason Lin, CPA; Winston Yu, CPA
Accounting Firm: KPMG Taiwan
Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan (Taipei 101 Building)
Website: http://www.kpmg.com.tw
Tel: (02)8101-6666

V. Exchange Houses where Overseas Securities are Listed：none.

VI. Company Website: http://www.gmitec.com

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I. Letter to Shareholders

I. Business Report 2022

(1) Results of Operations

For FY2022, the parent company only revenue of the Company totaled NT$19,312,581,000 and net income before tax was NT$589,791,000, representing increases of 2.88% and 7.31%, respectively, compared to revenue of NT$18,771,092,000 and net income before tax of NT$549,623,000 for FY2021. For FY2022, consolidated revenue was NT$19,346,503,000 and consolidated net income before tax was NT$589,469,000, increasing by 2.62% and 6.47%, respectively compared to the consolidated revenue of NT$18,852,689,000 and consolidated net income before tax of NT$553,649,000 for FY2021. Based on the weighted-average outstanding shares in 2022, the net income per share was NT$3.08 after tax.

In the first half of the year, the supply and demand issues in the electronic components market were influenced by various factors, including supply shortages, unstable demand, international market environment, and delivery times. These factors had a significant impact on the electronics market. It is crucial for us, as both component suppliers and product manufacturers, to closely monitor the dynamics of the supply chain and devise corresponding strategies to adapt to market changes and mitigate risks.

The changes in international trade policies and economic environment in 2022 have had a significant impact on the electronic components market. For example, inflation, regional trade wars, tariffs and trade restrictions may make imported electronic parts more expensive, which may affect the market competitiveness of mainland China products, and in turn affect the Company's new product introduction and project development. Therefore, with the increasing complexity of the global supply chain, the inconsistency of inventory levels at various stages of the supply chain, which may lead to long lead times for production orders to be fulfilled, coupled with unstable demand, marked the second half of 2022 as a period full of uncertainty.

In FY2022, the Company conducted in-depth management in the following scopes to strengthen market development: while stabilizing the existing market, we strengthened the development of emerging markets and expanded the market scale. Strengthen supplier relationships: Enhance cooperation with suppliers, continuously expand product lines, and meet diverse customer needs. Improve efficiency and quality: Strengthen internal management and control to improve the efficiency and quality of inbound and outbound shipments, and thus enhance customer satisfaction and market competitiveness.

The Company maintained stable operations in the second half of 2022, primarily driven by the wireless communication sector and contracts with Chinese network communication operators. This is particularly apparent in emerging technology areas such as VDSL, XPON, electric vehicles, and the Internet of Things, where the Company has achieved excellent performance in recent years. As for the demand for personal computers and related peripherals in 2022, we believe that the supply of relevant electronic chips should already meet the production chain's demand. Therefore, we conservatively anticipate that in the first half of 2023, there will still be opportunities to gradually reduce the high inventory levels in the major supply chains, especially in the second half of 2023. We believe that the market supply and demand balance will gradually be restored.

Unit: NT$ ‘000

Profit and loss items	FY2022	FY2021	Growth rate (%)
Net Operating Revenue	19,346,503	18,852,689	2.62%
Operating Costs	18,295,415	17,760,722	3.01%
Gross Profit	1,051,088	1,091,967	(3.74)%
Operating Expenses	483,643	545,647	(11.36)%
Operating Income	567,445	546,320	3.87%
Non-operating Income and Expenses	22,024	7,329	200.50%
Net Income before Tax	589,469	553,649	6.47%

(2) Budgetary Performance

The Company does not disclose its financial forecasts, therefore this is not applicable.

(3) Analysis of Revenue, Expenses and Profitability

	Item	FY2022	FY2021
Financial Structure	Debt Ratio (%)	67.91	74.07
	Ratio of Long-Term Capital to Property, Plant and Equipment (%)	867.58	689.29
Debt Service Coverage Ratio (DSCR)	Current Ratio (%)	141.43	130.00
	Quick Ratio (%)	98.38	108.85
Profitability	Return on Assets (%)	6.47	7.34
	Return on Equity (%)	19.93	26.34
	Net Profit Margin (%)	2.35	2.36
	Earnings Per Share (NT$)	3.08	3.24

(4) Research and Development

The Company is an electronics components distributor & applications solutions provider. In view of the fact that the basis of sustainable management is to keenly grasp market trends, meet the needs of customers and possess key application technologies, the Company not only has technical support functions (FAE) to provide customers with various product application consultation and development technology support services. At the same time, the Company also has R&D staff to engage in product development for market applications and provide customers with special functions or commissioned module designs to help customers realize their product development and Time-To-Market commitments. As the Company provide customers with professional technology and total product solutions, we can help customers shorten the time to market and save R&D costs, enhance service quality, and strengthen the partnership with customers and suppliers. In response to the rapidly evolving technology and product cycle of electronics and ICT technology, the Company is actively developing in the following directions:

1. Information Technology (IT) industry:
   Wireless LAN, Multi-Media LCD Monitor.
2. Consumer Electronics industry:
   Notebook computers (NB), portable multimedia players, etc.
3. Networking and Telecommunication industry:
   Gigabit switch, ADSL.

2. The Company's Major Business Plans for 2023:

(1)Business Direction

In the 2023 market landscape where the electronic components sector is almost overwhelmed by high inventories and uncertain demand, the Company's management team will pay particular attention to several supply and demand issues:

Minimize inventory levels: High inventories mean higher capital usage and costs, and most of the current channel vendors have high inventory levels. We will reduce inventory levels by reducing the amount of stock we take in or by clearing inventory from time to time.

Ensure the transparency of supply chain: Understanding our supply chain can help us to predict the demand and determine the inventory level of our customers more accurately; therefore, we will ensure the smooth communication with brand manufacturers and customers, and collect and share the supply chain information in a timely manner.

Strengthen risk management: Establish risk management plans to cope with market fluctuations and uncertainties; for example, establish alternative supplier channels, develop contingency plans, shorten supply chains, and other related countermeasure strategies to strengthen the management of the Company's exposure to uncertain risks.

Ensure quality and delivery time: In the current competitive market, providing customers with high quality products and on-time delivery is an important approach to gain a competitive advantage; the Company shall make every effort to ensure product quality and strengthen the management and control of delivery progress to improve customer satisfaction.

Improve the flexibility of stock preparation and shipment: In order to respond quickly to market changes and changes in customer demand to closely match customer's production and supply chain plans, the Company shall adopt a flexible approach to enhance the flexibility of inventory preparation and shipment and improve the response speed of the supply chain.

In addition, we have summarized the following directions for the operation and governance of the Company:

1. Overall supply chain stability: With the changes in trade relations between countries in 2023, the Company needs to pay close attention to the supply chain of raw materials and components, etc., to ensure a stable supply and to respond quickly when problems arise.
2. Product quality control: As an electronic parts and components agent and distributor, we shall ensure that the products we represent meet the quality requirements of our customers and establish an effective quality control mechanism with our suppliers.
3. Customer relationship maintenance: We need to establish solid relationships with customers, understand their needs and requirements, and provide professional technical support and after-sales services to improve customer satisfaction.

4. Technology innovation: The electronics industry is constantly developing, so we need to keep up with the pace of technology innovation and continuously launch new products to meet the market demand.
5. Environmental protection: In the Company’s operations, we need to comply with environmental protection laws and regulations and take effective measures to protect the environment. This not only meets the requirements of corporate social responsibility, but also helps to enhance our corporate image.
6. Talent cultivation: As a going concern, the Company needs to pay more attention to the cultivation and development of talents, and establish a perfect talent motivation mechanism to attract and retain talents!
7. Inventory management: As an electronic parts and components distributor, inventory management is one of the key indicators of financial management; the Company needs to accurately track inventory levels to ensure timely replenishment of inventory, and also to avoid overstocking and reduce inventory costs, we need to record inventory levels, incoming goods and sales, and manage them with Oracle system for accurate inventory management.
8. Sales Forecasting: The Company needs to forecast accurate market demand in order to ensure proper and informed decisions regarding inventory purchases. To make sales forecast, we need to analyze the market trend, competition, customer demand and other factors; an accurate financial management system can help us to make sales forecast for better control of stocking and inventory management.
9. Expense management: We actively monitor various expenses such as transportation, storage, labor, etc. The Oracle system can help us to track these expenses to ensure the Company’s financial health.

In short, with high inventory and uncertain demand, we need to strive to reduce costs, improve quality, ensure delivery, enhance agility, and strengthen risk management to maintain stable operations.

(2)Operating Markets and Business Objectives

The Company's management team has summarized the following new application markets and targets in the electronics market in 2023:

(1) Operating in the communications equipment bidding market for telecommunications carriers in Mainland China:

The telecommunications industry in Mainland China is seeing a period of rapid development to accelerate the pace of 5G commercialization, and the construction of 5G networks will require a large number of communication equipment bids to support its development. Driven by policy support and market demand, the communication equipment bids market for telecoms operators in Mainland China is expected to continue to grow in 2023. Intense competition: The telecommunications equipment tender market is highly competitive, with major telecoms operators competing to capture a larger share of the market. 5G network infrastructure development drive: With the advancement of 5G commercialization, telecom operators will need a large number of communication equipment bids to support network construction, and market demand will continue to grow. Acceleration of domestic substitution in China: With the advancement of domestic substitution, the market share of domestically produced communication equipment tenders in China will continue to increase.

Business target:The Company's market share in the Mainland China communications equipment market to increase steadily in 2023, and to grow by 10% compared to the previous year.

2. EV applications market:

The wide variety of electronic components used in electric vehicles requires the establishment of a good supply chain specification to ensure adequate inventory and timely delivery; the electronic components used in electric vehicles require high quality and reliability. Therefore, the Company focuses on delivering high-quality products to gain customer trust and foster long-term partnerships. Currently, the Company is also establishing a specialized technical team to provide timely technical support and solutions. We will closely monitor market trends, develop new products and technologies, and strive Collaboration with other electronic component suppliers will be established to provide comprehensive services and meet customer demands. The EV market is a market with great potential for development. Electronic parts distributors should establish a good supply chain, focus on high quality products, provide professional technical support, develop new products and technologies, and establish collaborative relationshipss and achieve sustainable development in this market.

Business target : The Company will increase the number of new projects and new customers in the electric vehicle market by 10% in 2023.

3. NB/PC/Server related computer peripheral application market:

AI has a wide range of applications in various fields, especially in PCs, NBs and servers, which can help improve performance, save energy and enhance security; therefore, more products and services will be developed for AI applications, and as the cost of cloud computing decreases, and security and performance continue to improve, more and more enterprises and consumers will adopt cloud computing. This will drive the development of related industries such as servers and make data centers increasingly important. 5G networks will continue to develop and be rolled out in more countries and regions, which will enable related industries such as NBs to process large amounts of data more quickly and connect various devices more efficiently. Sustainability will be an important trend as the world becomes increasingly concerned about climate change and environmental protection, which will affect the growth of related industries such as PCs, NBs and servers and promote the greening and energy saving of products and technologies.

Business target: Increase the number of new projects and new customers in the NBs/PCs/servers related computer peripheral application market by 10% in 2023.

4. Wireless and broadband communication application market:

According to a report by a market research firm, the global wireless communications market reached US$350 billion in 2019 and is expected to reach US$540 billion by 2025, with a CAGR of 6.5%. Mobile communications is one of the largest applications in the wireless communications market; driven by the popularization of 5G technology, the mobile communications market will further develop and bring more opportunities for various emerging applications. In addition, wireless communication networks are widely used in IoT applications, smart homes, and smart cities, and more and more wireless devices will enter the market as IoT devices and smart devices become popular.

Business target: The Company will increase new projects in WiFi 6/VDSL/XPON by 20% in 2023.

5. Develop overseas application markets:

In the past we have focused on the development of the Greater China market, in 2023 we will also allocate some human resources to operate in the Indian market. India is one of the largest electronics markets in the world, so there is a lot of potential to develop electronics products in this market. There are many different languages and cultures in India, so it is important to take into account the cultural and linguistic differences when operating in the country and to establish a marketing strategy that can accommodate the different cultures and languages. Operating a business in India requires compliance with local laws, regulations, and tax policies. We are actively seeking local partners to ensure compliance and avoid unnecessary complications. Online marketing has become a prevalent business model in India, and therefore, investing in online marketing is crucial.

Business target: Increase the number of new customers in the Indian market by 10 to 20 active customers in 2023

6. Investment in hearing aid related fields:

In 2022, the Company collaborated with National Yang Ming Chiao Tung University's team on a research project on related audio technologies and the passage of the OTC Act in the U.S., which boosted our confidence to invest more in this field. At present, we see opportunities in this field because the unit price of prescription grade hearing aids is very high, the related testing procedures are complicated, and the threshold for users to purchase them has not been lowered due to the improvement of new technology. Therefore, we will invest resources in this segment in 2023, and the related technology can be applied to high-end TWS headphones.

Business target: The company will increase the gross margin of high-end TWS headphones by 5% in 2023.

3. Future Development Strategy

In the future, we will continue to explore new customers for each product line and deepen the cultivation of existing customers, and we will continue to seek alliances with our peers to strengthen the complementary nature of our products. In addition, we will continue the successful experience of each product line and actively develop the markets in Taiwan, Hong Kong and especially China. With the addition of new distributorships and aggressive development of the Asian market, we expect to see growth in sales and profits this year. In light of the above development strategies, we expect to generate higher profits in return for the support of our shareholders.

4. Influence of the External Competitive, Regulatory and General Operating Environment

The global semiconductor market is expected to continue to thrive. In the future, the Company will continue to integrate the human resources of its group, strengthen knowledge management and knowledge sharing, build up intellectual capital, and replace the legacy information system to enhance the competitive advantage, and pursue the direction of management and profitability at the same time, with the hope of achieving excellent performance in the professional parts and components channel market.

On behalf of all of everyone at GMI, we would like to express our sincere gratitude to our shareholders for your steadfast support. We look forward to your continued guidance and advice in the future. GMI will continue to maintain its excellent management philosophy and achieve fruitful business results to share with our shareholders. Finally, I wish all our cherished shareholders

Good health and all the best

GMI Technology Inc.
Chia-Wen Yeh, Chairman of the Board

II. Company Introduction

1. Date of Establishment

Date of Establishment: October 6, 1995

2. Company History

1995
- GMI Technology Inc. was established with a paid-in capital of NT$10 million and its main business scope was the sale of electronic components.

1996
- Distributed and sold electronic components of Taiwan Memory Technology, Inc.
- Capital increased by NT$10 million, amounting to NT$20 million in paid-in capital.

1997
- Distributed and sold electronic components of Realtek Semiconductor Corporation
- Capital increased by NT$10 million, amounting to NT$30 million in paid-in capital.
- Established R&D unit (engineering department) to provide design-in services to customers.

2000
- Capital increased by NT$20 million, amounting to NT$50 million in paid-in capital.

2001
- Distributed and sold electronic parts and components of Ours Technology Inc.
- Office moved to current location on Ruiguang Road, Neihu District, Taipei.

2002
- Received the "Outstanding Distributor" award from TSMC for four consecutive years.
- Distributed and sold electronic parts and components of Toshiba Corporation.
- Distributed and sold electronic parts and components of Sigmatel.
- Distributed and sold electronic parts and components of Etron Technology, Inc.
- Introduced TIPTOP ERP system.
- Capital increased by NT$160 million in cash, amounting to NT$210 million in paid-in capital.
- Established Hong Kong branch.

2003
- Capital increase of NT$100 million in cash; capital increase of NT$30.65 million in surplus earnings and employee bonuses; amounting to paid-in capital of NT$340.65 million.
- Distributed and sold BenQ products.

- Issued the first employee stock options certificate in 2003.
- Reinvested in G.M.I Technology (BVI) Co.,Ltd.
- Filed a supplemental public offering,coming into effect.
- Invested in Dexin Venture Capital Co.,Ltd.
- Represented and sold Toshiba HDD (hard disk drive) products.
- Invested in Hong Kong Yongda Electronic Technology Co.,Ltd. through G.M.I Technology (BVI) Co.,Ltd.
- Invested in G.M.I International Trading (Shanghai) Co.,Ltd. through Hong Kong Yongda Electronic Technology Co.,Ltd.

2004
- Distributed and sold RitDisplay OLED components.
- Registered as an OTC stock on May 28th.
- Established a prospective Audit Committee.
- Capital increased by NT$41.36 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$386.21 million.

2005
- Distributed and sold Intersil analog electronic components.
- Distributed and sold Toshiba NAND flash memory products in Hong Kong and China.
- Introduced Freescale, Sigma Design, Techwell, AUO, TOPPOLY, MATRIX, Jeilin and other key supply partners.
- Capital increased by NT$50.83 million in cash and NT$46.03 million in surplus earnings and employee bonuses, amounting to a paid-in capital of NT$487.80 million.
- Listed on the Taipei Exchange on November 7.

2006
- Capital increased by NT$49.22 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$538.07 million.
- Became a distributor of electronic components for Actions Semiconductor Co., Ltd.

2007
- Became a distributor of Hitachi HDD products.
- Capital increased by NT$30.48 million from surplus and employee bonuses, and capital increased to NT$570.08 million.
- Acquired the distributorship of Solomon Systech Limited.

2008
- Announced a partnership with Toshiba Electronics Asia Ltd.
- Capital increased by NT$50.02 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$621.58 million.
- Issued common stock by private placement, capital increased to NT$721,580,000.

2009
- Initiated cooperation with JMicron Technology Corp.

- Established New Market Development Division to focus on new and emerging markets.
- Received the "Best Partner" award from Toshiba Electronics Asia Ltd.
- Received "Best Supplier Capability" award from ESM China.
- Distributed and sold Syndiant's fiber optic panel products for mini projectors.

2010
- Distributed and sold Toshiba products.
- Selected as the best distributor in Greater China in the annual readers' survey of ESM China Magazine.
- Awarded as one of the top 100 technology companies in Taiwan in 2010 by Business NEXT Magazine.
- Issued new shares with NT$150 million in cash, amounting to NT$870 million in share capital after the capital increase.
- Became a supplier of components to large OEMs through VMI (Vendor Managed Inventory).
- Listed on the Taiwan Stock Exchange on December 29.

2011
- Launched distribution partnership with CC&C Technologies Inc.
- On December 30, the shares of private placement common stock issued in 2008 were listed on the Taiwan Stock Exchange.

2012
- Direct investment in Shenzhen through Yongda Electronics and established Shenzhen Hongda Futong Electronics Co., Ltd.
- Invested in GW Electronics Company Limited through an overseas subsidiary, G.M.I. Technology (BVI) Co., Ltd.

2013
- GW Electronics (Shanghai) Limited (GW Electronics (Shanghai) Co., Ltd.) was established through an indirect investment by G.M.I. Technology (BVI) Co., Ltd.
- Indirectly reinvested in GW Electronics (Shenzhen) Limited through an overseas company, G.M.I. Technology (BVI) Co.
- Reinvested in Xbright Technology Co., Ltd.
- Capital increased by NT$34.86 million from earnings surplus, amounting to NT$906.44 million after capital increase.

2014
- Capital increased by NT$45.32 million from earnings surplus, amounting to NT$951.76 million after capital increase.
- Reinvested in Global Mobile Internet Co.,Ltd.

2015
- Capital increased by NT$133.24 million from earnings surplus,
- amounting to NT$1,085 million after capital increase.
  GW Electronics Company Limited terminated distribution rights for Flash and Discrete products for Toshiba Electronics Asia Ltd. and Toshiba Electronics (China) Ltd.

2016
- Issued new shares with NT$200 million in cash, amounting to NT$1.285 billion in share capital after the capital increase.

- Terminated distribution rights of hard disk drives (HDDs) for Toshiba Electronic Components Taiwan Corporation.

2017
- Reinvested in G.M.I. Startup Incubator Management (Shanghai) Co.,Ltd.
- Became the distributor of Chengdu Tsuhan Optical Components.

2018
- Reduced capital by NT$294.98 million to cover losses, resulting in a capital stock of NT$990 million.
- Issued new shares with NT$100 million in cash, amounting to NT$1.09 billion in share capital after the capital increase.
- Capital increased by NT$13.08 million from surplus earnings, amounting to a paid-in capital of NT$1.1031 billion.

2019
- Became a distributor of MEMS MIC components for Guangzhou Intelichip Electronics Co.,Ltd.
- antennas design services and related products
- Capital increased by NT$77.22 million from surplus earnings, amounting to a paid-in capital of NT$1.18032 billion.

2020
- Purchased land and buildings in Wende section of Neihu District for office and warehouse use by Taipei Head Office.
- Capital increased by NT$70.82 million from surplus earnings, amounting to a paid-in capital of NT$1.25 billion.

2021
- Capital increased by NT$12.511 million from surplus earnings, amounting to a paid-in capital of NT$1.376 billion.

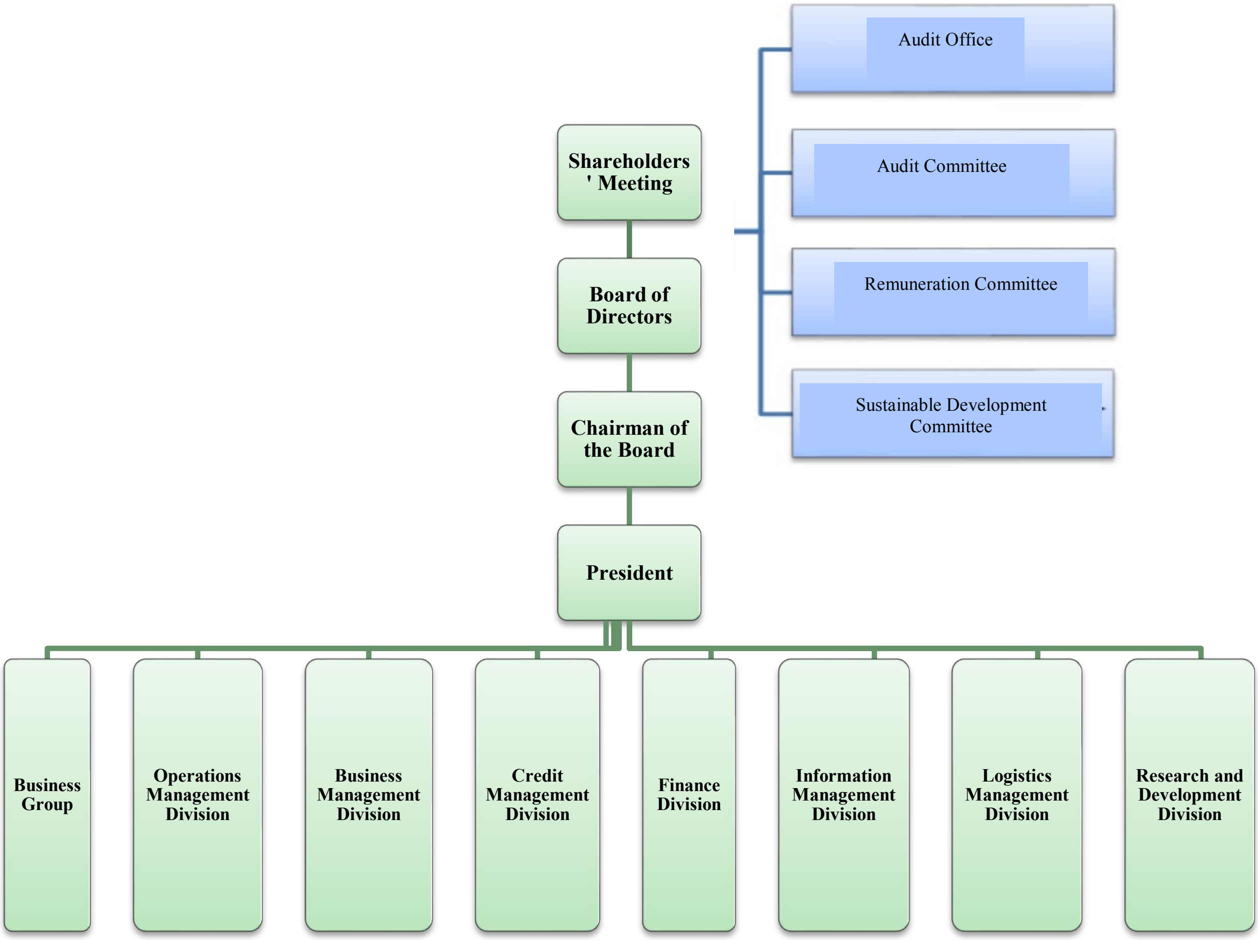
2022
- Taipei Head Office moved and changed the Company changed its business address to "2F, No. 57, Xingzhong Road, Neihu District, Taipei City".

2022
- Cash capital increase of NT$250 million through follow-on-offering of new shares, resulting in increase of registered capital to NT$162,625,000.

III. Corporate Governance Report

I. Organizational System

1. Organizational structure (April 30, 2023)



2. Scope of business of major departments

Department Name	Responsibilities
Business Group	1. Specialized in information technology, consumer electronics, network communications and Internet of Things promotion sales and services. 2. Assist in obtaining the latest product information and technical support from the original manufacturer. 3. Provide customers with total solutions. 4. Market development of new products and promotion of related customers. 5. Responsible for product line planning and management. 6. Sales and pricing strategy development and implementation. 7. Customer development and market information collection and analysis, marketing business promotion. 8. New market development planning and management. 9. Key customer development planning and implementation. 10. Import and export affairs.
Operations Management Division	1.Recruitment, human resources analysis, education and training, performance evaluation, and promotion of personnel policies and welfare-related issues. 2. Responsible for the Company's fixed assets and business supplies procurement management, office environment maintenance. 3. Corporate image promotion.
Business Management Division	1. Responsible for import and export goods management and warehouse management. 2. Responsible for assisting business units procurement order (PO) and shipment order (SO) and other related administrative operations and contact window between manufacturers and customers.
Credit Management Division	1.Develop company risk management policy and implement comprehensive risk assessment and system implementation. 2.To assist in the management of operational risks, and to communicate, report and make recommendations to various departments regarding risk management. 3.Responsible for the credit risk review and credit granting of the Company's customers. 4.Responsible for compliance and management of corporate laws and regulations, and strengthening the implementation of corporate law compliance system. 5.Responsible for corporate law professional advice, business contract management and litigation handling.
Finance Division	1. Responsible for fund raising plan, capital allocation and management, evaluation of long and short term securities investment and investment transfer, shareholders' meetings and stock affairs. 2. Responsible for accounting, budgeting, tax planning, management analysis information and board meeting related matters.
Information Management Division	1. Responsible for formulating information management strategies, planning information management systems, and continuously optimizing and integrating information platforms. 2. Coordinate the planning, design, operation and maintenance management of the Company's overall information system. 3. Information security management.
Logistics Management Division	1.Responsible for the management and supervision of logistics files. 2.Responsible for immediate update and maintenance of warehousing system information.

	3.Responsible for the planning and management of goods transfer and transportation methods. 4.Responsible for inventory, incoming, outgoing, acceptance and quality management of goods. 5.Responsible for handling abnormal problems such as loss, damage, and error of goods.6.Responsible for checking incoming and outgoing shipments with international couriers and freight forwarders, and assisting in tracking the delivery of goods. 7.Assist in the preparation of relevant import and export documents and finance department charge documents.

Department Name	Responsibilities
Research and Development Division	1. Responsible for the establishment of technical support system, supervision of technical support staff and professional skills training. 2. Confirm technical support, provide technical service to customers and improve customer satisfaction. 3. Responsible for handling technical emergencies and crises. 4. Handling of customer complaints and abnormal conditions and provide customer solutions. 5. Provide customers with product information and promotion as reference for product design and assist customers with product engineering projects. 6. Responsible for the market development planning and management of new brands, as well as information about competitive products in the market. 7. Assist the company in evaluating supplier management and agency matters. 8. Management and regular calibration of measurement instruments. 9. Retaining all kinds of inspection data. 10. Customer property management.

2. Information on the Company's directors, supervisors, president, vice president(s), assistant vice presidents, and the supervisors of all the Company's divisions and branch units

1. Name, experience, shareholding and nature of directors

April 21, 2023

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality or place of incorporation</th><th rowspan="2">Name</th><th rowspan="2">Gender and Age</th><th rowspan="2">Date elected (appointed)</th><th rowspan="2">Term of Office</th><th rowspan="2">Date of initial election</th><th colspan="2">Shares held at the time of election</th><th colspan="2">Current shareholdings</th><th colspan="2">Shares held by spouse and minor children</th><th colspan="2">Shares held in the name of others</th><th rowspan="2">Major Experience (Education)</th><th rowspan="2">Concurrent position(s) in the Company and other companies</th><th colspan="3">Other officers, directors, or supervisors who are spouses or relatives within two degrees of kinship.</th><th rowspan="2">Remark</th></tr>
<tr><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Corporate Shareholder</td><td>TW</td><td>Dejie Investment Co., Ltd.</td><td></td><td>2022/06</td><td>3 years</td><td>2019/06</td><td>37,619,698</td><td>27.33%</td><td>52,782,278</td><td>32.46%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>Not applicable</td><td>Not applicable</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Chairman and Chief Executive Officer</td><td>TW</td><td>Dejie Investment Co., Ltd. Corporate Representative: Chia-Wen Yeh</td><td>Male 61-70</td><td>2022/06</td><td>3 years</td><td>1995/09</td><td>-</td><td>-</td><td>0</td><td>0</td><td>77,181</td><td>0.05%</td><td>0</td><td>0</td><td>Graduated from the Department of Mineral and Petroleum Engineering, National Cheng Kung University
12th EMBA Class, National Chengchi University
MBA, Tulane University</td><td>1. Chairman, Cotek Pharmaceutical Industry Co., Ltd.
2. Chairman, Shiteh Organic Pharmaceutical Co., Ltd.
3. Chairman, Hi-Jet Incorporation
4. Chairman, Detao Venture Capital Co.,Ltd.
5. Director, GW Electronics Company Limited
6. Chairman, Global Mobile Internet Co.,Ltd.
7. Chairman, Biofity Pharmaceuticals Co.,Ltd.
8. Chairman, Dejie Investment Co., Ltd.
9. Chairman, Heng Hsuan Co.,Ltd.
10. Chairman, Unitech Electronics Co.,Ltd.
11. Director, Zhuyuan Enterprises Co.,Ltd.
12. Director, SmartBee Intelligence Company Ltd.
13. Chairman, Rehear Biotechnology and Medical Devices Co.,Ltd.</td><td>Director</td><td>Dejie Investment Co., Ltd. Corporate Representative: Yeh, Po-Chun</td><td>Father and Daughter</td><td>(Note 1)</td></tr>
<tr><td>Director</td><td>TW</td><td>Dejie Investment Co., Ltd. Corporate Representative: Ivan Liu</td><td>Male 51-60</td><td>2022/06</td><td>3 years</td><td>2017/06</td><td>－</td><td>－</td><td>207,077</td><td>0.13%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>Institute of Communications Engineering, National Chiao Tung University
Executive Vice President, GMI Technology Inc.</td><td>President of GMI Technology Inc.</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
</table>

Director	TW	Dejie Investment Co., Ltd. Corporate Representative: Po-Chun Yeh	Female 31-40	2022/06	3 years	2019/06	−	−	77,181	0.05%	0	0	0	0	Logistics and Telecommunications Group, Department of Transportation and Communication Management Science, National Cheng Kung University M.S. in Civil Engineering, Columbia University Project Coordinator, Shanghai Headquarters, Strategic Management Department, C.H. Robinson (NASDAQ:CHRW) Accounting Specialist, Unitech Computer Co.,Ltd. Associate Manager, Research Department, KGI Investment Consulting	Chief of Staff, GMI Technology Inc. Special Assistant to the Chairman of the Board, GMI Technology Inc. Head of Compensation Department, GMI Technology Inc. Director, Unitech Computer Co.,Ltd. Director, Unitech Electronics Co.,Ltd.	Chairman of the Board	Corporate Representative: Chia-Wen Yeh Dejie Investment Co., Ltd.	Father and Daughter	None
Director	TW	Dejie Investment Co., Ltd. Corporate Representative: Kuo-Chang Wang	Male 51-60	2022/06	3 years	2005/06	-	-	0	0	0	0	0	0	M.S., Graduate School of Management Sciences, Tamkang University Assistant Vice President, De An Asset Management Consulting Co.,Ltd. Manager, Industrial Bank of Taiwan Director, Dehong Management Consulting Co.,Ltd. Director, Dehong Venture Capital Co.,Ltd. Director, Advance Materials Corporation	Supervisor, Biofity Pharmaceuticals Co.,Ltd. Director, Unitech Computer Co.,Ltd.	None	None	None	None
Independent Director	TW	Jan, Sen	Male 51-60	2022/06	3 years	2011/06	0	0	0	0	0	0	0	0	Department of Electrical Engineering, Tsinghua University MBA Program, National Chengchi University Marketing Manager, Philips Semiconductor Head of Business Department, HEC Group Head of Product Marketing, FSP Group Director, Zhaohan Technology Co., Ltd. Supervisor, JuAn Long-Age Co.,Ltd.	Chairman, Ikano International Co.,Ltd. Brand Instructor, Smile Brand Development Center Adjunct Lecturer, National Chiao Tung University Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None

Independent Director	TW	Lin, Ming-Chieh	Male 71-80	2022/06	3 years	2017/06	117,390	0.09%	133,383	0.08%	0	0	0	0	PhD, National Chengchi University Director, Taiwan Electric Power Co.,Ltd. Secretary General, Chinese Management Association Supervisor, Taipei Exchange Professor, Department of Business Administration, National Central University Director, Joint Credit Information Center Member of the Remuneration Committee of NEWMAX Co.,Ltd. Independent Director of KINIK Company Member of the Remuneration Committee of KINIK Company. Supervisor of Unitech Electronics Co.,Ltd.	Independent Director of C Sun Industrial Co.,Ltd. Member of the Remuneration Committee of C Sun Industrial Co.,Ltd. Member of the Audit Committee of C Sun Industrial Co.,Ltd. Independent Director, Chicony Electronics Co., Ltd. Member of Remuneration Committee of Chicony Electronics Co., Ltd. Member of the Audit Committee of Chicony Electronics Co., Ltd. Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None
Independent Director	TW	Ko, Yen Hui (Note 2)	Male 61-70	2022/06	3 years	2022/06	0	0	0	0	0	0	0	0	Department of Accounting, Soochow University Graduate School of Accounting, Soochow University Department of Business Administration, National Chengchi University Lecturer, Department of Accounting, Soochow University Assistant Professor, Institute of Finance, National Chiao Tung University Lecturer, Professional Training Center, Ministry of Economic Affairs Director/Vice President/President of Mainland China, TEKOM Technology Co.,Ltd. Independent Director, Level Biotechnology Inc.	Special Assistant to the Chairman of the Board of Directors of Clinico Inc. Member of the Board of Directors of Chanitex Education Foundation Independent Director of Sanlien Technology Co., Ltd. Director of CC&C Technologies, Inc. Independent Director, Level Biotechnology Inc. Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None

Note 1: If the chairman of the board of directors and the president or equivalent (top-ranking manager) are the same person, spouses or relatives of one another, the Company shall provide information on the reasons, reasonableness, necessity, and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers):

The Chairman of the Board of Directors also serves as the Chief Executive Officer in order to enhance operational efficiency and decision making. However, in order to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the chairman of the board of directors has been closely communicating with the directors on the recent operating status and planning direction of the Company to implement corporate governance, and the Company plans to increase the number of independent directors in the future to enhance the functions of the board of directors and strengthen the supervisory function.

Currently, the Company has undertaken the following specific measures:

1. Each year, we arrange for each director to attend professional director courses offered by outside organizations such as the Securities and Futures Commission to enhance the effectiveness of the Board of Directors' operations.
2. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in each functional committee to implement corporate governance.

Note 2: Newly appointed as an independent director of the Company in June 2022.

2. Major shareholders of corporate shareholders:

As of April 21, 2022

Name of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)
Dejie Investment Co., Ltd.	Hi-Jet Incorporation (88.14%), Ming-Han Yeh (5.93%), and Po-Chun Yeh (5.93%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in. If the major shareholder is a corporation, the following table 2 should be completed.

3. The major shareholders of corporate shareholders are as follows:

As of April 21, 2022

Name of legal entity (Note 1)	Major shareholders (Note 2)
Hi-Jet Incorporation	Hi-Jet Incorporation (73.09%), Ming-Han Yeh (12.45%), Po-Chun Yeh (14.44%), and Chia-Wen Yeh (0.02%)

Note 1: If the major shareholder in Table 1 above is a juridical person, the name of the juridical person should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in.

4. Directors' professional knowledge and independence

Conditions / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently serves as an independent director in how many other publicly listed companies:
Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	Graduated from Tulane University with a Master's degree in Business Administration, he is currently the Chairman and CEO of the Company and the Chairman of various companies including Unitech Electronics Co.,Ltd. Chia-Wen possesses at least five years of working experience in business, and the Company's scope of business, with expertise in professional leadership, marketing, operations management and strategic planning. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not a natural person shareholder who holds more than 1% of the total issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (2) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.	None

Dejie Investment Co., Ltd. Representative: Ivan Liu	Graduated from the Institute of Communications Engineering, National Chiao Tung University with a master's degree, and is currently the President of the Company. Ivan has more than five years of experience in business and corporate operations and possesses the ability to manage, lead and make decisions and possesses industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not a natural person shareholder who holds more than 1% of the total issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (2) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (3) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (4) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (6) Not a spouse or relative within two degrees of kinship with other directors.	None

Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Graduated from Columbia University with a master's degree in civil engineering and construction management, he is currently the chief of staff and head of the compensation department of the Company, a director of Unitech Computer Co.,Ltd. and a director of Unitech Electronics Co.,Ltd. He possesses more than five years of experience in finance and related work experience required by the Company, with the ability to provide financial accounting, market analysis and creative leadership. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not a director or supervisor of the Company or its affiliated companies. (2) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (4) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (5) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.	None

Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	Wang Graduated from Tamkang University with a master's degree in management science, he is currently the supervisor of Biofity Pharmaceuticals Co.,Ltd. and the director of Unitech Computer Co.,Ltd. Wang possesses more than five years of experience in finance and related work experience required by the Company, with the ability to perform in business management, financial planning and investment analysis roles. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not an employee of the Company or its affiliated companies. (2) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (3) Not a managerial officer under (1), or a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship of the person under (2) or the director, supervisor. (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (5) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (6) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (7) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (8) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (9) Not a spouse or relative within two degrees of kinship with other directors.	None

Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (7) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (10) No spouse or relative within two degrees of kinship with other directors. (11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.	0
Lin, Ming-Chieh	Lin holds a PhD from the Department of Business Administration of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, an independent director and a member of the Remuneration Committee of C Sun Industrial Co.,Ltd., an independent director and a member of the Remuneration Committee of Chicony Electronics Co., Ltd. Lin has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		2

Ko, Yen Hui	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., Director of Chanitex Education Foundation, independent director of Sanlien Technology Corp., director of CC&C Technologies Inc., and independent director, Level Biotechnology Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		2

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances of independence, including but not limited to whether he or she, his or her spouse or second degree relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him or her, his or her spouse or second degree relatives (or using the names of others); and whether he or she is a director of a company with which the Company has an specific relationship (refer to Article 3, Paragraph 1 Sections 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Please also provide information on the amount of remuneration received for business, legal, financial and accounting services provided by the Company or its affiliates in the last two years.

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's "Code of Corporate Governance Practices", the composition of the Board of Directors should consider diversity and formulate appropriate diversity policies with respect to its operation, business model and development needs, including but not limited to the following two major criteria:

1. Basic requirements and values: gender, age, nationality, etc.
2. Professional knowledge and skills

Board members should generally possess the necessary knowledge, skills and education to perform their duties. In order to achieve the desired goals of corporate governance, the Board of Directors as a whole should possess the following competencies.

(1). Ability to make operational judgments.
(2). Ability to perform accounting and financial analysis.
(3). Ability to conduct management administration.
(4). Ability to conduct crisis management.
(5). Knowledge of the industry.
(6). International market perspective.
(7). Leadership skills.
(8). Ability to make decisions.

Current state of diversity policies:

I. Basic Conditions and Values

Name	Title	Gender and	Age Distribution					Term of office of independent directors	
			31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	Less than 5 years	More than 5 years
Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	Male				✓			
Dejie Investment Co., Ltd. Representative: Ivan Liu	Director	Male			✓				
Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Director	Female	✓						
Dejie Investment Co., Ltd. Corporate representative: Wang, Kuo-Chang	Director	Male			✓				
Jan, Sen	Independent Director	Male			✓				✓
Lin, Ming-Chieh	Independent Director	Male					✓		✓
Ko, Yen Hui	Independent Director	Male				✓		✓	

II. Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Business judgment	Accounting and finance	Management Administration	Crisis Management.	Knowledge of Industry	International market perspective	Leadership skills	Decision-making ability
Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dejie Investment Co., Ltd. Representative: Ivan Liu	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Director		✓		✓		✓	✓	✓	✓	✓	✓
Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Jan, Sen	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ming-Chieh	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ko, Yen Hui	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(2) Independence of the Board of Directors

The Company's current Board of Directors consists of 7 directors, including 3 independent directors, one female director and three directors with employee status (43%, 14% and 43% of all directors, respectively). Among the members of the Board of Directors, the chairman of the Board, Chia-Wen Yeh, and the director, Po-Chun Yeh, are father and daughter. The other five directors are not related to each other as spouses or relatives within the second degree of consanguinity, and therefore comply with the requirements of Item 3 of Article 26-3 of the Securities and Exchange Act.

6. Information on the Company's Directors, Supervisors, President, Vice President(s), Assistant Vice Presidents, and the Supervisors of All the Company's Divisions and Branch Units

April 21, 2023

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	TW	Ivan Liu	Male	2017/07	207,077	0.13%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Executive Vice President, GMI Technology Inc.	None	Assistant Vice President	Liu, Po-Heng	Siblings	None
Finance Division Vice President	TW	Jason Lin	Male	2008/02	189,609	0.12%	0	0	0	0	EMBA, National Chengchi University Finance Manager, Lite-on Semiconductor Corporation	Director, GW Electronics Company Limited Independent Director, Unitech Computer Co.,Ltd. Member of the Remuneration Committee of Unitech Computer Co.,Ltd. Member of the Audit Committee of Unitech Computer Co.,Ltd.	None	None	None	None
Vice President	TW	Chiang, Hung-Hsiang (Note 1)	Male	2021/02	24	0	2,000	0	0	0	Lee-Ming Institute of Technology	None	None	None	None	None
Senior Assistant Vice President	TW	Lin, Mei-Hui	Female	2015/01	33,400	0.02%	981	0	0	0	Department of Economics, Tunghai University Administration Manager, Synnex Technology International	None	None	None	None	None
Senior Assistant Vice President	TW	Li, Yun-Hsiang	Male	2003/04	484,830	0.30%	21,298	0.01%	0	0	Taoyuan Agricultural & Industrial Senior High School Mainland China Sales Manager, Segos Electronics(Hong Kong)Limited	None	None	None	None	None

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Senior Assistant Vice President	TW	Chen, Ching-Hsien	Male	2016/07	13	0	0	0	0	0	EMBA, National Chengchi University Senior Manager, Finance Department, JOinsoon Electronics Mfg. Co.,Ltd.	None	None	None	None	None
Senior Assistant Vice President	TW	Ko, Deng-Chia	Male	2008/04	0	0	0	0	0	0	Lunghwa Junior College of Technology Sales Manager, Li Wei Enterprise Co.,Ltd.	None	None	None	None	None
Assistant Vice President	TW	Cho, Wan-Yu	Female	2019/03	0	0	0	0	0	0	Department of Journalism, Shih Hsin University Sales Director, Evershine Technology Corporation	None	None	None	None	None
Assistant Vice President	TW	Liu, Po-Heng	Male	2019/06	0	0	0	0	0	0	Department of Business Administration, Tamkang University CIO, Huaxin Technology (Jiangxi) Co.,Ltd. Director, Materials, Rayson Technology (Shenzhen) Co.,Ltd. Vice President, GMI (Hong Kong) Co.,Ltd.,GW Electronics (Shenzhen) Limited, GW Electronics (Shanghai) Limited Senior Manager, Kingpak Technology Manager, Zero One Technology Assistant Manager, Kingmax Technology Consultant, Data Systems Consulting Co., Ltd.	None	President	Ivan Liu	Siblings	None
Assistant Vice President	TW	Lai, Chih-Hsuan (Note 2)	Male	2021/02	0	0	0	0	0	0	Tungnan Institute of Technology BD Section Head, Myson Century Inc.	Shandong Wanshunhe Energy Co.,Ltd.	None	None	None	None
Senior Assistant Vice President	TW	Yu, Ming-Che	Male	2021/02	0	0	0	0	0	0	Lien Ho College of Technology and Commerce	None	None	None	None	None

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President	TW	Lin, Hui-Chong	Male	2021/03	30,000	0.02%	0	0	0	0	Department of Economics, Feng Chia University CFO of Wolves Valley Entertainment Co.,Ltd.	None	None	None	None	None
Assistant Vice President	TW	Chien-Hung Lee (Note 3)	Male	2023/3	15,000	0.01%	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology Field Applications Engineer, Chingis Technology Corporation Engineering Manager, Future Electronics Inc. Field Applications Engineer, ASEC International Corporation	None	None	None	None	None
Vice President of Business Development	TW	Bo-Jen Liao (Note 3)	Male	2023/3	369	0	0	0	0	0	Lunghwa Junior College of Technology	None	None	None	None	None

Note 1: Resigned on May 31, 2022.
Note 2: Resigned on Feb 28, 2023.
Note 3: Newly appointed in March 2023.

7. Remuneration of Directors, President, and Vice President

Directors' remuneration (including independent directors) (aggregated disclosure)

Dec 31, 2022
Unit: NT$ '000

Title		Name	Remuneration to Directors								A, B, C and D and their proportion to net income after tax		Related remuneration for part-time employees								A, B, C, D, E, F and G, and their proportion to net income after tax		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company
			Remuneration		Retirement Pension (B)		Directors' remuneration (C)		Operating expenses (D)				Salaries, bonuses and special allowances (E)		Retirement Pension (F)		Employee's compensation (G)						
																	The Company		All companies included in the financial report				
			The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies included in the financial report	
Director	Corporate Director	Dejie Investment Co., Ltd.	-	-	-	-	8,400	8,400	-	-	8,400/ 1.85	8,400/ 1.85	-	-	-	-	-	-	-	-	8,400/ 1.85	8,400/ 1.85	None
	Chairman of the Board	Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	-	-	-	-	-	-	134	134	134/ 0.03	134/ 0.03	21,499	21,499	162	162	650	-	650	-	22,445/4.94	22,445/ 4.94	None
	Director	Dejie Investment Co., Ltd. Representative: Ivan Liu																					

	Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun																					
	Director	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang (Note 1)																					
	Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang (Note 2)																					
Independent Director	Independent Director	Jan, Sen	-	-	-	-	2,600	2,600	115	115	2,715/ 0.60	2,715/ 0.60	-	-	-	-	-	-	-	-	2,715/ 0.60	2,715/ 0.60	None
	Independent Director	Lin, Ming-Chieh																					
	Independent Director	Ko, Yen Hui (Note 2)																					
1. Please describe the policy, system, criteria and structure for the remuneration of independent directors, and the relevance to the amount of compensation paid based on the responsibilities, risks and time commitment:																							
2. Except as disclosed in the above table, the remuneration received by the directors of the Company for services rendered in the most recent fiscal year (such as acting as consultants to non-employees of the parent company/all companies in the financial statements/invested business, etc.):																							

Note 1: Dismissed on June 23, 2022 following a general re-election of directors.
Note 2: Appointed on June 23, 2022 following a general re-election of directors.

Remuneration Pay Scale

Remuneration to each director of the Company	Name of director			
	Remuneration for the first four items (A+B+C+D)		Remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report (H)	The Company	All companies included in the financial report (I)

Below NT$1,000,000.	Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen Dejie Investment Co., Ltd. Representative: Ivan Liu Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang Dejie Investment Co., Ltd. Representative: Po-Chun Yeh Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang, Ko,Yen-Hui	Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen Dejie Investment Co., Ltd. Representative: Ivan Liu Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang Dejie Investment Co., Ltd. Representative: Po-Chun Yeh Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang, Ko,Yen-Hui	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang, Ko,Yen-Hui	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang, Ko,Yen-Hui
NT$ 1,000,000 (inclusive of) - NT$ 2,000,000 (exclusive of)	Sen Jan, Ming-Chieh Lin	Sen Jan, Ming-Chieh Lin	Dejie Investment Co., Ltd. Representative: Po-Chun Yeh, Sen Jan, Ming-Chieh Lin	Dejie Investment Co., Ltd. Representative: Po-Chun Yeh, Sen Jan, Ming-Chieh Lin
NT$ 2,000,000 (inclusive of) - NT$3,500,000 (exclusive of)				
NT$ 3,500,000 (inclusive of) - NT$5,000,000 (exclusive of)				
NT$ 5,000,000 (inclusive of) - NT$10,000,000 (exclusive of)	Dejie Investment Co., Ltd.	Dejie Investment Co., Ltd.	De-Jet Investment Co., Ltd., Representative: Ivan Liu	De-Jet Investment Co., Ltd., Representative: Ivan Liu
NT$ 10,000,000 (inclusive of) - NT$15,000,000 (exclusive of)			Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen	Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen
NT$ 15,000,000 (inclusive of) - NT$30,000,000 (exclusive of)				
NT$ 30,000,000 (inclusive of) - NT$50,000,000 (exclusive of)				
NT$ 50,000,000 (inclusive of) - NT$100,000,000 (exclusive of)				
NT$100,000,000 or more				
Total	9	9	9	9

Directors' remuneration (including independent directors) (individual disclosure)

April 2022 - December 2022
Unit: NT$ ‘000

Title		Name	Remuneration to Directors: Remuneration (A) – The Company	Remuneration (A) – All companies included in the financial report	Retirement Pension (B) – The Company	Retirement Pension (B) – All companies included in the financial report	Directors’ remuneration (C) – The Company	Directors’ remuneration (C) – All companies included in the financial report	Operating expenses (D) – The Company	Operating expenses (D) – All companies included in the financial report	A, B, C and D and their proportion to net income after tax – The Company	A, B, C and D and their proportion to net income after tax – All companies included in the financial report	Related remuneration for part-time employees: Salaries, bonuses and special allowances (E) – The Company	Salaries, bonuses and special allowances (E) – All companies included in the financial report	Retirement Pension (F) – The Company	Retirement Pension (F) – All companies included in the financial report	Employee’s compensation (G) – The Company – Cash amount	Employee’s compensation (G) – The Company – Stock amount	Employee’s compensation (G) – All companies included in the financial report – Cash amount	Employee’s compensation (G) – All companies included in the financial report – Stock amount	A, B, C, D, E, F and G, and their proportion to net income after tax – The Company	A, B, C, D, E, F and G, and their proportion to net income after tax – All companies included in the financial report	Remuneration received from a reinvested business other than the Company’s subsidiary or from the parent company
Director	Chairman of the Board	Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh											4,250	4,250									None
Director	Director	Dejie Investment Co., Ltd. Representative: Ivan Liu											2,785	2,785	81	81	650	-	650	-			None

	Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun											572	572	42	42							
	Director	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang (Note 1)											0	0	0	0							
	Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang (Note 2)											0	0	0	0							

1. If the average pledge ratio of directors or supervisors for any three months of the most recent year is greater than 50%, the remuneration of the individual directors or supervisors whose pledge ratio is greater than 50% for each such month be disclosed.

Note 1: Discharged after re-election on June 23, 2022

Note 2: Appointed after re-election on June 23, 2022

Remuneration Pay Scale

Remuneration pay scale for each president and vice president(s) of the Company	Name of the President and Vice President(s)	
	The Company	All companies included in the financial report€
Below NT$1,000,000.		
NT$ 1,000,000 (inclusive of) - NT$ 2,000,000 (exclusive of)		
NT$ 2,000,000 (inclusive of) - NT$3,500,000 (exclusive of)	Chiang, Hung-Hsiang; Jason Lin	Chiang, Hung-Hsiang; Jason Lin
NT$ 3,500,000 (inclusive of) - NT$5,000,000 (exclusive of)		
NT$ 5,000,000 (inclusive of) - NT$10,000,000 (exclusive of)	Ivan Liu	Ivan Liu
NT$ 10,000,000 (inclusive of) - NT$15,000,000 (exclusive of)	Yeh, Chia-Wen	Yeh, Chia-Wen
NT$ 15,000,000 (inclusive of) - NT$30,000,000 (exclusive of)		
NT$ 30,000,000 (inclusive of) - NT$50,000,000 (exclusive of)		
NT$ 50,000,000 (inclusive of) - NT$100,000,000 (exclusive of)		
NT$100,000,000 or more		
Total	4	4

(4) Remuneration of the top five highest paid executives of listed companies

Dec 31, 2022

Unit: NT$ ‘000

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Retirement Pension (B)</th><th colspan="2">Bonuses and special allowances (C)</th><th colspan="4">Employee compensation amount(D)</th><th colspan="2">A, B, C and D and their proportion to net income after tax (%)</th><th rowspan="3">Remuneration received from a reinvested business other than the Company’s subsidiary or from the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial report</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial report</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial report</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial report</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial report</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>CEO</td><td>Yeh, Chia-Wen</td><td rowspan="5">14,712</td><td rowspan="5">14,712</td><td rowspan="5">351</td><td rowspan="5">351</td><td rowspan="5">11,637</td><td rowspan="5">11,637</td><td rowspan="5">650</td><td rowspan="5"></td><td rowspan="5">650</td><td rowspan="5">-</td><td rowspan="5">27,350/ 6.02</td><td rowspan="5">27,350/ 6.02</td><td rowspan="5">None</td></tr>
<tr><td>President</td><td>Ivan Liu</td></tr>
<tr><td>Vice President</td><td>Jason Lin</td></tr>
<tr><td>Vice President</td><td>Chiang, Hung-Hsiang (Note 1)</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Li, Yun-Hsiang</td></tr>
</table>

Note 1: Resigned on May 31, 2022

(5) Name of the manager who distributes employee compensation and the circumstances of the distribution:

Dec 31, 2022

	Title	Name	Stock amount	Cash amount	Total	Total to net income after tax (%)
Managerial Officers	President	Ivan Liu	-	650	650	0.14%
	Vice President	Jason Lin				
	Vice President	Chiang, Hung-Hsiang (Note 1)				
	Senior Assistant Vice President	Li, Yun-Hsiang				
	Senior Assistant Vice President	Lin, Mei-Hui				
	Senior Assistant Vice President	Ko, Deng-Chia				
	Assistant Vice President	Chen, Ching-Hsien				
	Assistant Vice President	Cho, Wan-Yu				
	Assistant Vice President	Liu, Po-Heng				
	Assistant Vice President	Yu, Ming-Che				
	Assistant Vice President	Lai, Chih-Hsuan				
	Assistant Vice President	Lin, Hui-Chong				

Note 1: Resigned on May 31, 2022

(6) Amount paid by the Company and all companies in the consolidated financial statements to the directors, supervisors, president and vice presidents of the Company over the last two fiscal years. An analysis of total managerial remuneration as a percentage of net income after tax on an individual or individual financial report and a description of the policy for the payment of remuneration, and a description of the policy, criteria and mix of compensation payments, the process for setting compensation, and the relationship to operating performance and future risks.

Title	2021 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.	2022 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.
Director	7.46%	8.06%
Supervisors		
President and Vice President(s)		

The remuneration policy for directors and supervisors is set forth in the Company's Articles of Incorporation and approved by the shareholders' meeting; the remuneration for the president and vice president is based on performance and the Company's salary system.

3. State of the Company's implementation of corporate governance:

(1) State of operations of the Board of Directors

The 11th Term Board of Directors of the Company was re-elected at the shareholders' meeting on June 23, 2022. The Board of Directors is responsible for setting and monitoring the Company's long-, medium- and short-term operational goals and improving operational performance, providing strategic guidance to the management team and supervising the Company's compliance with various laws and regulations to ensure the rights and interests of shareholders and stakeholders.

The Board of Directors met 7 times in FY2022 (A) and the attendance of directors were as follows:

Title	Name	Actual number of attendance [B]	Number of Attendance by proxy	Actual attendance rate (%) [B/A]	Remark
Chairman of the Board	Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	7	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Ivan Liu	7	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang	3	0	100%	Director Bai, Chieh-Liang retired on 2022/6/23 and attended 3 board meetings during his term of office, and Director Wang, Kuo-Chang was newly appointed on 2022/6/23 and attended 4 times during his term of office, amounting to a total of 7 times attendance for both directors.
Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	4	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	7	0	100%	
Independent Director	Jan, Sen	7	0	100%	
Independent Director	Lin, Ming-Chieh	7	0	100%	
Independent Director	Ko, Yen Hui	4	0	100%	Newly appointed on 2022/06/23. 4 board meetings were held during the new term, among which he attended 4 times.

Attendance status of independent directors at each board meeting in 2022 ◎: Attended in person; ☆: Attended by proxy; *: Did not attend

FY2022	Jan 11	Mar 24	May 10	Jun 23	Jul 1	Nov 8
Jan, Sen	◎	◎	◎	◎	◎	◎
Lin, Ming-Chieh	◎	◎	◎	◎	◎	◎
Ko, Yen Hui	-	-	-	◎	◎	◎

Other matters to be recorded:

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

Date of the Meeting	Contents of the motion	Opinions of independent directors and the Company's handling of the opinions of independent directors
10th Session 14th Meeting 2022/1/11	1. Approved the appointment of members of the Company's Remuneration Committee. 2. Approved the indirect investment in Dexuan Investment Co., Ltd. through an overseas subsidiary, G.M.I Technology (BVI) Co.,Ltd. 3. Approved the proposed investment in Shandong Wanshunhe Energy Co.,Ltd. 4. Approved the payment of year-end bonus to the Company's managers for FY2021. 5. Approved the annual salary adjustment of the Company's managers in FY2022.	None
10th Session 15th Meeting 2022/03/24	1. Approved the Company's 2022 Business Plan 2. Approved the Company's financial statements for FY2021. 3. Approved the distribution of remuneration to directors, supervisors and employees for FY2021. 4. Approved the amendment of certain provisions of the Company's "Articles of Incorporation". 5. Approved the amendment of certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings". 6. Approved the creation of the position of Chief of Staff of the Company. 7. Approved the Company’s issuance of new shares for capital increase in cash. 8. Approved the amendment of certain provisions of the "Procedures for the Acquisition or Disposal of Assets" of the Company. 9. Approved the re-election of the Company's directors. 10. Approved the acceptance of proposals from more than one percent of the shareholders. 11. Approved the acceptance of nominations for Board directors by more than 1% of the shareholders.	None

		12. Approved the release of directors from non-compete agreements and restrictions. 13. Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2021 14. Approved the date, place, and agenda of the 2022 Annual General Meeting of Shareholders		
	10th Session 16th Meeting 2022/5/10	1. Approved the proposal for the distribution of FY2021 earnings. 2.Approved the plan of greenhouse inspection and inspection schedule. 3. Approved the proposed change of spokesperson of the Company. 4. Approved the nomination of candidates for election as directors (including independent directors) in FY2022.	None	
	11th Term 1st Meeting 2022/6/23	1. Election of the Chairman 2. Approved the appointment of members of the Company's Remuneration Committee.	None	
	11th Term 2nd Meeting 2022/7/1	1. Approved the ex-dividend basis for FY2022 cash dividends and related matters. 2. Through a follow-on offering, managerial officers of the Company (including the President) subscribed for the number of shares through the cash capital increase. 3. Approved the issuance price of the FY2022 cash capital increase, the related base date, and the salary expense recognition of employee stock options.	None	
	11th Term 3rd Meeting 2022/8/9	1. Approved the Company's consolidated financial statements for the 2nd quarter of 2022. 2. Approved the amendment of the Company's "Procedures for the Prevention of Insider Trading". 3. Approved the "Risk Management Regulations" established by the Company. 4. Approve the establishment of the "Chief Corporate Governance Officer" of the Company.	None	
	11th Term 4th Meeting 2022/11/8	1. Approved the consolidated financial statements for the third quarter of 2022. 2. Approved the proposed amendments to certain provisions of the Company's "Rules of Procedures of Board of Directors Meetings". 3. Approved the plan to improve the Company's financial report preparation capability. 4. Approved the proposed amendments to certain provisions of the Company's "Procedures for the Preparation of Financial Statements". 5. Approved the proposed amendments to the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" of the Company. 6. Approved the proposed "Code of Corporate Sustainability Best	None	

		Practices". 7. Approved the establishment of the Company's Sustainable Development Committee and the formulation of the "Organizational Procedures of the Sustainable Development Committee". 8. Approved the proposed disposal of the Company's investment in GMI Yongda Electronics (Shenzhen) Limited through a third party. 9. Approved the proposal to establish the general principles of the Company's pre-approved non-assurance service policy. 10. Approved the proposed amendments to the "Internal Control System - Procurement Cycle" section of the Company. 11. Approved amendments to certain provisions of the "Accounting System" of the Company. 12. Approved amendments to certain provisions of the "Procedures for Handling Material Internal Information" of the Company. 13. Approved to revise the proposed "Audit Plan" of the Company for FY2023, which has been duly finalized.	

(2) Other matters resolved by the Board of Directors with the objection or reservation of the independent directors and recorded or stated in writing: None

(3) Whether the Company has established an information security risk management framework, formulated an information security policy and specific management plans, and disclosed them on the Company's website or in the annual report: The information security risk management policy is disclosed on the Company's official website and on page 125 of the annual report.

2. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

3. Listed companies should disclose information on the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors:

Nature	Cycle of evaluation	Period of evaluation	Scope of evaluation	Evaluation method	Content of evaluation
Board of Directors	Once a year	2022/01/01 - 2022/12/31	Board of Directors and individual directors	Internal self-assessment by the Board and self-assessment by the Board members	The performance of the Company's Board of Directors is evaluated in the following five major aspects: 1. Participation in the operation of the Company 2. Improvement of the quality of board decisions 3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal Control The self-evaluation of the board members includes the following six major aspects: 1. Mastery of the Company's

					objectives and tasks 2. Directors' awareness of their responsibilities 3. Participation in Company operations 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Audit Committee	Once a year	2022/01/01 - 2022/12/31	Audit Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Audit Committee includes the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the Audit Committee's responsibilities 3. Improving the quality of the Audit Committee's decision making 4. Composition and selection of audit committee members 5. Internal Control
Remuneration Committee	Once a year	2022/01/01 - 2022/12/31	Remuneration Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Remuneration Committee and the performance evaluation of the members include the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the responsibilities of the functional committee 3. Improving the quality of functional committee decisions 4. Composition and selection of functional committee members 5. Internal Control

4. Assessment of the current and most recent year's goals for strengthening the Board of Directors' functions (e.g., establishing an Audit Committee, enhancing information transparency, etc.) and the status of their implementation: The Company completed the performance evaluation of the Board of Directors and functional committees (Audit Committee and Remuneration Committee) for 2022 in 2023, and reported the performance evaluation results to the Audit Committee, Remuneration Committee and Board of Directors respectively, in order to implement corporate governance and strengthen the effectiveness of the Board of Directors' operations.

(2) State of operations of the Audit Committee:

1. The 11 th session of the Board of Directors of the Company has three independent directors. The Audit Committee is composed of all independent directors and the first Audit Committee is chaired and convened by Mr. Sen Jan. The Audit Committee aims to further establish a good corporate governance system, improve the audit supervision function and strengthen the management function.
2. The main work of the Audit Committee for 2022 is as follows:

(1) Fair presentation of the Company's financial statements.

(2) The selection (dismissal) and independence and performance of the certified public accountants.

(3) The effective implementation of the Company's internal control system.

(4) The Company's compliance with relevant laws and regulations.

(5) The control of the Company's existing or potential risks.

The Audit Committee met five times in FY2022 (A), and attendance records are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Jan, Sen	5	0	100%	
Independent Director	Lin, Ming-Chieh	5	0	100%	
Independent Director	Ko, Yen Hui	2	0	100%	Newly appointed on 2022/06/23. 2 Audit Committee meetings were held during the new term, among which he attended 2 times.

Other matters to be recorded:
I. If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Board of Directors' meeting, the content of the motion, the results of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinions.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date of the Audit Committee	Contents of the Motion and Corresponding Resolution
1st Session 13th Meeting 2022/1/11	Motion: ◎ Approved the indirect investment in Dexuan Investment Co., Ltd. through an overseas subsidiary, G.M.I Technology (BVI) Co.,Ltd. ◎ Approved the proposed investment in Shandong Wanshunhe Energy Co.,Ltd.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
1st Session 14th Meeting 2022/3/24	Motion: ◎ Approved the Company's FY2021 annual financial statements. ◎ Approved the amendment of certain provisions of the Company's Articles of Incorporation. ◎ Approved the amendment of certain provisions of the Company's "Rules of Procedure of the Shareholders' Meeting". ◎ Approved the amendment of the Company's cash capital increase and issuance of new shares. ◎ Approved the amendment of the Company's "Procedures for the Acquisition or Disposal of Assets". ◎ Approved the re-election of the Company's directors. ◎ Approved the motion to release directors from non-compete agreements and restrictions. ◎ Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for FY2021.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
1st Session 15th Meeting 2022/5/10	Motion: ◎ Approved the appropriation of the Company's FY2021 earnings. ◎ To approve the Company's consolidated financial statements for the first quarter of 2022.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd Term 1st Meeting 2022/8/9	Motion: ◎ Approved the Company's consolidated financial statements for the second quarter of FY2022. ◎ Approved the amendment of the Company's "Procedures for the Prevention of Insider Trading".

		◎ Approved the "Risk Management Regulations" established by the Company.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
	2nd Term 1st Meeting 2022/11/8	Motion: Approved the Company's consolidated financial statements for the third quarter of FY2022. ◎ Approved amendments to certain provisions of the Company's "Regulations Governing the Conduct of Board Meetings". ◎ Approved the plan to improve the Company's financial report preparation capability. ◎ Approved amendments to certain provisions of the "Procedures for Management of Financial Statement Preparation Process". ◎ Approved the amendment of some provisions of the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" of the Company. ◎ Approved the proposed disposal of the Company's investment in GMI Yongda Electronics (Shenzhen) Limited through a third party. ◎ Approved the proposal to establish the general principles of the Company's pre-approved non-assurance service policy. ◎ Approved amendments to certain provisions of the Company's "Internal Control System - Procurement Cycle". ◎ Approved amendments to certain provisions of the Company's "Accounting System". ◎ Approved amendments to certain provisions of the "Procedures for Handling Material Internal Information". ◎ The Company's audit plan for FY2023 was approved, which has been duly finalized.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.

(2) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

II. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

III. Communication between the independent directors and the internal auditors and the attesting CPAs (including the material issues, methods and results of communication regarding the Company's financial and business conditions):

(1) Communication with internal auditors:

Date	Communication items	Communication results
2022.3.24 Audit Committee	Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2022	1.Agreed to engage in the matter 2. Approved and submitted to the Board of Directors for resolution
2022.11.8 Audit	1. Approved the amendment of certain provisions of the Company's "Internal Control System -	1.Agreed to engage in the matter 2.To approve and submit to the Board

Committee	Procurement Cycle". 2. Approved the "Audit Plan" of the Company for FY2023	of Directors for resolution

(2) Communication with the CPA:

Date	Communication items	Communication results
2022.3.24 Audit Committee	Please describe the findings and results of the audit of the consolidated and parent company only financial statements for FY2021 and to communicate the key audit matters.	1.Agreed to engage in the matter 2.To approve and submit to the Board of Directors
2022.5.10 Audit Committee	Present the findings and results of the review of the consolidated financial statements for the 1st quarter of FY2022.	1.Agreed to engage in the matter 2.To approve and submit to the Board of Directors
2022.8.9 Audit Committee	Present the findings and results of the review of the consolidated financial statements for the 1st quarter of FY2022.	1.Agreed to engage in the matter 2.To approve and submit to the Board of Directors
2022.11.08 Audit Committee	Present the findings and results of the review of the consolidated financial statements for the 3rd quarter of FY2022.	1.Agreed to engage in the matter 2.To approve and submit to the Board of Directors

(3) Operation of the Company's Sustainable Development Committee:

1. The Company's Sustainable Development Committee is a functional committee under the Board of Directors, and is comprised of three members. On 2022/11/08, the Board of Directors resolved to appoint three independent directors (Jan,Sen; Lin, Ming-Ji; and Ko, Yen-Hui) to form the first Sustainable Development Committee, with independent director Ko, Yen-Hui serving as the convenor and chairman.
2. The Company's Sustainable Development Committee is responsible for the following:
   (1) Propose a mission or vision for sustainable development and formulate policies, systems or related management guidelines for sustainable development.
   (2) Incorporate sustainable development into the Company's operational activities and development direction, and approve specific promotion plans for sustainable development.
   (3) Ensure that information related to sustainable development is disclosed in a timely and accurate manner.
   (4) Other matters resolved by the Board of Directors and handled by the Committee.

The Audit Committee met <u>one</u> time in FY2022 (A), and attendance records are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Ko, Yen Hui	1	0	100%	
Independent Director	Jan, Sen	1	0	100%	
Independent Director	Lin, Ming-Chieh	1	0	100%	

Other matters to be recorded: The Sustainable Development Committee held its first meeting on December 19, 2022, at which the management department presented a report to the Sustainable Development Committee on the Company's corporate sustainability management policy and steps for corporate sustainability management.

(4) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance.

Evaluation Items	Operation			Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
	Yes	No	Summary Description	
1. Has the Company established and disclosed the Code of Corporate Governance Practices in accordance with the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*?	V		The Code of Corporate Governance Practices was approved by the Board of Directors on March 26, 2020, and is available on the Market Observation Post System and the Company's website http://www.gmitec.com for download.	There is no material difference.
2. Shareholding structure and shareholders' rights (1) Has the Company established internal procedures to handle shareholders' proposals, questions, disputes and litigation matters, and implemented them in accordance with the procedures?	V		In addition, the Company has set up a spokesperson, a proxy spokesperson and a stockholder affairs unit to handle shareholders' proposals and share-related matters through its agent. In addition, a stakeholder zone and a shareholder contact window have been set up on the Company's website for shareholders/investors to make suggestions or ask questions.	There is no material difference.
(2) Does the Company have a list of the major shareholders and	V		The Company has a shareholder's register provided by the stock affairs agent and has dedicated staff to compile a list of past shareholders, to keep track of	There is no material difference.

Evaluation Items	Operation			Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
	Yes	No	Summary Description	
ultimate controllers of the major shareholders who actually control the company?			major shareholders and their ultimate controllers, and to monitor changes in shareholdings.	
(3) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	V		The Company has established the "Regulations Governing the Supervision of Subsidiaries" and the "Regulations Governing the Intercompany Financial Operations of Affiliated Companies" in its internal control system in accordance with the law, and has clearly delineated the authority and responsibility for the management of each company's personnel and property.	There is no material difference.
(4) Has the Company established internal regulations to prohibit insiders from trading marketable securities using undisclosed information in the market?	V		The Company has established regulations such as "Regulations on the Prevention of Insider Trading" and "Procedures for Handling Material Internal Information", and the relevant personnel are not allowed to use the non-public information they know to engage in insider trading or disclose it to others in order to prevent others from using the non-public information to engage in insider trading. In addition, on August 9, 2022, the Board of Directors approved an amendment to the "Regulations Governing the Prevention of Insider Trading" to prohibit directors from trading in the Company's shares during the closed book period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.	There is no material difference.

<table>
<tr>
<td>3. Composition and Responsibilities of the Board of Directors
(1) Has the Board of Directors formulated diversity policies, specific management objectives and implemented them?</td>
<td>V</td>
<td></td>
<td>The diversity policy and implementation of the Board of Directors are as follows.
1. The Company has formulated a policy on diversity of board structure in the "Code of Corporate Governance Practices", which includes the following two major aspects:
(1) Basic criteria and values: gender, age, nationality and culture, etc.
(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

2. The Board of Directors as a whole should possess the following competencies.
(1) Business judgment.
(2) Accounting and financial analysis skills.
(3) Business management skills.
(4) Crisis management ability.
(5) Industry knowledge.
(6) International market perspective.
(7) Leadership skills.
(8) Decision-making ability.

3. The Company’s Board of Directors were fully re-elected at the General]Meeting of Shareholders on June 23, 2022. The Company's current Board of Directors consists of seven directors, including three independent directors, one female director and three directors with employee status (43%, 14% and 43% of all directors, respectively).
The specific management objectives of the Board's composition diversity policy and their achievement are as follows:
<table>
<tr><th>Diversity management objectives</th><th>Status of achievement</th></tr>
<tr><td>3 independent directors</td><td>Achieved</td></tr>
</table>
</td>
<td>There is no material difference.</td>
</tr>
</table>

1 female Director	Achieved
Adequate diversity of expertise and skills and professional background	Achieved

4. The diversity policy and implementation of the Board of Directors are as follows:

(1) Basic Conditions and Values:

Name	Title	Nationality	Gender and	Concurrently an employee of the Company	Age Distribution				Term of office of independent directors			
					31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	9 years or more
Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	Taiwan (R.O.C.)	Male	✓				✓				
Dejie Investment Co., Ltd. Representative: Ivan Liu	Director	Taiwan (R.O.C.)	Male	✓			✓					
Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Director	Taiwan (R.O.C.)	Female	✓	✓							

Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	Director	Taiwan (R.O.C.)	Male				✓					
Jan, Sen	Independent Director	Taiwan (R.O.C.)	Male				✓					✓
Lin, Ming-Chieh	Independent Director	Taiwan (R.O.C.)	Male						✓		✓	
Ko, Yen Hui	Independent Director	Taiwan (R.O.C.)	Male					✓		✓		

(2) Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Business	Accounting	Management	Crisis Management.	Knowledge of	International	Leadership	Decision-
Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dejie Investment Co., Ltd.	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

Representative: Ivan Liu												
Dejie Investment Co. , Ltd. Representative: Yeh, Po-Chun	Director		✓		✓		✓	✓	✓	✓	✓	✓
Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Jan, Sen	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ming-Chieh	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ko, Yen Hui	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(2) Has the Company voluntarily established various functional committees other than the Compensation and Audit Committee in accordance with the law?	V		In addition to the Remuneration Committee established on December 7, 2011 and the Audit Committee established after the shareholders' meeting in 2019, the Company established the Sustainable Development Committee on November 8, 2022 by resolution of the Board of Directors, consisting of three independent directors, with Ko, Yen Hui, an independent director, serving as the convener and chairperson.	There is no material difference.
(3) Has the Company established a method for evaluating the performance of the Board of	V		On March 26, 2020, the Board of Directors resolved to establish the "Performance Evaluation Method for the Board of Directors and Functional Committees", which includes the evaluation of the performance of the entire	There is no material difference.

Directors and the method of evaluation, and conducts performance evaluation annually and regularly, and reports the results of performance evaluation to the Board of Directors and uses them as a reference for individual directors' salary compensation and nomination for reappointment?			Board of Directors, individual board members and functional committees. The Company has duly completed the performance evaluation of the Board of Directors, the Audit Committee and the Remuneration Committee for the period from January 1, 2022 to December 31, 2022, and will use the results as a reference for the future selection or nomination of directors and the remuneration of individual directors. In 2022, the Company commissioned the Taiwan Corporate Governance Association to conduct an evaluation of the performance of the Board of Directors from November 1, 2021 to October 31, 2022. The association and its executive experts had no business dealings with the Company. The results of the evaluation were issued on December 28, 2022, and the Company reported the results to the Board of Directors on May 9, 2023 and sought improvements.	
(4) Does the Company regularly evaluate the independence of the attesting CPAs?	V		The Company's Audit Committee periodically evaluates the independence and suitability of the attesting CPAs to which they belong. In addition to requesting the CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)," the Company's Audit Committee also evaluates the independence criteria and 13 AQIs in accordance with Note 1. After confirming that the CPAs have no financial interest or business relationship with the Company other than the fees for financial and tax audit cases, and that the CPAs' family members do not violate the independence requirements, and referring to the AQI indicators, we confirmed that the accountants and the firm are better than the industry average in terms of professional support and engagement quality control review (EQCR), and we have also adopted a digital audit platform and developed audit analysis tools and software to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the Audit Committee on March 28, 2023, and were presented to the Board of Directors on March 28, 2023, for approval of the evaluation of the independence and appropriateness of the CPAs.	There is no material difference.

<table>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr>
<td>4. Does the Company have a suitable and appropriate number of qualified corporate governance personnel
and has the Company designated 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 meetings and</td>
<td>V</td>
<td></td>
<td>Note 1: Evaluation standards for the independence of CPAs.
<table>
<tr><th>Item</th><th>Evaluation indicators</th><th>Yes</th><th>No</th></tr>
<tr><td>1.</td><td>As of the latest audit, no CPAs have been changed in 7 years.</td><td>V</td><td></td></tr>
<tr><td>2</td><td>No significant property interests with the principal.</td><td>V</td><td></td></tr>
<tr><td>3</td><td>Avoid any inappropriate relationship with the commissioning party.</td><td>V</td><td></td></tr>
<tr><td>4</td><td>CPAs should ensure the integrity, impartiality and independence of their associates.</td><td>V</td><td></td></tr>
<tr><td>5</td><td>No audit can be conduced on organizations where the CPA had previously been employed within the past two years.</td><td>V</td><td></td></tr>
<tr><td>6</td><td>The name of the attesting CPA shall not be used by others.</td><td>V</td><td></td></tr>
<tr><td>7</td><td>The attesting CPA does not own shares of the Company or its affiliated companies.</td><td>V</td><td></td></tr>
<tr><td>8</td><td>The attesting CPA does not have any monetary borrowing with the Company's affiliates.</td><td>V</td><td></td></tr>
<tr><td>9</td><td>The attesting CPA has no joint investment or benefit-sharing relationship with the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>10</td><td>The attesting CPA is not engaged in regular work and does not receive a fixed salary from the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>11</td><td>The attesting CPA is not involved in the management function or decision-making function of the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>12</td><td>The attesting CPA does not engage in any other business that may compromise his or her independence.</td><td>V</td><td></td></tr>
<tr><td>13</td><td>The attesting CPA is not related to the Company's management by marriage, blood, or within the second degree of kinship.</td><td>V</td><td></td></tr>
<tr><td>14</td><td>The attesting CPA does not receive any commission in connection with the business.</td><td>V</td><td></td></tr>
<tr><td>15</td><td>Up to now, no disciplinary action has been taken or the principle of independence has been compromised.</td><td>V</td><td></td></tr>
</table>

In order to implement corporate governance, safeguard shareholders' rights and interests, and strengthen the functions of the Board of Directors, the Board of Directors resolved on August 9, 2022 to appoint Mr. Jason Lin, Vice President of Finance, as the Chief Corporate Governance Officer. Mr. Jason Lin is also concurrently the spokesperson of the Company and has more than 10 years of experience in the management of finance, stock affairs or business affairs of listed companies.
The terms of reference of the Chief Corporate Governance Officer are as follows:</td>
<td>There is no material difference.</td>
</tr>
</table>

shareholders' meetings in accordance with the law, and preparing minutes of board meetings and shareholders' meetings, etc.)?			1. Conduct meetings of the board of directors and shareholders' meetings in accordance with the law. 2. Prepare minutes of board meetings and shareholders' meetings. 3. Assist directors in their appointment and continuing education. 4. Provide information necessary for directors to carry out their business. 5. Assist directors in complying with laws and regulations.	
			6. Other matters in accordance with the Company's articles of incorporation or contract. The following is a list of the 18 hours of training for the Chief Corporate Governance Officer in FY2022:	

Date of study	Organizer	Course Name	Study hours
2022.09.16	Securities and Futures Institute	Advanced Seminar on Directors' and Supervisors' (including Independent Directors) and Heads of Corporate Governance Practices - Circular Economy Benefits and Business Models	3 hours
2022.10.04	Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Executives - Challenges and Opportunities of Sustainable Development Roadmap and Introduction to GHG Inventory	3 hours
2022.10.04	Securities and Futures Institute	Advanced Seminar on Corporate Governance Practices for Directors and Supervisors (including Independent Directors) and Heads of Corporate Governance - How Directors and Supervisors should Supervise	3 hours

			<table><tr><td></td><td></td><td>Corporate Risk Management and Crisis Management</td><td></td></tr><tr><td>2022.10.11</td><td>Taiwan Stock Exchange Corporation, Taipei Exchange</td><td>2022 Listed Companies - Release of Reference Guidelines for Independent Directors and Audit Committees and Briefing for Directors and Supervisors</td><td>3 hours</td></tr><tr><td>2022.10.20</td><td>Taiwan Investor Relations Institute</td><td>Global Net-Zero Carbon Emission Trends and Corporate Responses</td><td>3 hours</td></tr><tr><td>2022.11.04</td><td>Taiwan Investor Relations Institute</td><td>ESG Development Trends and Digital Response Strategies</td><td>3 hours</td></tr></table>	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder area on the Company's website, and appropriately respond to important CSR issues of concern to stakeholders?	V		The Company has set up a stakeholder area on its website and provided contact information to respond appropriately to the issues of concern to stakeholders, and the communication channel is smooth. In FY2022, communication with stakeholders was as follows: 1. The "News Center" made 36 monthly announcements on the status of operations, legal meetings, financial reports, important resolutions of the board of directors/shareholders' meetings, and online news reports. 2. The "Market Observation Post System" announced the dividend payment, information of the legal meeting, financial report announcement, important resolutions of the board of directors/shareholders' meeting and other material information 31 times.	There is no material difference.
6. Has the Company appointed a professional stock transfer agent ?	V		The Company has appointed the Registrar Agency Department of Capital Securities Corporation to handle stock affairs of shareholders.	There is no material difference.

7. Information Disclosure (1) Has the company set up a website to disclose financial operations and corporate governance information?	V		The Company has set up a website (www.gmitec.com) to disclose financial and corporate governance information and update it from time to time for investors' reference.	There is no material difference.
(2) Has the Company adopted other means of information disclosure (e.g., setting up an English website, designating a person responsible for the collection and disclosure of corporate information, implementing a spokesperson system, and placing the proceedings of corporate meetings on the Company's website)?	V		The Company has set up a trilingual website in traditional Chinese, simplified Chinese and English, and provides a dedicated email address for related businesses. The Company has also established a "Procedures for Handling Material Internal Information" and has established a good mechanism for handling and disclosing material internal information, and has implemented a spokesperson system. In addition to announcing monthly consolidated revenue, the Company holds regular corporate meetings and discloses them on the Company's website to enhance the transparency of the Company's information.	There is no material difference.
(3) Does the Company announce and report its annual financial statements within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial statements and operations for each month well in advance of the prescribed deadline?		V	The Company announces and reports its annual financial report, first, second and third quarter financial reports, and monthly operations by the prescribed deadline.	The implementation will depend on the actual operation of the Company.

Is there any other important information that can help to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	V		1. Employee rights and benefits: The Company safeguards the legal rights and benefits of employees in accordance with the Labor Standards Law. 2. Employee care: In addition to the regulations of the law, the Company has established good welfare measures, employee education and training, and a retirement system to establish a good relationship of mutual trust and dependence with employees. 3. Investor relations: The Company regularly announces various financial information. 4. Supplier relationships: The Company maintains good supply and demand relationships with its suppliers. 5. Stakeholders' rights: Stakeholders are encouraged to provide opinions and communicate with the Company as required by law, and to make reference to the appropriate items in the future development of the Company's work. 6. Directors and Supervisors' Continuing Education: The Company's directors are required by law to pursue continuing education as listed below, and to report the circumstances of their continuing education on the Market Observation Post System.	There is no material difference.

Title	Name	Date of study	Organizer	Course Name	Study hours
Corporate Director Representative	Yeh, Chia-Wen	2022/11/24	Securities and Futures Institute	Introduction to Corporate Governance Disputes and Commercial Case Adjudication Act	3
		2022/11/18	Securities and Futures Institute	Early Warning and Type Analysis of Corporate Financial Crisis	3
Corporate Director Representative	Ivan Liu	2022/06/29	Taiwan Corporate Governance Association	Face to Face with CFC - Response Measures Part I: Know Yourself and Others	3
		2022/06/22	Taiwan Corporate Governance Association	2022 Global Trends and Opportunities for Low Carbon Economy and Corporate Low Carbon Emissions Innovation	3
Corporate Director Representative	Yeh, Po-Chun	2022/11/22	Taiwan Corporate Governance Association	Corporate Social Responsibility - Corporate Governance from the Perspective of Human Rights Policy	3
		2022/11/15	Taiwan Corporate Governance Association	Analysis of Management Rights Competition and Prevention Strategies	3
Corporate Director Representative	Wang, Kuo-Chang	2022/11/04	Taiwan Investor Relations Institute	ESG Development Trends and Digital Response Strategies	3
		2022/10/07	Taiwan Investor Relations Institute	Global Net-Zero Carbon Emission Trends and Corporate Responses	3
Independent Director	Jan, Sen	2022/11/23	Securities and Futures Institute	The Latest Trend of International Carbon Tariffs and Response Strategies	3
		2022/10/05	Securities and Futures Institute	The Future of Metaverse and Cryptocurrency Blockchain	3
Independent Director	Lin, Ming-Chieh	2022/09/08	Taiwan Corporate Governance Association	Practical Issues of Irregular Transactions That Should Be Noted by Directors (Part 1)	3
		2022/09/08	Taiwan Corporate Governance Association	Practical Issues of Irregular Transactions That Should Be Noted by Directors (Part 2)	3
Independent Director	Ko, Yen Hui	2022/08/02	Securities and Futures Institute	Technology Development and Business Opportunities for Electric Vehicles and Smart Vehicles	3
		2022/02/25	Securities and Futures Institute	Early Warning and Type Analysis of Corporate Financial Crisis	3
		2022/02/17	Securities and Futures Institute	Key Technology and Business Opportunities of Quantum Technology	3

	7. Implementation of risk management policies and risk measurement standards: The Company has established an internal control system in accordance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies*, and has effectively implemented and regularly revised the system to reduce the risks of the Company's operations. 8. Implementation of customer policies: The Company has established customer credit limit control rules and maintains good relationships with customers to generate company profits and control risks. 9. Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for its directors and key managerial officers and reported the insurance coverage on the Market Observation Post System.

9. Please provide information on the results of the corporate governance assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the latest fiscal year, and propose priority areas for improvement.

Improvements made:

1. The Company has established a non-statutory functional committee, the Sustainable Development Committee.
2. The Company has established a Chief Corporate Governance Officer.
3. The independence of the certified public accountants is regularly evaluated and the evaluation procedures are disclosed in the annual report.
4. The regulations restrict directors from trading their shares during the closed book period 30 days before the annual financial report and 15 days before the quarterly financial report.
5. Disclosure of communication between independent directors and internal auditors and CPAs on the Company's website.
6. The Board of Directors' performance evaluation plan has specified that external evaluation will be conducted at least once every three years and the results will be disclosed on the Company's website.

Priorities for enhancement:

1. Upload the English version of meeting notices, meeting handbooks and supplementary information, annual reports and financial reports.
2. Material information is uploaded in English.
3. All interim financial reports are approved by the Audit Committee and presented to the Board of Directors for discussion and resolution.

The Company has room for improvement in corporate governance, and will continue to promote corporate governance in the future by focusing on the improvement of the unscored indicators.

(5) If the Company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed.

1. Composition of the Remuneration Committee:

On December 7, 2011, the Board of Directors approved the establishment of the Remuneration Committee. On June 23, 2022, the Company re-elected and appointed Independent Director Lin,Ming-Ji, Independent Director Jan,Sen and Independent Director Ko,Yen-Hui as members of the 5th Term Remuneration Committee and elected Lin,Ming-Ji as the convenor.

Information on the members of the Remuneration Committee

Capacity	Conditions / Name	Professional Qualifications and Experience	Independence	Concurrently a member of Remuneration Committee of other listed companies, and the number of companies served
Independent Director	Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly hold	0

Independent Director	Lin, Ming-Chieh	Lin holds a PhD from the Department of Business Administration of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, an independent director and a member of the Remuneration Committee of C Sun Industrial Co.,Ltd., an independent director and a member of the Remuneration Committee of Chicony Electronics Co., Ltd. Lin has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.	more than 5% of the total number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (7) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (10) No spouse or relative within two degrees of kinship with other directors. (11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.	2
Independent Director	Ko, Yen Hui (Note 1)	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., Director of Chanitex Education Foundation, independent director of Sanlien Technology Corp., director of CC&C Technologies Inc., and independent director, Level Biotechnology Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		1.

Note 1: Newly appointed in June 2022

2. Duties of the Remuneration Committee:

The Committee shall faithfully perform the following duties and responsibilities upholding stewardship principles, and submit its recommendations to the Board of Directors for deliberation:

(1) To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.

(2) To regularly evaluate and set the remuneration of directors and managers.

The Committee shall perform the foregoing duties and responsibilities in accordance with the following principles.

(1) The performance evaluation and remuneration of directors and managerial officers shall be based on the usual industry standard and shall take into consideration the relationship with personal performance, the Company's operating performance and the remuneration of directors and managers.

(2) Directors and managers shall not be induced to engage in conduct that exceeds the Company's risk tolerance in pursuit of financial compensation.

(3) The percentage of bonuses paid to directors and senior executives for short-term performance and the timing of payment of some variable compensation should be determined by taking into account the characteristics of the industry and the nature of the Company's business.

The remuneration referred to in the preceding two items includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances and other substantial incentives.

3. Information on the operation of the Remuneration Committee:

(1) The Remuneration Committee of the Company consists of 3 members.

(2) The term of office of the current members: June 23, 2022 to June 22, 2025. The Remuneration Committee met three time (A) for the most recent year (FY2022), qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convenor	Lin, Ming-Chieh	3	0	100%	
Committee Member	Jan, Sen	3	0	100%	
Committee Member	Ko, Yen Hui	1	0	100%	Newly appointed on 2022/06/23. 1 Remuneration Committee meeting was held during the new term, which he attended 1 time.

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's handling of the recommendations of the Remuneration Committee (if the compensation approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.

II. If the members of the Remuneration Committee have dissenting opinions or reservations, and if there are records or written statements, the date and period of the Remuneration Committee, the content of the resolution, the opinions of all members, and the treatment of the opinions of the members should be stated: None.

Remuneration Committee Date	Contents of the Motion and Corresponding Resolution
4th Session 6th Meeting 2022/1/11	Motion: ◎ Year-end bonus for managers in FY2021. ◎The manager's annual salary adjustment for FY2022.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in FY2021.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Result: The average score of the Company's overall Remuneration Committee performance self-evaluation is 98% (full score 100%), the positive evaluation result demonstrated that the Company has strengthened the functions and effectiveness of the Remuneration Committee. All members present agreed to approve the resolution as presented.
4th Session 7th Meeting 2022/3/15	Motion: ◎ The distribution of directors' and supervisors' remuneration and managers' remuneration in FY2021.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
5th Term 1st Meeting 2022/7/1	Motion: ◎ In FY2022, the Company increased capital through cash and distributed the number of shares available for subscription to employees. ◎ 2022 Election of the Convenor of the Remuneration Committee.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
5th Term 2nd Meeting 2023/1/12	Motion: ◎ Year-end bonus for managers in FY2022. ◎ The manager's annual salary adjustment in FY2023.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.

	Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in FY2022.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Result: The average score of the Company's overall Remuneration Committee performance self-evaluation is 98.48% (full score 100%), the positive evaluation result demonstrated that the Company has strengthened the functions and effectiveness of the Remuneration Committee. All members present agreed to approve the resolution as presented.
5th Term 3rd Meeting 2023/3/20	Motion: ◎ The distribution of directors' and supervisors' remuneration and managerial officers' remuneration in FY2022.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.

(6) The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance.

Promotion Items	Status of Implementation			Differences with the Sustainable Development *Best Practice Principles for TWSE/TPEx Listed Companies* and the reasons for such variances.
	Yes	No	Summary Description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	V		The Company has established a Sustainable Development Committee to formulate sustainable development policies, systems or related management guidelines under the Company's corporate governance structure, and to regularly present its sustainable development mission and vision to the Board of Directors.	There is no material difference.
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or strategies?	V		The Company has established risk management policies or strategies related to environmental, social and corporate governance issues related to the Company's operations, which have been announced on the Company's website.	There is no material difference.
3. Environmental issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		Our office lighting are completely replaced with LED energy-saving lamps in order to contribute to environmental protection.	There is no material difference.

(2) Is the company committed to improving energy use efficiency and using recycled materials with low environmental impact?	V		The Company is committed to promoting the effective use of resources and implementing measures for waste separation, recycling and reduction to realize the environmental awareness of a green earth.	There is no material difference.
(3) Does the Company assess the potential risks and opportunities of climate change on the enterprise now and in the future, and take relevant measures in response?	V		The Company continues to promote energy saving and carbon reduction and greenhouse gas reduction measures, and encourages its employees to practice energy saving and carbon reduction.	There is no material difference.
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?		V	The Company has not yet compiled statistics on GHG emissions, water consumption and total weight of waste for the past two years. However, the Company shall develop relevant plans to collect, compile and calculate data, examine direct or indirect GHG emissions from its own operations, identify hot spots of emissions through the results of the inventory, further analyze and explore the segments with potential for emissions reduction, and then promote relevant reduction actions accordingly.	The preparation of such reports will depend on the Company's operation and scale.
4. Social Issues (1) Has the Company established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights treaties?	V		The Company's employment policies are in accordance with relevant labor laws and regulations to protect the legal rights of each employee. In order to effectively implement the employment policy and comply with labor laws and regulations, we have established employee work rules and other related management practices to ensure that the work rights of each employee are protected.	There is no material difference.

(2) Has the Company established and implemented reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflected operational performance or results in employee compensation?	V		The Company follows the Labor Standards Act and relevant laws and regulations to set up various salary and benefit measures for its employees, and provides market competitive benefits to motivate employees.	There is no material difference.
(3) Does the Company provide a safe and healthy working environment for employees and implement safety and health education for employees on a regular basis?	V		To enhance the safe and healthy working environment for employees, the following methods are adopted: 1. Conducting regular employee health checks. 2. The Company promotes a smoke-free working environment, so that employees can work in a comfortable and healthy environment. Furthermore, the Company holds fire and earthquake drills from time to time so that employees can become familiarized with the emergency response plan to minimize the impact on them. 3. Provide employees with clean, safe and secure drinking water, and regularly commission an EPA-approved organization to test the water quality of drinking water for total bacterial colony count and E. coli count in the quantities required by law, and regularly maintain and disinfect the water supply equipment. 4. In case of emergencies caused by natural disasters or human negligence, fire and earthquake drills are held from time to time to enable employees to follow emergency response plans and minimize the impact on employees. 5. Employee outdoor activities are held from time to time, and the Welfare Committee budgets employee incentive	There is no material difference.

			trips, so that employees can take proper care of their health and develop healthy exercise habits in their free time. 6. No employee accident occurred in FY2022.	
(4) Has the Company established an effective career development training program for employees?	V		In order to enhance the technical and managerial skills required for employees to perform various duties, and to stimulate their potential, the Company closely coordinates corporate growth and employee talent development programs to improve work efficiency, and the supervisors of each unit arrange training programs related to the duties of their employees.	There is no material difference.
(5) Does the Company follow relevant laws and regulations and international standards, and establish policies and complaint procedures to protect the rights of consumers or customers with regard to issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company values the opinions of our customers. In addition to individual visits, the Company also provides a product contact window and email address on the Company's website, as well as a stakeholder area to provide a channel for customer inquiries, complaints and suggestions.	There is no material difference.
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights, and how is it implemented?		V	The Company has not established relevant policies and regulations.	The preparation of such reports will depend on the Company's operation and scale.
5. Has the Company made reference to international standards or guidelines for the preparation of sustainability reports, such as ESG reports, to disclose non-financial information about the Company? Has the Company obtained any		V	The Company has not yet prepared an ESG Report.	The preparation of such reports will depend on the Company's operation and scale.

assurance or guarantee from a third-party verifier for the aforementioned reports?				
6. If the Company has its own "Code of Practice for Sustainable Development" in accordance with the *Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies*, please describe the differences between actual operation and the *Principles*. The Company has not yet established a "Code of Practice for Sustainable Development".				
7. Other important information to help understand the implementation of sustainable development. I. On March 30, 2022, the Company obtained the ISO9001 International Quality Management System certification. II. Social Charity 1. In order to give back to the society, the Company participated in the "Long-term Campus Mental Health Program" of National Chengchi University in April 2023, and donated NT$1 million to help hire additional full-time psychologists to conduct psychological rehabilitation for traumatized students. 2. In order to give back to the society and take care of the disadvantaged, the Company purchases mooncakes from charitable organizations for the mentally disabled to help the mentally disabled expand and continue their lifelong care and employment support, as well as to promote social stability.				

Evaluation Items	Operation			Variances from the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies* and the reasons thereof.
	Yes	No	Summary Description	
1. Establishment of policies and programs for ethical management				
(1) Has the Company established an ethical management policy approved by the Board of Directors, and has the policy and practices of honest management been clearly stated in the Articles of Incorporation and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the ethical management policy?	V		The Company has established the "Code of Conduct for Ethical Management", which was approved by the Board of Directors and reported in the shareholders' meeting. The Code is also posted on the Company's internal/external website and the Market Observation Post System for members of the Board of Directors and the management to implement and supervise the implementation of the Code based on the concept of integrity in order to create a sustainable business environment.	There is no material difference.
(2) Has the Company established a mechanism to assess the risk of unethical conduct, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of unethical conduct, and formulated a plan to prevent unethical conduct based on the plan,	V		The Company has established a "Code of Ethics for Employees", which prohibits unethical conduct such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition, leaking trade secrets, and harming the rights of stakeholders, etc. Preventive measures and education have been taken to implement the principle of ethical management.	There is no material difference.

Evaluation Items	Operation			Variances from the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies* and the reasons thereof.
	Yes	No	Summary Description	
which at least covers the preventive measures for the conducts mentioned in Article 7(2) of the "*Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*"?	V			
(3) Does the Company specify the operating procedures, guidelines for conduct, disciplinary and reporting systems for non-compliance in the unethical conduct prevention plan, and implement them, and regularly review and revise the previously disclosed plan?			The Company has established the "Code of Conduct for Employees", which specifies the penalties for non-compliance, and has reinforced the guidance for new employees and implemented them in its operations.	There is no material difference.
2. Implementation of Ethical Management (1) Does the company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it signs with them?	V	V	The Company evaluates the integrity records of its business partners before conducting business transactions with them. Business activities are conducted in accordance with the terms of the contract with the counterparty, and the terms of the business contract specify the ethical conduct of the business.	There is no material difference.

Evaluation Items	Operation			Variances from the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies* and the reasons thereof.
	Yes	No	Summary Description	
(2) Has the Company established 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 policies and plans to prevent unethical conduct and monitor their implementation?			The Company does not have a dedicated unit to promote the ethical corporate management, but each unit is responsible for its own implementation, and the Audit Office, which is directly under the Board of Directors, is responsible for supervising and auditing whether there is any violation of ethical management within the Company.	The preparation of such reports will depend on the Company's operation and scale.
(3) Has the Company established a policy for the prevention of conflict of interest, provided appropriate presentation channels, and implemented them?	V		The Company has established the "Code of Conduct for Ethical Management", which provides policies to prevent conflict of interest and requires each unit to implement them.	There is no material difference.
(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit prepared an audit plan	V		The Company has established an accounting system and internal control system in accordance with relevant laws and regulations. The internal audit unit performs all audits in accordance with the audit plan, and will arrange for additional audits when special circumstances arise.	There is no material difference.

Evaluation Items	Operation			Variances from the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies* and the reasons thereof.
	Yes	No	Summary Description	
based on the assessment results of the risk of unethical conduct and checked the compliance of the unethical conduct prevention plan, or has the company appointed a CPA to perform the audit? (5) Does the Company regularly conduct internal and external education and training on integrity management?	V		The Company has established a "Code of Conduct for Ethical Management" which is disclosed on the Company's internal and external website, as well as the MOPS, and hold regular education and training activities.	There is no material difference.
3. Operation of the Company's whistleblower system (1) Has the Company established a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate personnel to receive whistleblowing reports?		V	The Company has established the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company", which defines the reporting process and reporting channels, but has not yet established the related reward system.	The procedures will be determined according to the company's operating conditions and size.
(2) Has the Company established standard operating procedures for the investigation of whistleblowing cases, follow-up tracking measures	V		The Company maintains the confidentiality of all complaints, and the procedures and mechanisms for reporting illegal, unethical and unethical conduct by internal and external personnel are specified in the "Rules for	There is no material difference.

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Variances from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>to be undertaken after the completion of the investigation and the relevant confidentiality mechanism?

(3) Does the Company take measures to protect the whistleblower from improper reprisals?</td><td>V</td><td></td><td>Internal and External Reporting of Illegal and Unethical Conduct of the Company".

The Company will maintain confidentiality and will not subject the whistleblower to improper or unfair treatment as a result of reporting unethical conduct.</td><td>There is no material difference.</td></tr>
<tr><td>4. Enhancement of information disclosure
Does the Company disclose the contents and effectiveness of its Code of Conduct on Ethical Management on its website and MOPS?</td><td>V</td><td></td><td>The Company has disclosed the Code of Conduct for Ethical Management on the Company's official website and the MOPS.</td><td>There is no material difference.</td></tr>
<tr><td colspan="5">5. If the Company has its own code of ethical management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the Principles.
The Company has established the "Code of Conduct for Ethical Management" to establish and develop a corporate culture of integrity management, and there is no difference between the actual operation and the Principles.</td></tr>
<tr><td colspan="5">6. Other important information for understanding the Company's ethical management operations: (e.g., the Company reviews and amends its Code of Conduct for Ethical Management)
The Company will keep an eye on the development of domestic and international regulations related to honest management and encourage directors, managers and employees to make suggestions for improvement.
The Company's "Code of Conduct for Ethical Management" has been revised in the 2019 Annual General Meeting of Shareholders in response to the amendment of the law to enhance the effectiveness of the Company's ethical management.</td></tr>
</table>

(8) If the Company has established a Code of Corporate Governance and related regulations, it should disclose the method of inquiry:

The Company has established the "Articles of Incorporation," "Rules of Procedure of the Shareholders' Meeting," "Regulations for Board of Directors' Meetings," "Procedures for Election of Directors," "Regulations for Performance Evaluation of the Board of Directors and Functional Committees," "Organizational Rules of the Audit Committee," "Organizational Rules of the Remuneration Committee," "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company," "Procedures for Handling the Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantees", "Procedures for Prevention of Insider Trading", "Procedures for Handling Material Internal Information", "Code of Corporate Governance Practices", "Code of Ethical Management", and "Code of Ethics for Employees", which can be found on the Company's website (URL: http://www.gmitec.com) or the Market Observation Post System.

(9) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed: Market Observation Post System http://mops.twse.com.tw.

Continuing education for the Company's directors and supervisors in FY2022:

Title	Name	Date of study		Organizer	Course Name	Study hours	Total hours of study for the year
		Start	End				
Corporate Representative Director	Yeh, Chia-Wen	2022/11/18	2022/11/18	Securities and Futures Institute	Early Warning and Type Analysis of Corporate Financial Crisis	3	45
		2022/11/24	2022/11/24	Securities and Futures Institute	Introduction to Corporate Governance Disputes and Commercial Case Adjudication Act	3	
Corporate Representative Director	Yeh, Po-Chun	2022/11/15	2022/11/15	Taiwan Corporate Governance Association	Analysis of Management Rights Competition and Prevention Strategies	3	
		2022/11/22	2022/11/22	Taiwan Corporate Governance Association	Corporate Social Responsibility - Corporate Governance from the Perspective of Human Rights Policy	3	
Corporate Representative Director	Ivan Liu	2022/06/22	2022/06/22	Taiwan Corporate Governance Association	2022 Global Trends and Opportunities for Low Carbon Economy and Corporate Low Carbon Emissions Innovation	3	
		2022/06/29	2022/06/29	Taiwan Corporate Governance Association	Face to Face with CFC - Response Measures Part I: Know Yourself and Others	3	
Corporate Representative Director	Wang, Kuo-Chang	2022/10/07	2022/10/07	Taiwan Investor Relations Institute	Global Net-Zero Carbon Emission Trends and Corporate Responses	3	
		2022/11/04	2022/11/04	Taiwan Investor Relations Institute	ESG Development Trends and Digital Response Strategies	3	
Independent Director	Jan, Sen	2022/10/05	2022/10/05	Securities and Futures Institute	The Future of Metaverse and Cryptocurrency Blockchain	3	
		2022/11/23	2022/11/23	Securities and Futures Institute	The Latest Trend of International Carbon Tariffs and Response Strategies	3	
Independent Director	Lin, Ming-Chieh	2022/09/08	2022/09/08	Taiwan Corporate Governance Association	Practical Issues of Irregular Transactions That Should Be Noted by Directors (Part 1)	3	
		2022/09/08	2022/09/08	Taiwan Corporate Governance Association	Practical Issues of Irregular Transactions That Should Be Noted by Directors (Part 2)	3	
Independent Director	Ko, Yen Hui	2022/02/17	2022/02/17	Securities and Futures Institute	Key Technology and Business Opportunities of Quantum Technology	3	
		2022/02/25	2022/02/25	Securities and Futures Institute	Early Warning and Type Analysis of Corporate Financial Crisis	3	
		2022/08/02	2022/08/02	Securities and Futures Institute	Technology Development and Business Opportunities for Electric Vehicles and Smart Vehicles	3	

(10) Implementation status of internal control system

1. Statement of Internal Control System

GMI Technology Inc.
Statement of Internal Control System

Date: March 28, 2023

Based on the results of our self-evaluation, the Company hereby declares that its internal control system for FY2022 is as follows:

1. The Company recognizes that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and management, and hereby declares that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and compliance with relevant laws and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; moreover, the effectiveness of the internal control system may change due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the criteria for determining the effectiveness of the internal control system set forth in the "*Regulations Governing Establishment of Internal Control Systems by Public Companies*" (the "*Guidelines*"). The judgment items of the internal control system adopted in the *Guidelines* are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision. Each component includes a number of items. Please refer to the "*Guidelines*" for the aforementioned items.
4. The Company has adopted the above internal control system judgment items to examine the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the aforementioned evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2022, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure The design and implementation of the internal control system in compliance with the relevant regulations and relevant laws and regulations are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will be the main content of the Company's annual report and public statement, and shall be made public. If any of the aforementioned contents are disclosed in a false or

concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

7. This Statement was approved by the Board of Directors at its meeting held on March 28, 2023, and of the seven directors present, none held an dissenting opinion, with all directors agreeing to the contents of this statement.

GMI Technology Inc.

Chairman: Yeh, Chia-Wen (Signature)

Director: Ivan Liu (Signature)

2. If a CPA is engaged to review internal control, the accountant's review report should be disclosed: Not applicable.

(11) For the most recent fiscal year and as of the date of printing of the annual report, whether the Company and its internal officers have been subject to penalties in accordance with the law, or the Company has imposed penalties on its internal officers for violating the provisions of the internal control system, and the results of such penalties may have a material effect on shareholders' equity or the price of securities, the contents of the penalties, major deficiencies and improvements should be stated: None.

(12) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

<table>
<tr><th>Shareholders' Meeting</th><th>Date</th><th>Material resolutions and status of implementation</th></tr>
<tr><td>Shareholders' Meeting</td><td>June 23, 2022</td><td>1. Recognition of the FY2021 financial statements.
Implementation: The motion was approved by vote.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>81,085,057</td><td>78,495,530</td><td>7,747</td><td>0</td><td>2,581,780</td></tr>
</table>
2. Approved the appropriation of earnings for 2021.
Implementation status:
(1) In FY2021, the Company recorded net profit after tax amounting to NT$445,505,907. After taking into account the remeasurement of the defined benefit plan and the legal reserve and special reserve, the remaining amount of NT$97,637,209 will not be distributed and will be appropriated in accordance with the Company’s</td></tr>
</table>

Articles of Incorporation.

The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
81,085,057	78,530,331	16,318	0	2,538,408

(2) Cash dividends were distributed in the amount of NT$2 per share.

(3) Ex-Dividend Base Date:2022/7/24

(4) Cash Dividend Distribution Date: 2022/8/5

3. Discussed amendments to certain provisions of the Company's "Articles of Incorporation".
Implementation: The motion was approved by vote.
The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
81,085,057	78,538,120	7,897	0	2,539,040

4. Discussed amendments to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings".
Implementation: The motion was approved by vote.
The results of the voting were as follows:

Number of voting rights present .	For	Against	Invalid	Abstention/No vote
81,085,057	78,538,103	7,912	0	2,539,042

5. Discussed amendments to certain provisions of the "Procedures for the Acquisition or Disposal of Assets" of the Company.
Implementation: The motion was approved by vote.
The results of the voting were as follows:

Number of voting rights present .	For	Against	Invalid	Abstention/No vote
81,085,057	78,535,136	10,879	0	2,539,042

6. Re-election of directors of the Company.
Status of implementation: Seven directors (including three independent directors) were elected, and the directors are Yeh, Chia-Wen; Ivan Liu; Yeh, Po-Chun; Wang, Kuo-Chang; Jan,Sen (independent director); Lin,Ming-Ji (independent director); Ko, Yen Hui(independent director).
7. Discussion on the release of directors from non-compete

<table>
<tr><td></td><td></td><td>agreements and restrictions.
Implementation: The motion was approved by vote.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>81,085,057</td><td>78,462,363</td><td>42,427</td><td>0</td><td>2,580,267</td></tr>
</table>
</td></tr>
</table>

Board of Directors	Date	Important Resolutions
Board of Directors	10th Session 14th Meeting January 11, 2022	1. Approved the appointment of members of the Company's Remuneration Committee. 2. Approved the indirect investment in Dexuan Investment Co., Ltd. through an overseas subsidiary, G.M.I Technology (BVI) Co.,Ltd. 3. Approved the proposed investment in Shandong Wanshunhe Energy Co.,Ltd. 4. Approved the payment of year-end bonus to the Company's managers for FY2021. 5. Approved the annual salary adjustment of the Company's managers in FY2022.
Board of Directors	10th Session 15th Meeting March 24, 2022	1. Approved the Company's 2022 Business Plan 2. Approved the Company's financial statements for FY2021. 3. Approved the distribution of remuneration to directors, supervisors and employees for FY2021. 4. Approved the amendment of certain provisions of the Company's "Articles of Incorporation". 5. Approved the amendment of certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings". 6. Approved the creation of the position of Chief of Staff of the Company. 7. Approved the Company’s issuance of new shares for capital increase in cash. 8. Approved the amendment of certain provisions of the "Procedures for the Acquisition or Disposal of Assets" of the Company. 9. Approved the re-election of the Company's directors.

		10. Approved the acceptance of proposals from more than one percent of the shareholders. 11. Approved the acceptance of nominations for Board directors by more than 1% of the shareholders. 12. Approved the release of directors from non-compete agreements and restrictions. 13. Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2021 14. Approved the date, place, and agenda of the 2022 Annual General Meeting of Shareholders
Board of Directors	10th Session 16th Meeting May 10, 2022	1. Approved the appropriation of the Company's FY2021 earnings. 2.Approved the plan of greenhouse inspection and inspection schedule. 3. Approved the proposed change of spokesperson of the Company. 4. Approved the nomination of candidates for election as directors (including independent directors) in FY2022.
Board of Directors	11th Term 1st Meeting June 23, 2022	1. Election of the Chairman 2. Approved the appointment of members of the Company's Remuneration Committee.
Board of Directors	11th Term 2nd Meeting July 1, 2022	1. Approved the ex-dividend basis for FY2022 cash dividends and related matters. 2. Through a follow-on offering, managerial officers of the Company (including the President) subscribed for the number of shares through the cash capital increase. 3. Approved the issuance price of the 2022-year cash capital increase, the related base date, and the salary expense recognition of employee stock options.
Board of Directors	11th Term 3rd Meeting August 9, 2022	1. Approved the Company's consolidated financial statements for the 2nd quarter of 2022. 2. Approved the amendment of the Company's "Procedures for the Prevention of Insider Trading". 3. Approved the "Risk Management Regulations" established by the Company. 4. Approve the establishment of the "Chief Corporate Governance Officer" of the Company.
Board of Directors	11th Term 4th Meeting November 8, 2022	1. Approved the consolidated financial statements for the third quarter of 2022. 2. Approved the consolidated financial statements for the third quarter of 2022. 2. Approved amendments to certain provisions of the Company's "Rules of Procedures of Board of Directors Meetings". 3. Approved the plan to improve the Company's financial report preparation capability.

		4. Approved the proposed amendments to certain provisions of the Company's "Procedures for the Preparation of Financial Statements". 5. Approved the proposed amendments to the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" of the Company. 6. Approved the proposed "Code of Corporate Sustainability Best Practices". 7. Approved the establishment of the Company's Sustainable Development Committee and the formulation of the "Organizational Procedures of the Sustainable Development Committee". 8. Approved the proposed disposal of the Company's investment in GMI Yongda Electronics (Shenzhen) Limited through a third party. 9. Approved the proposal to establish the general principles of the Company's pre-approved non-assurance service policy. 10. Approved the proposed amendments to the "Internal Control System - Procurement Cycle" section of the Company. 11. Approved amendments to certain provisions of the "Accounting System" of the Company. 12. Approved amendments to certain provisions of the "Procedures for Handling Material Internal Information" of the Company. 13. Approved to revise the proposed "Audit Plan" of the Company for FY2023, which has been duly finalized.
Board of Directors	11th Term 5th Meeting March 28, 2023	1. Approved the Company's 2023 Business Plan 2. Approved the Company's closing financial statements in FY2022. 3. Approved the investment project of "Rehear Biotechnology and Medical Devices Co.,Ltd." 4. Approved the sale of the "Hearing Compensation App Platform Practice and Sound-electronic Properties Verification Research Project". 5. Approved the proposal for the distribution of FY2022 earnings. 6. Approved the distribution of directors' and employees' remuneration for FY2022. 7. Approved the appointment of Yushan Commercial Bank as the lead bank and managing bank to organize a joint credit facility with a total amount of US$ 40 million. 8. Approved the plan of greenhouse inventory and verification schedule. 9. Approved the payment of year-end bonus to the

		Company's managerial officers for FY2022. 10. Approved annual salary adjustments for managerial officers for FY2023. 11. Approved the disposal of the Company's investments in Shandong Wanshunhe Energy Co.,Ltd. through a third party. 12. Approved the proposal to establish the "Method for Evaluating the Independence and Suitability of Certified Public Accountants" of the Company. 13. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for FY2023. 14. Approved the formulation of the "Internal Control System- Research and Development Cycle" of the Company. 15. Approved the election of one additional director and one independent director. 16. Approved the additional nomination of candidates for election as directors (including independent directors). 17. Approved the acceptance of proposals from shareholders holding more than 1% of the Company's shares. 18. Approved the acceptance of nominations for Board directors by more shareholders holding more than 1% of the Company's shares. 19. Approved the motion to release directors from non-compete agreements and restrictions. 20. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for FY2022. 21. Approved the proposed date, venue, and agenda of the 2023 Annual General Shareholders' Meeting.

(13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

4. Information on the professional fees of the attesting CPAs:

(1) CPA fees information

Unit: NT$ '000

Name of Accounting Firm	Name of CPA	Period of audit	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Jason Lin	2022/01/01-2022/12/31	2,910	440	3,350	(Note)
	Winston Yu					

Note: The non-audit services include PPA report review fee of NT$120,000, consolidated English financial statements for FY2018 and FY2020 of NT$160,000, payroll check NT$30,000, and English financial report review of NT$130,000 for FY2021.

(2) If the audit fee paid in the year of change of accounting firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons for the change should be disclosed: None.

(3) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: None.

5. Change of attesting CPAs: None.

6. Where the Company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of the Company's attesting certified public accountant or at an affiliated enterprise of such accounting firm: None**.**

7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in shareholdings of directors, managers and major shareholders:

Unit: Shares

Title	Name	FY2022		FY2023 as of April 21, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Corporate Representative Director	Yeh, Chia-Wen (Dejie Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director (President)	Ivan Liu (Dejie Investment Co., Ltd.)	149,000	-	-	-
Corporate Representative Director	Yeh, Po-Chun (Dejie Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director	Wang, Kuo-Chang (Dejie Investment Co., Ltd.)	-	-	-	-
Independent Director	Jan, Sen	-	-	-	-
Independent Director	Lin, Ming-Chieh	15,993	-	-	-
Independent Director	Ko, Yen Hui	-		-	-
Finance, Vice President	Jason Lin	200,000	-	(100,000)	-
Vice President	Chiang, Hung-Hsiang (Note 1)	2,000	-	-	-
Senior Assistant Vice President	Li, Yun-Hsiang	-	-	-	-
Senior Assistant Vice President	Lin, Mei-Hui	-	-	-	-
Senior Assistant Vice President	Chen, Ching-Hsien	-	-	-	-

Title	Name	FY2022		FY2023 as of April 21, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Senior Assistant Vice President	Ko, Deng-Chia	-	-	-	-
Senior Assistant Vice President	Yu, Ming-Che	-	-	-	-
Assistant Vice President	Cho, Wan-Yu	-	-	-	-
Assistant Vice President	Liu, Po-Heng	-	-	-	-
Assistant Vice President	Lai, Chih-Hsuan (Note 2)	-	-	-	-
Assistant Vice President	Lin, Hui-Chong	100,000	-	(70,000)	-
Assistant Vice President	Chien-Hung Lee (Note 3)	-	-	(5,000)	-
Assistant Vice President	Bo-Jen Liao (Note 3)	-	-	-	-
Major Shareholder	Dejie Investment Co., Ltd.	15,162,580	16,255,000	-	9,527,278

Note 1: Resigned on May 31, 2022
Note 2: Resigned on February 28, 2023
Note 3: Newly appointed in March 2023

(2) Information on related parties for the transfer of shares or pledge of shares: None.

8. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

Information on the relationship between the ten largest shareholders of the Company

Date: April 21, 2023

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		The names and relationships of the ten largest shareholders who are related to each other under SFAS No. 6 (Related Party Disclosures) or who are related to each other as spouses or second degree relatives. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Dejie Investment Co., Ltd.	52,782,278	32.46%	0	0%	0	0%	Yeh, Chia-Wen	The Chairman of the company is also the Chairman of GMI Technology Inc.	
Dejie Investment Co., Ltd.	14,018,303	8.62%	0	0%	0	0%	Ming-Han Yeh	The Chairman of the company is	

								the son of the Chairman of	
Dejie Investment Co., Ltd.	6,274,263	3.86%	0	0%	0	0%	None	None	
Lin, He-Yue	1,866,000	1.15%	0	0%	0	0%	None	None	
Wu, Wen-Shan	1,430,000	0.88%	0	0%	0	0%	None	None	
Taishin International Commercial Bank was entrusted with the custody of the investment account of Yisheng Holdings Co., Ltd.	1,319,000	0.81%	0	0%	0	0%	None	None	
Li, Lu-Min	830,595	0.51%	0	0%	0	0%	None	None	
Wu, Yuan-Chih	695,000	0.43%	0	0%	0	0%	None	None	
Citi Bank was entrusted with the custody of the DFA Emerging Markets Core Equity Account	657,563	0.40%	0	0%	0	0%	None	None	
Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	565,706	0.35%	0	0%	0	0%	None	None	

Note 1: All of the top ten shareholders should be listed, and the names of corporate shareholders and their representatives should be listed separately.
Note 2: Calculation of shareholdings refers to the percentage of shareholding in the name of oneself, one's spouse, one's minor children, or in the name of others, respectively.
Note 3: The shareholders listed in the preceding paragraph include both juristic persons and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company, and the consolidated shareholding ratio:

Dec 31, 2022

Unit: '000 Shares

Reinvested Business Entities	The Company		Investment by directors, managers who directly or indirectly control the business		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
GMI Technology (BVI) Co.,	18,277	100.00%	-	-	18,277	100.00%
Global Mobile Internet	1,548	34.21%	-	-	1,548	34.21%
HARKEN INVESTMENTS	13,169	100.00%	-	-	13,169	100.00%
Vector Electronic Company	34,149	100.00%	-	-	34,149	100.00%
G.M.I International Trading	Note 1	100.00%	-	-	Note 1	100.00%
Shenzhen Hongda Futong	Note 1	100.00%	-	-	Note 1	100.00%
GW Electronics Company	102,000	51.00%	-	-	102,000	51.00%
Unitech Electronics Co.,Ltd.	9,559	12.73%	-	-	9,559	12.73%

Note 1: Not applicable, non joint stock company, and no shares issued.

IV. Raising of Funds

1. Capital and share capital of the Company

(1) Source of share capital

April 21, 2023
Unit: Shares, NT$

Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
1995.10	10	2,500,000	25,000,000	1,000,000	10,000,000	Establishment of share capital Capital increase in cash 10,000,000	None	Note 1
1996.11	10	2,500,000	25,000,000	2,000,000	20,0000000	Capital increase in cash 10,000,000	None	Note 2
1997.09	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 10,000,000	None	Note 3
1998.06	10	7,000,000	70,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 4
1998.12	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital reduction 35,000,000	None	Note 5
1999.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 15,000,000	None	Note 6
2000.07	10	10,000,000	100,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 7
2002.04	10	21,000,000	210,000,000	21,000,000	210,000,000	capital increase in cash amounting to NT$ 160,000,000	None	Note 8
2003.06	12	60,000,000	600,000,000	34,065,000	340,650,000	capital increase in cash amounting to NT$ 100,000,000 capital increase transferred from surplus earnings amounting to NT$ 29,400,000 Employee bonus transferred to capital increase amounting to NT$1,250,000	None	Note 9
2003.11	10	60,000,000	600,000,000	34,098,250	340,982,500	Employee Stock Options 332,500	None	Note 10
2004.04	10	60,000,000	600,000,000	34,250,750	342,507,500	Employee Stock Options NT$1,525,000	None	Note 11
2004.09	10	60,000,000	600,000,000	38,620,750	386,207,500	Capital increase transferred from surplus earnings amounting to NT$41,100,000 Employee bonus transferred to capital increase amounting to NT$2,600,000	None	Note 12
2004.10	10	60,000,000	600,000,000	38,646,340	386,463,400	Employee Stock Options 255,900	None	Note 13
2005.04	10	60,000,000	600,000,000	38,921,590	389,215,900	Employee Stock Options 2,752,500	None	Note 14

2005.08	10	60,000,000	600,000,000	43,524,533	435,245,330	Capital increase transferred from surplus earnings amounting to NT$35,029,430 Employee bonus transferred to capital increase amounting to NT$11,000,000	None	Note 15
2005.10	10	60,000,000	600,000,000	43,696,533	436,965,330	Employee Stock Options NT$1,720,000	None	Note 16
2005.11	16	60,000,000	600,000,000	48,779,533	487,795,330	Capital increase in cash amounting to NT$ 50,830,000	None	Note 17
2006.04	10	60,000,000	600,000,000	48,884,783	488,847,830	Employee Stock Options NT$1,052,500	None	Note 18
2006.08	10	150,000,000	1,500,000,000	53,806,718	538,067,180	Capital increase transferred from surplus earnings amounting to NT$34,219,350 Employee bonus transferred to capital increase amounting to NT$15,000,000	None	Note 19
2006.10	10	150,000,000	1,500,000,000	53,863,218	538,632,180	Employee Stock Options NT$565,000	None	Note 20
2007.04	10	150,000,000	1,500,000,000	53,959,968	539,599,680	Employee Stock Options NT$967,500	None	Note 21

Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
2007.08	10	150,000,000	1,500,000,000	57,007,967	570,079,670	Capital increase transferred from surplus earnings amounting to NT$26,979,990 Employee bonus transferred to capital increase amounting to NT$3,500,000	None	Note 22
2007.10	10	150,000,000	1,500,000,000	57,082,717	570,827,170	Employee Stock Options NT$747,500	None	Note 23
2008.04	10	150,000,000	1,500,000,000	57,155,217	571,552,170	Employee Stock Options NT$725,000	None	Note 24
2008.09	10	150,000,000	1,500,000,000	62,157,635	621,576,350	Capital increase transferred from surplus earnings amounting to NT$45,724,180 Employee bonus transferred to capital increase amounting to NT$4,300,000	None	Note 25
2008.11	5.36	150,000,000	1,500,000,000	72,157,635	721,576,350	Private Placement 100,000,000	None	Note 26
2010.09	22	150,000,000	1,500,000,000	87,157,635	871,576,350	Capital increase in cash amounting to NT$150,000,000	None	Note 27
2013.09	10	150,000,000	1,500,000,000	90,643,941	906,439,410	Capital increase transferred from surplus earnings amounting to NT$34,863,060	None	Note 28
2014.10	10	150,000,000	1,500,000,000	95,176,139	951,761,390	Capital increase transferred from	None	Note 29

						surplus earnings amounting to NT$45,321,980		
2015.09	10	150,000,000	1,500,000,000	108,500,799	1,085,007,990	Capital increase transferred from surplus earnings amounting to NT$133,246,600	None	Note 30
2016.05	6	150,000,000	1,500,000,000	128,500,799	1,285,007,990	Capital increase in cash amounting to NT$200,000,000	None	Note 31
2018.03	7	150,000,000	1,500,000,000	109,002,365	1,090,023,650	Capital reduction to cover losses NT$294,984,340 Capital increase in cash 100,000,000	None	Note 32
2018.11	10	150,000,000	1,500,000,000	110,310,394	1,103,103,940	Capital increase transferred from surplus earnings amounting to NT$13,080,290	None	Note 33
2019.9	10	200,000,000	2,000,000,000	118,032,122	1,180,321,220	Capital increase transferred from surplus earnings amounting to NT$77,217,280	None	Note 34
2020.9	10	200,000,000	2,000,000,000	125,114,050	1,251,140,500	Capital increase transferred from surplus earnings amounting to NT$70,819,280	None	Note 35
2021.9	10	200,000,000	2,000,000,000	137,625,455	1,376,254,550	Capital increase transferred from surplus earnings amounting to NT$125,114,050	None	Note 36
2022.8	10	200,000,000	2,000,000,000	162,625,455	1,626,254,550	Capital increase in cash 250,000,000	None	Note 37

Note 1: October 6, 1995 Jian-Yi No. 01020108.
Note 2: November 20, 1996 Jian-Yi-Zi No. 85360314.
Note 3: September 13, 1997 Jian-Yi-Zi No. 86331123.
Note 4: June 10, 1998 Jian-Yi-Zi No. 87296832
Note 5: December 17, 1998, Jian-Yi-Zi No. 87357242.
Note 6: August 23, 1999, Jian 88 Zi No. 668450.
Note 7: July 7, 2000, Jing-Zi-No. 89456457.
Note 8: April 29, 2002, Jing-Shou-Shang-Zi No. 09101142830.
Note 9: July 22, 2003, Fu-Jian-Shang-Zi No. 09212843110.
Note 10: Nov. 24, 2003 Fu-Jian-Shang-Zi No. 09222872710.
Note 11: April 14, 2004, Fu-Jian-Shang-Zi No. 09308425600.
Note 12: September 15, 2004 Fu-Jian-Shang-Zi No. 09319633220.
Note 13: October 21, 2004, Fu-Jian-Shang-Zi No. 09321168010.
Note 14: April 22, 2005, Fu-Jian-Shang-Zi No. 09408044800.
Note 15: August 31, 2005, Fu-Jian-Shang-Zi No. 09417385410.
Note 16: October 20, 2005, Fu-Jian-Shang-Zi No. 09423433400.
Note 17: November 23, 2005, Fu-Jian-Shang-Zi No. 09424714900.
Note 18: April 20, 2006, Fu-Jian-Shang-Zi No. 09575614010.
Note 19: August 28, 2006, Jing-Shou-Shang-Zi 09501191550.
Note 20: October 18, 2006, Jing-Shou-Shang-Zi No. 09501234010.
Note 21: April 14, 2005 Jing-Shou-Shang-Zi No. 09601077170.
Note 22: August 30, 2007 Jing-Shou-Shang-Zi No.09601212940.
Note 23: October 18, 2007 Jing-Shou-Shang-Zi No.09601250240.
Note 24: April 17, 2008 Jing-Shou-Shang-Zi No.09701091940.
Note 25: September 8, 2008 Jing-Shou-Shang-Zi No.09701230320.
Note 26: November 12, 2008 Jing-Shou-Shang-Zi No.09701290140.
Note 27: September 13, 2010 Jing-Shou-Shang-Zi No.09901206530.
Note 28: September 23, 2013 Jing-Shou-Shang-Zi No.10201192590.
Note 29: September 23, 2014 Jing-Shou-Shang-Zi No.1031218920.
Note 30: September 17, 2015 Jing-Shou-Shang-Zi No.10401195590.
Note 31: May 19, 2016 Jing-Shou-Shang-Zi No.10501102960.
Note 32: May 16, 2018 Jing-Shou-Shang-Zi No.10701026700.
Note 33: November 15, 2018 Jing-Shou-Shang-Zi No.10701142500.
Note 34: September 11, 2019 Jing-Shou-Shang-Zi No.10801124150.
Note 35: September 7, 2020 Jing-Shou-Shang-Zi No.10901171010.
Note 36: September 11, 2021 Jing-Shou-Shang-Zi No.11001162620.
Note 37: August 30, 2022 Jing-Shou-Shang-Zi No.11101162940.

April 21, 2023; Unit: Shares

Shareholding Type	Authorized Share Capital				Remark
	Shares outstanding		Unissued shares	Total	
Registered Common Stock	Listed	Unlisted	37,374,545	200,000,000	None
	162,625,455	-			

Information about the issuer's approved offering of securities under the omnibus reporting system: Not applicable

(2) Shareholder structure:

April 21, 2023; Unit: Shares

Shareholder Structure	Government Agencies	Financial Institutions	Other Corporate Entities	Foreign institutions and foreigners	Individuals	Total
Number of persons	0	0	171	57	29,160	29,388
Shares held	0	0	74,118,043	4,848,750	83,658,662	162,625,455
Shareholdings %	0%	0%	45.58%	2.98%	51.44%	100.00%

(3) Shareholding diversification:

1. Ordinary shares: par value NT$10

April 21, 2023; Unit: Shares

Shareholdings by class	Number of shareholders	Shares held	Shareholding ratio (%)
1-999	20,555	685,180	0.42%
1,000-5,000	5,952	12,710,671	7.82%
5,001-10,000	1,278	9,714,041	5.97%
10,001-15,000	537	6,628,455	4.08%
15,001-20,000	285	5,158,049	3.17%
20,001-30,000	272	6,789,145	4.18%
30,001-40,000	133	4,701,108	2.89%
40,001-50,000	89	4,061,535	2.50%
50,001-100,000	168	11,958,007	7.35%
100,001-200,000	76	9,980,478	6.14%
200,001-400,000	28	7,431,915	4.57%
400,001-600,000	6	2,933,869	1.80%
600,001-800,000	2	1,352,563	0.83%
800,001-1,000,000	1	830,595	0.51%
1,000,001 or more	6	77,689,844	47.77%
Total	29,388	162,625,455	100.00%

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

(4) List of Major Shareholders

April 21, 2023; Unit: Shares

Name of major shareholders	Shares held	Shareholding ratio (%)
Dejie Investment Co., Ltd.	52,782,278	32.46
Dejie Investment Co., Ltd.	14,018,303	8.62
Dejie Investment Co., Ltd.	6,274,263	3.86
Lin, He-Yue	1,866,000	1.15
Wu, Wen-Shan	1,430,000	0.88
Taishin International Commercial Bank was entrusted with the custody of the investment account of Yisheng Holdings Co., Ltd.	1,319,000	0.81
Li, Lu-Min	830,595	0.51
Wu, Yuan-Chih	695,000	0.43
Citi Bank was entrusted with the custody of the DFA Emerging Markets Core Equity Account	657,563	0.40
Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	565,706	0.35

(5) Share prices for the past 2 fiscal years, together with the Company's net worth per share, earnings per share, dividends per share, and related information

<table>
<tr><th colspan="3">Year
Item</th><th>2021</th><th>2022</th><th>April 30, 2023
(Note 7)</th></tr>
<tr><td rowspan="3">Stock Price per Share</td><td colspan="2">Highest</td><td>29.05</td><td>28.60</td><td>22.25</td></tr>
<tr><td colspan="2">Lowest</td><td>14.05</td><td>15.80</td><td>17.15</td></tr>
<tr><td colspan="2">Average</td><td>21.24</td><td>21.19</td><td>20.60</td></tr>
<tr><td rowspan="2">NAV per share</td><td colspan="2">Before Distribution</td><td>13.77</td><td>16.35</td><td>17.00</td></tr>
<tr><td colspan="2">After Distribution</td><td>12.52</td><td>(Note 1)</td><td>-</td></tr>
<tr><td rowspan="3">Earnings per share</td><td colspan="2">Weighted average number of shares (shares)</td><td>137,625,455</td><td>147,419,976</td><td>162,625,455</td></tr>
<tr><td rowspan="2">Earnings per share(Note 2)</td><td>Before retroactive adjustment</td><td>3.24</td><td>3.08</td><td></td></tr>
<tr><td>After retroactive adjustment</td><td>2.74</td><td>(Note 1)</td><td>-</td></tr>
<tr><td rowspan="3">Dividend per share</td><td colspan="2">Cash dividends</td><td>2</td><td>2(Note 1)</td><td>-</td></tr>
<tr><td rowspan="2">Non-remunerated allotment of shares</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

	Accumulated unpaid dividends(Note 3)	-	-	-
Investment return analysis	PE ratio(Note 4)	6.65	6.95	51.29
	Ratio of dividend/price to dividend ratio (Note 5)	10.62	10.70	-
	Dividend yield rate (Note 6)	9.42	9.35	-

Note 1: The dividend per share for FY2022 has not been approved by the shareholders' meeting.
Note 2: If there is a retroactive adjustment due to the gratis stock allotment, the earnings per share before and after the adjustment should be shown.
Note 3: If the conditions of issuance of equity securities stipulate that the unpaid dividends for the current year may be accumulated and paid in the year of surplus earnings, the unpaid dividends as of the current year should be disclosed separately.
Note 4: PE ratio = average closing price per share/earnings per share for the year.
Note 5: Ratio of dividend/price to dividend ratio = average closing price per share / cash dividends per share for the year.
Note 6: Dividend yield rate = Cash dividend per share / Average closing price per share for the year.
Note 7: The net value per share and earnings per share should be presented as of the latest quarterly period audited by the CPAs as of the printing date of the annual report; the rest of the columns should be presented as of the current year as of the printing date of the annual report.

(6) Dividend policy and implementation status:

1. Dividend policy as stated in the Company's Articles of Incorporation.

The dividend policy set forth in the Company's Articles of Incorporation is as follows (approved at the Annual General Meeting on June 21, 2016): According to the Company's Articles of Incorporation, if there is any surplus in the annual accounts, 10% shall be set aside as legal reserve after paying taxes and covering accumulated losses in accordance with the law, but the legal reserve may not be set aside if it has reached the Company's paid-in capital, and the rest shall be set aside or reversed to special reserve in accordance with the law. If there is any unappropriated earnings, the Board of Directors shall prepare a proposal for the appropriation of the earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the current year's distributable earnings and paying cash dividends on at least 10% of the current year's dividends. If the dividends are not sufficient, the Company may distribute stock dividends in full.

2. Proposed Dividend Distribution for FY2022

In FY2022, the Company recorded net profit after tax amounting to NT$453,946,758. After taking into account the remeasurement of the defined benefit plan and the legal reserve and special reserve, the remaining amount of NT$295,955,859 will not be distributed and will be appropriated in accordance with the Articles of Incorporation. The Board of Directors' Meeting on March 28, 2023 approved the proposed cash dividend of NT$325,250,910 based on 162,625,455 outstanding shares, and the cash dividend of NT$2 per share will be submitted to the 2023 Annual General Shareholders’ Meeting for recognition.

FY2022 Earnings Distribution Table

	Unit: NT$
Undistributed earnings at the beginning of the period	$97,637,209
Add: Net income after tax for the period	453,946,758
Add: Defined benefit plan remeasurement	1,299,350
Less: Reversal of special reserve	113,848,063
Less: Provision for legal reserve	(45,524,611)
Available-for-distribution earnings	621,206,769
Distribution items:	
Less: Dividends - cash dividends (NT$2)	(325,250,910)
Undistributed earnings at the end of the period	$295,955,859

3. Significant changes in expected dividend policy: None

(7) The effect of the proposed share placement without consideration on the operating results and earnings per share of the Company.

Unit: NT$'000 (except Earnings Per Share, which is in NT$)

Item \ Year			FY2023 (Estimated)
Paid-in capital at the beginning of period			1,626,254
Dividend distribution for the year	Cash dividends per share		NT$2
	Number of allotted shares per share		-Number of
	Number of shares per share from capital reserve		-Number of
Changes in operating results	Operating Income		Not applicable
	Increase (decrease) in operating income over the same		
	Net income after tax		
	Increase (decrease) in net income after tax compared		
	Earnings per share		
	Increase (decrease) in earnings per share from the		
	Average return on investment (inverse of average		
Proposed mandatory earnings per share and cost/benefit ratio	If all of the capital surplus is transferred to	Proposed earnings per share	
		Proposed average annual	
	If capital surplus is not transferred to capital	Proposed earnings per share	
		Proposed average annual	
	If capital surplus is not provided and	Proposed earnings per share	
		Proposed average annual	

Note: The Company has not announced the financial forecast for FY2023, therefore, there is no need to disclose the projected information for FY2023.

(8) Compensation to employees and directors.

(1) The percentage or scope of remuneration to employees and directors as stated in the Company's Articles of Incorporation:

Article 21, Chapter 5 of the Company's Articles of Incorporation.

The Company shall set aside not less than 0.1% of the Company's annual profit. The Board of Directors shall resolve to distribute the remuneration to employees in the form of stock or cash to employees who meet certain criteria; the Company may set aside not more than 2% of the above-mentioned profits as remuneration to directors.

The distribution of remuneration to employees and directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall reserve the amount to cover losses in advance, and the remuneration to employees and directors shall be provided in proportion to the aforementioned amount.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares for employee remuneration distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

The Company does not issue stock-based compensation to employees.

3. Information on the proposed employee bonus distribution approved by the Board of Directors: The calculation of directors' and employees' remuneration for FY2022 was based on the Company's pre-tax net income of NT$601,441,000 (excluding directors' and employees' remuneration) multiplied by the distribution percentage stipulated in the Company's Articles of Incorporation.The distribution was approved by all directors and independent directors present as follows:

	Distribution amount (NT$)
Cash compensation to employees	650,000
Employee stock bonus	0
The Board of Directors, supervisors, directors and supervisors resolved to allocate not more than 2% of the remuneration to the directors in advance.	11,000,000

4. The actual distribution (including number of shares distributed, the amount and the price of the shares) after the remuneration to employees and directors (including independent directors) in the previous year, and the differences between them and the remuneration of employees and directors (including independent directors) should be stated, the reasons for the differences and the handling of the situation:

(1) The actual distribution of bonuses to employees and remuneration to directors (including independent directors) for FY2021 is as follows:

Remuneration in cash to employees: NT$600,000.

Employee stock bonus: NT$0.

Remuneration to directors (including independent directors): NT$8,000,000.

(2) If there is any difference between the above amount and the amount recognized as bonus to employees and remuneration to directors (including independent directors), please state the amount of difference, the reason for the difference and the handling of the difference: No difference.

(9) Repurchase of the Company's shares: None.

2. Status of the Company's Corporate Bonds: None.

3. Status of the Company's Preferred Shares: None.

4. Status of the Company's Overseas Depositary Receipts: None.

5. Status of the Company's Employee Stock Options: None.

(1) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.

(2) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report:

The Company has no manager who has acquired employee stock options and top ten employees who have acquired stock options.

6. New Restricted Employee Shares: None.

7. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

8. Implementation of the Company's Capital Allocation Plans: None.

V. Operations Overview

1. Business Description

(1) Business Scope

1. The principal business scope the Company is engaged in:

A. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.

B. I301010 Software Design Services

C. CC01050 Data Storage Media Units Manufacturing

D. CC01060 Wired Communication Equipment and Apparatus Manufacturing

E. CC01070 Telecommunication Equipment and Apparatus Manufacturing

F. CC01080 Electronics Components Manufacturing

G. F118010 Wholesale of Computer Software

H. F119010 Wholesale of Electronic Materials

I. F113050 Wholesale of Computers and Clerical Machinery Equipment

J. F113070 Wholesale of Telecommunication Apparatus

K. IZ99990 Other Industrial and Commercial Services

L. F401010 International Trade

M. I501010 Product Design

N. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales ratio of major products (FY2022)

Unit: NT$ ‘000

Business Scope	Net Operating Revenue	Operating weight(%)
Digital Communication Application Solutions and Components	16,259,517	84.04
Storage Application Solutions and Components	2,923,485	15.11
Analog Electronic Components	163,501	0.85
Total	19,346,503	100.00

Source: Audited financial reports for FY2022

3. Current products (services) of the Company

(1) Digital communication application solutions and components.

Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc.

Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.

(2) Storage device application solutions and components.

Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc.

Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.

(3) Analog electronic components:

Application: Power Adapter, ADSL broadband network, SOHO Gateway.

Components: MosFET transistor, Ethernet PHY chip, voltage regulator, overcurrent protection device, and power control device.

4. New products (services) to be developed:

The rise of emerging trends will lead the direction of the development of the electronics industry. In the information technology field, the enhancement of existing products and research and development are key directions of development; in addition, the consumer electronics market is also driving the goal of capturing the market with multimedia and consumer-grade products. With the underlying trend of portable electronic products becoming more and more multifunctional, the design and search for higher capacity and lower power consumption storage technologies to meet the needs of users to store and share multimedia information has become the primary challenge for the future. Therefore, we consider ourselves as a 'solution provider' and plan our development direction as follows:

(1) Computer and Peripheral (Information Technology) Application Solutions.

SOHO Gateway, Wireless LAN, LCD Monitor, Memory Card, SSD, Network Storage, Card Reader, Notebook Charger, PoE Switch, 10GPoN, etc.

(2) Consumer Electronic application solutions:

LCD Monitor, DMP, Bluetooth Headset, Bluetooth Speaker, Tablet (MID), WiDi, IoT, IoI, dashcam recorder, Universal PD Transformer.

(2) Industry Overview

1. The main application areas and solutions are all competitive and profitable products. The various development trends of the Company's main application products are described as follows:

(1) TWS: True Wireless Bluetooth Headset

TWS headset mainly transmits signals through Bluetooth technology. However, due to the small size and battery capacity of TWS headphones, and the need to meet users' demands for connection stability, battery life and sound quality, Bluetooth connection technology with faster transmission speed, more stable connection capability and lower power consumption is one of the core technologies for the development of TWS headphones.

The TWS headphones industry is constantly evolving, and as technology advances, so too does related technologies. For example, the introduction of the Bluetooth 5.2 standard allows for faster transmission speeds, lower latency and more stable connectivity to TWS headset technology. In addition, improved voice recognition technology and optimized battery technology have also enabled TWS headset products to have better voice recognition and longer battery life. The continuous improvement of these technologies will further promote the development of TWS headset industry and bring better product experience to consumers.

This includes products such as open-ring headphones, in-ear headphones, etc. In order to meet the different needs of consumers, OTC hearing aids are also offered in the market catering to the hearing impaired. Unlike traditional hearing aids, OTC hearing aids are more affordable and have a more stylish, compact design that can effectively improve the quality of life for people with hearing loss. OTC hearing aid products have also continued to evolve through innovation, and more intelligent hearing aids have been developed, with noise reduction, voice recognition, intelligent control and other functions, making OTC hearing aid products gain traction in the market.

In terms of TWS headphones, in order to meet consumers' requirements for a better listening experience, many brands continue to develop more intelligent and more human-centered products. For example, some brands have launched headphones with active noise cancelling functions, which can minimize surrounding noise during use, allowing users to focus more on music or voice calls. In addition, there are also many intelligent applications in the TWS headphone market, such as headphone with wireless charging function and headphones supporting voice assistant, which provide consumers with a more convenient and compelling user experience.

Overall, both the TWS headset market and OTC hearing aid market are facing continuous changes and development.

With the rapid advancement of technology, the functions and performance of these products will be upgraded continuously, and more new products will enter the market to promote the development of the whole industry.

(2) Internet (IoT)

The Internet is currently the hottest topic in the market, and various suppliers are fully engaged in this field, offering there is a wide range of technologies. The Internet market requires not only hardware, but also integrated software development and platform integration to meet the business opportunities brought by the rise of the Internet of Things (IoT). These opportunities include:

1. Hardware: IoT devices and related communication devices, various sensor ICs, communication ICs, microcontrollers and micro-mechanical structures.
2. System composition and architecture: System solutions companies are mostly required to provide solutions to assist in platform architecture and maintenance.
3. Software development: Each IoT device requires a corresponding application to enable data exchange.

IoT application scenarios range from wearable devices to offices, factories, transportation facilities, public facilities, and various devices in all corners of the city, covering all kinds of activities in human society from near to far, with unlimited future potential.

(3) Wireless Local Area Network (WLAN)

For WLAN, the world's leading technologies have integrated Wi-Fi, Bluetooth and FM radio technologies into a single chip, and the applications have been extended to mobile phones, tablet PCs and automobiles. GMI International has a strong foundation in WLAN technology, primarily for personal computers and notebooks. WLAN is constantly being used in new applications and fields. With WLAN, any wiring device in a building can provide network access to computers equipped with WLAN interface cards, maximizing the efficiency of computer resources. We are gradually developing our access devices and wireless routers into integrated gateways, increasing the added value of our products, and gradually incorporating broadband and network security functions into our products, as well as developing our sales to service providers and small and medium-sized enterprises.

Furthermore, in line with the development trends of suppliers, products featuring Wi-Fi 6 have been launched in the market. Wi-Fi CERTIFIED 6™ is based on the IEEE 802.11ax standard certification program and supports the capacity, efficiency, coverage and performance required by users in today's most demanding Wi-Fi environments. The Wi-Fi CERTIFIED 6 network focuses on providing high-quality connectivity in stadiums and other public venues with hundreds or thousands of interconnected devices, as well as in enterprise-class networks running time-sensitive, high-bandwidth applications, ensuring that every connected device achieves optimal performance. In addition, the integration of consumer electronics applications will provide potential future growth drivers for network vendors.

(4) Automotive Ethernet

The increase in the number of electronic control units (ECU) and sensors in the vehicle to promote fundamental changes in the embedded automotive network systems. In order to support car safety and entertainment system on the bandwidth needs of cars, Ethernet networks will be able to achieve very high speed data transmission in cars. Currently, in-vehicle data networks can reach speeds of up to 10 Gbps. High bandwidth and fast signal processing are essential for autonomous driving. As vehicles become more automated, the number of in-vehicle electronic control units continues to increase, and the rise of data-intensive applications such as Advanced Assisted Driving Systems (ADAS), high-definition cameras and LiDAR technology increases the demand for data transfer rates and overall bandwidth.

Data in the traditional network domain will be connected to the same electronic control unit based on its location in the vehicle, significantly reducing cables, further reducing weight and cost, and improving fuel efficiency. Ethernet technology will be the key to the transformation of in-vehicle networks.

In addition to supporting high-speed data transmission, Ethernet technology follows the Open Systems Interconnection (OSI) communication model. Ethernet is a stable, long-established and widely known technology that has been widely used in data communication and industrial automation. Compared to other in-vehicle network protocols, Automotive Ethernet has a well-defined development roadmap that provides additional speed levels, unlike CAN and LIN protocols that have reached a stage where applications have exceeded their capabilities and there is no clear upgrade path to resolve known issues.

It is expected that Ethernet will become the foundation for automotive data transfer in the future, providing a common protocol stack and reducing gateway requirements as well as hardware costs and associated software overhead. Its scalability will meet the need for higher speed and ultra-low latency capabilities. Each Ethernet switch in the regional architecture can transfer data from different domain activities to the local switch, and then the Ethernet backbone aggregates the data to improve the efficiency of available resources.

(5) USB Type-C

USB Type-C has gained much attention in PC and consumer electronics (PC peripherals) industry. Combining a number of important features (power supply, easy connectivity, and high transfer bandwidth) in one package to meet user needs, USB Type-C is expected to become one of the most versatile interfaces, but it can also create many confusing transmission problems. For example: Alt Mode, Accessory Mode, Structured Vendor Defined Messaging (VDM), and Unstructured VDM, etc., users and engineers need a lot of communication to solve these problems.

2. Competitive Landscape

In terms of the main industry sectors in which the Company currently operates, Realtek, AUO and Winbond are mainly used in the information technology (IT) industry, while AUO, Realtek and Winbond are used in the consumer electronics industry and Realtek and Winbond products are mainly used in the ICT industry (telecommunications). With a sound customer structure and a complete product line, GMI has been playing the role of an application solution provider from the beginning, entering industries and applications where the market is about to take off and striving to provide more high value-added services as a total solutions provider. Therefore, despite the intensifying competition from our competitors, we are able to quickly gain the trust of our suppliers and customers and generate higher profits through our ability to integrate industry trends, market applications, product development, technical support, material supply and marketing channels. The names of the Company's major competitors, business items and major products represented are listed below.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
GMI International	Semiconductor components distribution, sales and system development services	100%	Digital communication application solutions and components, memory components, computer peripheral application solutions and components, digital home appliance application solutions and components, storage device application solutions and	Realtek, Actions Technology, AUO, Winbond, etc.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
			components, analog electronic components, etc.	
WPG Holdings	Distributor and sales of semiconductor parts and components	100%	Application-specific Standard Parts (ASSP), CPU/MPU, Memory, Logic, Linear, Discrete, etc.	ALI, AOS, CREE, Infineon, Intel, MediaTek, Micron, MPS, Novatek, NXP, OmniVision, Realtek, OmniVision, Realtek, Samsung Electronics, Samsung SDI, SEMCO, ST Micro, SEMTECH, Spreadtrum, Toshiba, Vishay, Winbond, etc.
TW Microelectronics	Distributor and sales of semiconductor parts and components	100%	Logic (LOGIC) ICs, mixed-signal ICs, linear ICs, application-specific ICs, decentralized (DISCRETE) components, storage ICs, image sensor IC sets, high-speed interface components, programmable ICs, microprocessors and memory, etc.	Ambarella, Broadcom, ESMT, EXAR, Intersil, Linear, LG, Magnachip, Marvell, Maxim, Micron, Nanya, NXP, ON, Realtek, ST Microelectronics, and IDT
Zenitron Corporation	Distributor and sales of semiconductor parts and components	100%	Memory cards, ICs/ICs, transistors, power field effect transistors, diodes, light emitting diodes, power modules, wafers and resistors, capacitors, camera modules, microcontrollers, acceleration sensors, etc.	SANDISK, ROHM, Infineon, Vishay, Cypress, Fuji Electric, Real Thinking, Realtek, Global Mixed-Mode Technology, E-Lan, InvenSense, Parade, RFID Power, TDK, TAIYO YUDEN, Vishay, NICHICON, etc.

(3) Overview of the Company's Technologies and its Research and Development Work

1. Research and development expenses for the most recent fiscal year

Unit: NT$ '000

Item	2022	Q1 2023
R&D Expenses	22,920	6,329

2. Successful development of technologies or products

(1) Under the active operation and planning of the "Technical Support Department", the technologies or products successfully developed in recent years are listed as follows:

Year	Supplier	Product	Application
2022	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application

Year	Supplier	Product	Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC
	Realtek	TWS	Consumer electronics
	Winbond	Flash memory	PC/NB mother board and peripheral
	Winbond	DDR memory	PC Peripheral
	APEC	MosFET	PC CPU core power
	AUO	LCD Panel	Industrial Application
2021	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC
	Realtek	TWS	Consumer electronics
	Ganrich	GaN FET	AC to DC Power Adapter
	AUO	LCD Panel	Industrial Application

(2) The results of self-development or design commissioned by customers

Year	Product Name	Application
2022	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IOT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications
2021	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IOT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications

(4) Long-term and Short-term Business Development Plans

1.Short-term development plan

(1) Strengthen product application development capability

The electronic parts distribution industry has changed from traditional product information delivery to a total solutions provider service, and the ability to provide customers with a complete product line and correct application solutions is an indispensable requirement for the distribution industry nowadays. In view of this, we will continue to strengthen the capacity of our product development team and train new technical support engineers for product application, and distribute them in our offices in Taiwan, Hong Kong and China to provide customers with more professional and correct product application solutions. In order to effectively provide Total Solution technical support services to our customers, we not only have our own professional team of experts, but also seek external strategic alliances to achieve the goal of assisting our customers to bring their products to market in a timely manner.

(2) Provide complete supply of master parts for application products

In today's market environment, a single product line is no longer able to provide customers with maximum procurement benefits. Therefore, we are able to provide customers with total solutions for major product lines to achieve procurement benefits and convenience in applications. For example, for portable media players (PMPs), we not only provide complete application technology, but also supply the main components of the package, such as USB interface components and SDRAM memory.

(3) Strengthen the Company's operation and operation management system

In order to meet the customer's order taking and design pattern in Taiwan and procurement and production pattern in China, the Company continues to strengthen the information management and flexible use in China, Hong Kong, and Taiwan through the investment business, and improve the logistics management to reduce the risk of inventory stagnation and increase the cost efficiency.

2. Long-term development plan

(1) Complete the marketing service network in the Asia-Pacific region

Nowadays, the Asia-Pacific region has become a global center for the development and production of information products, and international marketing is a necessary condition for the success of semiconductor channel operators. We have set up 12 service offices in Taiwan, Hong Kong and China, such as Shenzhen, Shanghai and Beijing. With years of experience in the China market, we will expand to Japan, Korea and Singapore in the future to expand our product lines and expand our customer base.

(2) Develop products with high added value and in line with market trends

Profit is the only way for a company to survive, and creating high profit and increasing added value are the guiding principles of our company's management. Therefore, we will continue to keenly leverage our insights to identify the mainstream application products of future trends, develop application solutions, and gain an advantageous position before the mainstream market is formed. For example, "digital lifestyle" is a way to gain profit and sustainable management by being aware of the inevitable trend before it is formed, so that we can start to lay out our plans, acquire product distribution rights, strengthen development technology, and build marketing channels before the market trend. We aim to be the best provider of information technology, consumer electronics, communication products and other high-tech "product application solutions" in the Asia Pacific and Greater China regions.

(3) Staff Training and Financial Planning

The three essential elements of a channel business are manpower, products and capital. We have been planning a complete system of personnel training and organizational cooperation for a long time, and we understand the personal career planning of our employees and make the most effective arrangement to achieve the best utilization of talents, so that we can achieve a win-win situation for both the company and the employees. At the same time, we will continue to strengthen our financial operation capability to build up the company's operational quality and to grow continuously under a sound financial structure.

2. Market as Well as the Production and Marketing Situation

(1) Market Analysis

1. Sales of major products in recent years

Unit: NT$ ‘000

Year / Region	FY2021		FY2022	
	Sales Volume	%	Sales Volume	%
Taiwan	828,734	4.40	872,854	4.51
Hong Kong and China	17,849,763	94.68	18,366,698	94.94
Others	174,192	0.92	106,951	0.55
Net revenue	18,852,689	100.00	19,346,503	100.00

2. Market share

The ratio of the sales of semiconductor components to the sales of electronic components in Taiwan for the last three years is as follows:

Unit: NT$ 100m

Year \ Item	Sales value of semiconductor components by GMI International	Sales value of electronic components industry	Market Share (%)
2020	137	12,994	1.05%
2021	189	15,096	1.25%
2022	193	15,524	1.24%

Source: IEK Consulting (ITRI), Electronic Components Industry Value.

3. Future market supply and demand and growth

The Company is mainly a distributor of electronic component products produced by domestic and foreign electronic component manufacturers.The growth of the electronic components industry is directly influenced by the downstream demand for information, communication and consumer electronics products.

The ITRI "Outlook 2023 and CES Key Trends Seminar" analyzes the overall observation of the technology industry. In 2023, the world will gradually become less impacted by the COVID-19 pandemic and return to normalcy. With the gradual adaptation and business restart of the industry, the key areas for the development of technology industry will be revealed in the CES (International Consumer Electronics Show). In order to help the industry grasp the key trends of technology in 2023, ITRI held an online "Outlook 2023 and CES Key Trends Seminar". CES 2023 can be summarized into five latest observations, including:

1. CES 2023 is becoming a global innovation base, with mobile devices, health experiences, metaverse, smart home networking, and environmental sustainability as key innovation priorities.
2. The Metaverse of Things (MoT) is a new concept that is developing faster than expected.
3. Post-pandemic health technology is in the forefront, focusing on three themes: Digital Therapeutics, Fitness Tech and Mental Wellness.
4. Automotive technologies are developing with user demand in mind; safety, entertainment and convenience are the main growth drivers.
5. Smart Home Standard Matter was officially launched to pursue more intelligent and sustainable smart home appliances.

ITRI points out that the global consumer electronics market growth is generally slowing down due to multiple uncertainties such as global inflationary pressure, the ongoing war between Russia and Ukraine, and the continuation of the COVID-19 pandemic, and is looking towards innovative applications to drive new growth momentum. In first-hand observations, as the epidemic subsides, CES 2023 has recovered considerably from the past two years, reaching an estimated 70% of the CES peak. As the market for smart electric vehicles matures, more than 300 companies are participating in this year's show, making it the fourth largest auto show in the world, after the Tokyo Motor Show, International Motor Show Germany in Frankfurt, and the North American International Auto Show in Detroit. In addition, CES has gradually become a global innovation hub, with key technologies such as 5G, AIoT, high-speed computing, sensory fusion, Web/3D, etc., driving the implementation of various innovations. Multinational companies are actively collaborating with new technologies and services through platform-based strategies to bring more innovation momentum to their companies.

In our observations of CES 2023, innovative technologies continue to attract attention, including: self-driving and electrification of various mobile vehicles, immersive health and fitness experience, metaverse, smart home networking, environmental sustainability innovation and other themes are the main focus of the show.

◎ Self-driving/electrification of various vehicles and in-vehicle innovation experience: The trend of self-driving and electrification of various vehicles is gradually expanding, and real-time intelligence and personal services are provided through software.

◎ Multiple sensory devices for health and enhanced workout efficiency and experience: A complete sensing solution for physical and mental health, and the deployment of various innovative wearable devices to enhance workout efficiency and a more immersive workout process.

◎ The metaverse ecosystem is gradually taking shape and expanding into a more diverse mixed reality world: metaverse platforms for various vertical applications are taking shape, with industrial manufacturing and retail applications taking the lead; and opportunities for system integration to help industries build metaverse platforms and technologies are also emerging.

◎ Gradual integration of environmental sustainability and consumer behavior: Through the innovation of digital and material technologies, the integration with consumers' daily life (e.g., water and electricity use, eating habits, etc.) makes sustainable living easier and resonates more with consumers.

Although the world has generally normalized from work-at-home or lockdown models, digital twins and the metaverse have become underlying trends. The "Metaverse of Things (MoT)" business opportunities are realized through the convergence of two technologies: virtualization and immersion, which is expected to materialize sooner than we think. From the home, to the individual, and even to the car cabin, more emphasis is being placed on creating a private immersive atmosphere than before the epidemic, by optimizing the display screen and user interaction. In the context of home applications, size and image quality are the primary battlegrounds for manufacturers. They strive to establish the television as the centerpiece of the home living room by offering large screens, such as 80” displays, and high-definition resolutions like 8K, which reverts back to the demand of core hardware specifications. At the same time, OLED technology continues to evolve with various adaptations, including transparent, flexible, and 3D displays, which can be further developed into niche markets with specific requirements and preferences. In terms of personal applications, more VR wearable devices are being launched: in addition to VR headsets, clothing, gloves, and protective gear are also being used to enhance immersive experiences. With the rapid development of AR/VR, it is gradually moving from the professional field to personal daily life, and incorporating AI to create personalized service applications, which has helped AR/VR move from cool to practical. On in-vehicle development scenarios, in addition to more display screens, the human-machine interface is no longer limited to unidirectional voice control commands, as BMW, Sony, and other major brands are trying to build a car project where people and cars can communicate on an emotional level.

According to ITRI's observations of the CES, in the development of post-epidemic health technology, related industries are pursuing the use of more diverse and accurate physiological signal sensing technology to create a multifaceted healthy life for individuals. Healthy lifestyles are being realized through the three major aspects of Digital Therapeutics, Fitness Tech, and Mental Wellness, and deploys more sophisticated sensing technologies and advanced AI to improve the accuracy and scope of disease prevention, detection, treatment, and wellness. In the foreseeable future, post-pandemic health technology will enter households similar to how consumer electronics technology has become an integral part of our daily lives. Previously, exclusive services such as personal trainers or nutritionists were costly and limited to a select few. However, with technology advancements in the medical field, the general public can easily access similar service experiences. For example, with the integration of visual aids, stress sensors, and context assistance, homes can transform into personal fitness centers, making indoor exercise more enjoyable and engaging. In addition, the electrification of mobile sports equipment, including bicycles, skateboards, roller skates and other mobile sports equipment have joined the ranks of electrification, which not only can increase the distance of sports, but also can serve as an alternative to commuting, but the development of lightweight battery is the key influence.

According to observations from the ITRI, there are four prominent trends in automotive technology this year: The first is that a large number of sensors are being introduced into the cockpit to monitor the driver's status and ensure driving safety; the second is that time spent in a car will also be used more actively, allowing games to be introduced into a car’s system for passenger entertainment and allowing drivers to relax more thoroughly while waiting for charging. Third, by linking the car system to the home system, the home and the car can be controlled interactively and seamlessly to bolster time management. In addition, the level of autonomous driving continues to increase, and it is expected that the maturity of the technology and plans for commercial introduction will be demonstrated in the near future. At a time when the automotive supply chain is undergoing major innovation, this represents an opportunity for Taiwanese companies to enter and establish their foothold in the automotive industry. Taiwan's strengths in the semiconductor field, including foundry, professional chip design, custom chip development, communication and image processing technologies, are all good opportunities to enter the automotive supply chain.

The years of impact from the COVID-19 global pandemic have reinforced the importance of home environment and created various needs, from bedroom, kitchen, bathroom to home security monitoring, all of which continue to see electronic products being introduced to help make life more convenient and intuitive. The trend of personalization of home appliances shows that home electronics have advanced from meeting basic functional needs to creating a taste of life. According to the observations of the ITRI, a seamless and intuitive connectivity experience is a key factor for home electronic products to penetrate the market further. In addition to the continuous efforts in interconnectivity technologies by major brands, the official launch of the smart home standard Matter has greatly enhanced the confidence of manufacturers in the smart home market. The open ecosystem of Matter is expected to drive a new wave of growth and advancements in smart home solutions. ITRI estimates that the consumer electronics semiconductor market will continue to experience positive growth momentum with a projected compound annual growth rate (CAGR) of 3.2%, generally driven by innovative consumer electronic products. It is anticipated that by 2026, the global market for consumer electronics semiconductors will reach a size of US$80.1 billion. This signifies a shift towards a more convenient, automated, and intelligentized society.

Source: ITRI "Outlook 2023 and CES Key Trends Seminar

4. Favorable and unfavorable factors and countermeasures for competitive niche and development prospect:

(1) The Company has the following competitive niches

A. Professional and comprehensive management team

Our company was founded by industry experts in the consumer electronics industry, and the core management team has more than 15 years of experience in the industry, which gives us the advantage of familiarity with the industry and marketing planning experience, as well as a keen insights to customer needs and market trends. In particular, our management team in the China market has over 10 years of experience in the mainland market, giving us an absolute competitive advantage in the information industry where China is the main battleground in Asia today and in the future.

B. Superior technical capabilities

The Company understands that having the necessary conditions of a traditional distributor is not enough to make a name for itself in such a competitive industry, but we need to have excellent product development capabilities to help our customers launch their products correctly and quickly, and to help them solve their problems in the shortest possible time when they encounter bottlenecks in the product development process. In the process of cooperating with the original manufacturers, we keep accumulating knowledge, mastering new knowledge of products and discovering new markets, and providing the best product combinations to our customers immediately, so that the upstream original manufacturers and downstream customers can work more closely together, and achieve a "Total Solutions Provider" oriented to technology marketing.

C. Complete product integration

Therefore, obtaining and maintaining a complete and diverse product portfolio is the key to obtaining orders from customers and achieving stable and growing product sales. Through the technical support of our application engineers, we provide total solutions to our customers, gaining their absolute trust and enhancing our company's competitive advantage in the industry.

D. Comprehensive marketing channels

For a professional solutions provider, keen market insights, a professional management team, superior product development capabilities, and a complete product line are indispensable, but without a diversified and comprehensive marketing channel, the above resources and capabilities cannot be maximized. The Company has deployed several service bases (e.g. Beijing, Shanghai, Shenzhen, etc.) in China, the most important location in the IT industry, with Hong Kong as the key node, to provide customers with immediate delivery services through professional logistics personnel, and professional accounting personnel to help customers do the most effective capital management and cost reduction. At the same time, the MIS system has been set up to enable all GMI staff to obtain all industry news and customer information in the shortest possible time, so as to provide customers with immediate and optimal services and to fully recognize GMI as an indispensable partner.

(2) Favorable factors:

A. Stable distribution rights and comprehensive product portfolio

Our main suppliers include Realtek, AU Optronics, and Winbond, all of which are household names in the industry with strong competitiveness in the market, and we have received excellent feedback from our suppliers for our newly acquired distribution lines. For suppliers who have been cooperating with us for many years, we have a strong agency and distributorship relationship, so overall our agency line is stable. In addition, our product portfolio is designed to meet the convenience of one-time purchase and to reduce the cost of procurement for our customers. Therefore, our products are used in a wide range of applications, including information, communication and consumer electronics industries, to meet the diverse product choices of our customers and to establish long-term partnerships.

B. Professional design and application service capability

We have many seasoned product managers who are well aware of the market trends, and our "Technical Support Department" has professional R&D and design application engineers to provide customers with product market and trend analysis, collaborative research and development of new product design-in software and hardware integration capabilities (Total Solutions) and the most competitive component combinations, which are well recognized and appreciated by our customers.

C. Market Growth Potential

In 2022, the overall electronic component industry in Taiwan faced the biggest headwinds in the past five years. Factors such as shrinking end-market demand, high inventory levels, production disruptions, and the impact of the U.S.-China trade war have collectively affected the industry's development. Therefore, it is estimated that the overall output value of electronic parts and components will face a battle to defend NT$ 2.4 trillion, which is expected to decline by about 6% compared to 2021. Looking ahead to 2023, Taiwan's electronic components development will have four major aspects of observation, namely the speed of inventory clearance, the impact of technological rivalry between the US and China, the growth of 3C PLUS applications and the proportion of high-spec product applications. Taking all these factors into account, there is a high probability that the production value of electronic components in Taiwan in 2023 may experience a slight decline of 0.5%, remaining at around NT$2,424.8 billion.

To observe the operation of the semiconductor industry, the think tank Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry proposed four key issues:

1. Global fab equipment spending grew sharply for third year in a row. However, due to market headwinds in 2023, global semiconductor equipment spending will slow down and foundries are expected to reduce capital expenditures and slow down production expansion.
2. The gap in supply/demand for DRAM continued to expand in the second half of 2022 and prices fell rapidly. Among them, Taiwan manufacturers mainly supplied niche products, and the decline may be more pronounced than the standard products.
3. The logic IC packaging and package testing business is expected to gradually recover in the second half of 2023 along with market conditions. The increase in chip

design complexity and transistor count will drive demand for high-end testing, which will help boost revenue growth of related companies.

4. The shortage of semiconductor chips has eased significantly; however, various application sectors in the supply chain still face different levels of material shortage issues. In addition, there is still a capacity gap for automotive MCUs and industrial power semiconductors.

According to the MIC, Taiwan's semiconductor industry still outperformed the global average in 2022, with output value estimated to be NT$4.3 trillion, a growth rate of 15.8%, and a slight growth of 1.7% in 2023. The rapid decline in consumer end-use demand impacted the revenue growth of IC design, IC packaging and memory industries in the second half of 2022, and the semiconductor industry has entered the inventory adjustment stage. The oversupply and declining demand for consumer-grade ICs and memory will also affect the demand for IC packaging and testing, which will not be conducive to the overall performance of the semiconductor industry in 2023. However, due to the support from the high-end chip market in the foundry segment, MIC anticipates that Taiwan's semiconductor industry will maintain positive growth in 2023. In 2022, the industry was affected by inventory adjustments, strict lockdown control measures in China, the US-China trade war, and inflation. As a result, semiconductor product shipments may have shown a slowdown trend from the fourth quarter of last year to the first half of this year. However, it is expected that shipments will recover in the second half of the year after inventory clearance. Although demand is gradually correcting, semiconductor applications are becoming more and more widespread, and future demand in automotive, cell phone, industrial, wireless communication, artificial intelligence, 5G infrastructure and energy markets will keep semiconductor demand growing.

Source: UDN/ Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry

UDN / NAIPO - 2023 Global Semiconductor Industry Survey: Automotive replaces Wireless Communications as the Most Important Growth Driver

(3) Unfavorable factors and response measures:

A. The booming development of suppliers and channel operators has led to fierce competition in the market

The success or failure of a distributor depends on the quality of the product and the competition among the industry. In recent years, the booming development of semiconductor design companies and distributors has led to high homogeneity and substitution of different brands and multiple distributors for the same brands, resulting in price competition and compressed profit margins.

Response measures:

a. Since its establishment, the Company has positioned itself as a professional Total Solution Provider, with six functions: keen industry trend analysis, decisive market application insights, strong product development capabilities, professional technical support service, complete material supply chain and flexible marketing channel development to create a high value-added market and profits different from those of traditional channel providers. Therefore, we have already differentiated our market position from the industry and avoided price competition among the industry that compresses profit margins.

b. The product lines that we represent and distribute are prospective core technology products and wide applications in the future, and we have established a good relationship with our suppliers from the early stage of their entry into the market, so they have a leading position in their industry, with products that are highly competitive in the market.

B. Short life cycle of downstream products

The electronics industry is often characterized by the change of product generations with the introduction of new products, which also tests the ability of semiconductor component distributors to grasp product information and inventory control.

Response measures:

a. Maintain a high degree of keen acuity to market trends and strengthen our ability to serve new technologies by actively introducing future core technology product lines and developing new customers in different fields in order to diversify operating risks and ensure stable profitability.

b. In order to keep abreast of the latest market demand and the most suitable inventory quantity, our BD staff will regularly present and compile the latest customer demand opinions and market information collected during business meetings, and utilize data such as product order status, inventory quantity, product attributes, market conditions, projected sales plan and procurement lead time as reference for purchasing and safety stock decision-making. The inventory is usually based on the common parts and components, while the parts and components for specific applications are based on the order acceptance status to ensure the appropriateness and flow of the inventory, and the inventory forecast is regularly compiled as a reference for procurement decisions.

c. To strengthen product market development, the Company shall continue to focus on new trends in products and markets, set future directions and opportunities, and introduce new distribution lines and develop new market customers in a timely manner in order to grasp business opportunities.

(2) Usage and Manufacturing Processes for the Company's Main Products

1. Important Applications of Major Products

Major Products	Significant Applications
Digital Communication Application Solutions and Components	Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc. Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.
Storage Application Solutions and Components	Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc. Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.
Analog Electronic Components	Application: Power Adapter, ADSL broadband network, SOHO Gateway. Components: GaN transistors, network physical layer chips, clock generators, voltage regulators, over-current protection devices, power control devices.

2. Major product manufacturing process: Not applicable (the Company is not a manufacturer).

(3) Supply of major raw materials: Not applicable (the Company is not a manufacturer).

(4) The names of customers who accounted for more than 10% of the total amount of purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

1. The names of customers accounting for more than 10% of the net purchases in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Unit: NT$ '000

	2021				2022				As of Q1, 2023 (Note 2)			
Item	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the current year as of Q1, 2022 (%)	Relationship with the Company

1.	Realtek	15,518,075	86.02	Note 1	Realtek	16,101,161	82.45	Note 1	Realtek	2,324,695	87.86	Note 一
	Others	2,522,371	13.98		Others	3,429,206	17.55		Others	321,246	12.14	
	Net purchases	18,040,446	100.00		Net purchases	19,530,367	100.00		Net purchases	2,645,941	100.00%	

Note 1: The Chairman of the Company is a substantive related party to the other company.

Note 2: The financial information in the first quarter of 2023 was reviewed by the CPAs only.

The Company's major supplier for the last two years is Realtek Semiconductor Corporation. Sales of its main products have thrived with the recent widespread adoption of wireless network communications in the China and Taiwan markets. This line of products has the ability to be used in consumer electronics and home multimedia entertainment equipment, as well as wireless LAN functionality, with a relatively strong growth potential.

2. The names of customers accounting for more than 10% of the net sales in the last two years and the amounts and proportions of their purchases, and the reasons for the changes:

Unit: NT$ ‘000

2021					2022				As of Q1, 2023 (Note 1)			
Item	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the current year as of Q1, 2022 (%)	Relationship with the Company
1.	Hon Hai Precision Industry Co., Ltd. (Foxconn)	4,373,423	23.20	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	3,618,642	18.70	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	570,168	17.17	無
	Others	14,479,266	76.80		Others	15,727,861	81.30		Others	2,750,114	82.83	
	Net purchases	18,852,689	100.00		Net purchases	19,346,503	100.00		Net purchases	3,320,282	100.00	

Note 1: The financial information in the first quarter of 2022 was reviewed by the CPAs only.

Hon Hai Precision Industry mainly procures Realtek's WiFi and LAN chips from the Company. The decrease in revenue was mainly due to lower product demand from end-users.

(5) The value of production volume in the last two fiscal years: Not applicable (the Company is not a manufacturing company).

(6) Sales volume for the last two fiscal years

Unit: NT$ '000

Year / Sales Volume / Major Products	FY2021				FY2022			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Digital Communication Application Solutions and Components	Note	672,245	Note	15,642,388	Note	695,049	Note	15,564,468
Storage Application Solutions and Components	Note	145,302	Note	2,319,222	Note	167,320	Note	2,756,165
Analog Electronic Components	Note	11,187	Note	62,345	Note	10,485	Note	153,016
Total	Note	828,734	Note	18,023,955	Note	872,854	Note	18,473,649

Note: Since the Company has a wide range of products and different units of quantity, we only provide sales values for major product categories.

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

April 30, 2023

Year		FY2021	FY2022	As of April 30, 2023
Number of employees	Business Units	99	104	92
	Administrative Units	97	100	114
	Total	196	204	206
Average Age		38.89	40.01	40.08
Average years of service		6.96	7.18	7.07
Education distribution ratio	PhD	0	0	0
	Master's Degree	5	4	4
	Bachelor's Degree	168	177	179
	High School Diploma	20	19	19
	Below High School	3	4	4

4. Information on environmental protection expenses:

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company is principally engaged in the trading, import and export of semiconductor parts and components, and due to the nature of its business, there is no environmental pollution.

5. Labor relations:

1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements:

(1) Employee welfare measures

The Company's employees regularly apply for various welfare measures, such as employee health insurance and group insurance, and employees are entitled to annual bonuses, employee meal gatherings, birthday parties, and other benefits. In order to improve the quality of human resources and cultivate professional talents, we provide relevant professional training according to the needs of personnel and business. We also have a profit distribution and dividend system, a people-oriented management promotion system, a transfer system, and domestic and overseas travel subsidies for employees.

(2)Various staff training and training

New employees are required to be briefed by HR personnel on the day they report to work, including all code of conduct rules and welfare system. Pre-employment training focuses on helping new employees get familiar with the working environment and get into the situation as soon as possible. Through planned training, all employees will be able to give full play to their strengths in the workplace. From time to time, the Company conducts training courses either uniformly or individually by the unit, and participates in training courses held by domestic and foreign training institutions.

(3) Retirement system and its implementation

The Company has a retirement plan for its regular employees. Starting from May 2003, a monthly pension fund of 2% of salaries is provided to the Company's Labor Pension Fund Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan. In accordance with the Labor Law of the Hong Kong Special Administrative Region, the employees of the Hong Kong Branch are subject to the "Mandatory Provident Fund Scheme Act" and the monthly contributions are made at 5% of their salaries to their individual pension accounts. Since July 1, 2005, all employees of the Taiwan head office are subject to the "Labor Pension Act", which provides for a defined contribution retirement plan, and 6% of the employees' monthly salaries are contributed to their individual pension accounts.

(4) Group agreements between labor and management and measures to protect employees' rights and interests

In order to protect the rights and interests of employees and to harmonize the labor relations, the Company has made efforts to strengthen the harmony between management and employees and to ensure two-way communication and coordination to solve problems.

2. Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

   The Company has not had any labor disputes since its establishment. In the future, the Company will strengthen the communication between employers and employees in order to promote the prosperity of the Company and to protect the welfare of employees, and under the peaceful and rational operation of both parties, labor disputes should not occur easily in the future.

6. Information Security Management

(1) Information security risk management structure, information security policy, specific management plan and resources invested in information security management. These regulations apply to the management of all employees, outsourced vendors, third-party personnel and related information assets of all units of the Company.

1. Information Security Management Framework

(1) Chief Information Security Officer: The head of the Information Management Division is responsible for convening and chairing information security management meetings on a regular basis, and making decisions based on the results

of the meetings for implementation.

(2) Information security team: The team is composed of the supervisors of each business unit to propose motions based on information security management issues, and are responsible for planning, promoting and coordinating the resolutions.

(3) The information security meeting shall be convened and chaired by the Chief Information Security Officer to approve various information security matters, announce new security policies, review corrective and preventive measures, respond to information security crises, and regulate the relevant personnel in accordance with these Regulations.

2. Information Security Policy

(1) To ensure the confidentiality of company-related information and to protect confidential company and personal information.

(2)To ensure the integrity and availability of information related to the Company's business and to improve administrative efficiency and quality.

(3)To enhance the information security protection capability in line with the promotion of national policies and to achieve the goal of sustainable business operation.

3. Specific management plan for information security

Currently, the Company has not purchased information security insurance, but has established a joint defense mechanism for human resources training and information security.

(1) Physical and Environmental Security Management

Computer equipment security and server room control management includes hardware environment control, power supply, cable security, and equipment maintenance. In order to avoid leakage of personal information, the information assets and equipment are disposed of by the information unit in accordance with the procedures.

(2) Security management of software use

The Company strictly prohibits the use of illegal software. The software used within the Company has been authorized by the vendor and cannot be downloaded or installed without the consent of the head of the information management department to avoid infringement of intellectual property, misuse of laws, or activation of malicious execution files.

(3) Perimeter Security Management

IT support personnel or maintenance service personnel can only enter when accompanied or authorized by the information management department, and records of entry and exit shall be kept.

(4) Network security and data security management

1. Network security management: To assign dedicated personnel to manage the network system, maintain the normal operation of the network system, set up firewalls and information security protection equipment to prevent illegal intrusion into the company causing the risk of commercial secrets and personal information leakage, and keep complete records of all personnel logging in and out of the internal network and host system.

2. Data security management: access control and data storage security, strict password management, regular data and software backup, and off-site storage mechanism for important information storage.

3. The Company cannot fully guarantee against malicious attacks from third-party network paralysis systems, but no malicious network attacks have occurred in 2022 or as of the date of the annual report, affecting the Company's normal operations.

4. Resources Invested in Information Security Management

1. The Group has invested a total of 2 persons in the information security team.

2. The Company holds regular meetings every week to review the information security vulnerabilities and review the correction status every month.

3. 17,975 endpoint threats have been successfully blocked through anti-virus endpoint protection and behavior analysis modules.

4. 21,895,730 spam emails and 75,392 blackmail emails were successfully blocked by the Spam Protection and Threat Protection modules.

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Group has not suffered any financial loss due to material information security incidents in the latest year and up to the date of printing of the annual report.

7. Important Contracts

Nature of Contracts	Parties	Date of commencement and expiration of the contract	Main Contents	Restrictions
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Division I, Multimedia Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Division, Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Division I, Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2022/01/01 - termination of the agreement between the parties	Online Multimedia Product Distribution Agreement	Restricted product sales area
Agency Agreement	Realtek Singapore Pte. Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte. Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte. Ltd	2020/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Products Business Group	Restricted product sales area
Agency Agreement	RayMX Micro Co.,Ltd.	2019/01/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	ACTnano	2019/10/09 - 2022/10/09	Agency Agreement	
Product Distribution Agreement	Winbond Electronics Corp.	2023.01.01-2023.12.31	Distribution contract for IC products	Restricted product sales area

Agency Agreement	Artilux Inc.	2021/01/15 - termination of the agreement between the parties	Agency Agreement	
Agency Agreement	Potens Semiconductor Corporation	2021/03/05 - termination of the agreement between the parties	Product Distribution Agreement	
Agency Agreement	M3 Technology Inc.	2021/12/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	Starmems Semiconductor Corp.	2021/12/06 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	Storart Technology Co.,Ltd.	2021/04/14 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area

Note: The above contract will be automatically extended if both parties do not agree to terminate before the contract expires.

VI. Financial Overview

1. Condensed balance sheet and consolidated income statement for the last five fiscal years, name of certified public accountant and audit opinion.

(1) Condensed balance sheet and consolidated income statement

(1) Condensed Balance Sheet - IFRS (Consolidated Financial Statements)

Unit: NT$ '000

Item \ Year		Financial information for the last five fiscal years (Note 1)					Financial information for the current year as of March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Current assets		3,765,372	4,663,450	5,159,348	6,750,806	7,650,082	6,550,255
Property, plant and equipment		11,715	14,446	12,346	9,338	331,763	331,418
Intangible assets		-	-	-	-		-
Other assets		31,552	62,577	345,487	548,578	305,661	311,826
Total assets		3,808,639	4,740,473	5,517,181	7,308,722	8,287,506	7,193,499
Current liabilities	Before distribution	2,452,737	3,314,146	3,794,777	5,193,077	5,409,200	4,212,386
	After distribution	2,452,737	3,314,146	3,794,777	5,193,077	(Note 3)	(Note 2)
Non-current liabilities		62,292	22,006	234,727	220,451	219,068	217,160
Total liabilities	Before distribution	2,474,743	3,334,853	4,029,504	5,413,528	5,628,268	4,429,546
	After distribution	2,474,743	3,334,853	4,029,504	5,413,528	(Note 3)	(Note 2)
Equity attributable to owners of the parent company		1,333,896	1,405,620	1,487,677	1,895,194	2,659,238	2,693,953
Share capital		1,103,104	1,180,321	1,251,140	1,376,254	1,626,254	1,626,254
Capital reserve		44,977	44,977	44,977	44,977	223,116	223,116
Retained Earnings	Before distribution	202,767	211,829	267,745	587,811	767,805	829,455
	After distribution	59,363	70,191	267,745	587,811	(Note 3)	(Note 2)
Other equity interests		(16,952)	(31,507)	(76,185)	(113,848)	42,063	85,128
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total Equity	Before distribution	1,333,896	1,405,620	1,487,677	1,895,194	2,659,238	2,763,953
	After distribution	1,267,709	1,334,801	1,487,677	1,895,194	(Note 3)	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The financial information for the first quarter of FY2023 was reviewed by CPAs only.
Note 3: The appropriation of the FY2022 earnings is subject to the resolution of the shareholders' meeting.

(2) Condensed Consolidated Statements of Income - IFRS (Consolidated Financial Statements)

Unit: NT$ ‘000

Year / Item	Financial information for the last five fiscal years (Note 1)					Financial information for the current year as of March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating Revenue	9,812,498	12,704,736	13,678,646	18,852,689	19,346,503	3,320,282
Gross Profit	444,156	597,988	675,170	1,091,967	1,051,088	201,243
Operating Profit and Loss	144,906	217,399	275,510	546,320	567,445	96,194
Non-operating Income and Expenses	(3,209)	(10,584)	(27,290)	7,329	22,024	(19,198)
Net Income before Tax	141,697	206,815	248,220	553,649	589,469	76,996
Net income of continuing operations for the period	138,461	154,917	197,574	445,506	453,946	61,650
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	138,461	154,917	197,574	445,506	453,946	61,650
Other comprehensive income for the period (Net after tax)	20,286	(17,006)	(44,698)	(36,942)	155,911	(26,935)
Total comprehensive income for the period	158,747	137,911	152,876	408,564	611,156	34,715
Net income attributable to owners of the parent company	138,461	154,917	197,574	445,506	453,946	61,650
Net income attributable to noncontrolling interests	-	-	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	158,747	137,911	152,876	408,564	611,156	34,715

Total comprehensive income attributable to noncontrolling interests	-	-	-	-	-	-
Earnings per share	1.28	1.31	1.58	3.24	3.08	0.38

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The financial information for the first quarter of FY2023 was reviewed by CPAs only.

(3) Condensed Balance Sheet - IFRS (Parent Company Only Financial Reports)

Unit: NT$ '000

Item \ Year		Financial information for the last five fiscal years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		3,746,998	4,645,145	5,102,347	6,660,503	7,599,085
Property, plant and equipment		8,875	10,243	8,843	5,935	328,914
Intangible assets		-	-	-	-	-
Other assets		39,456	50,746	370,148	602,079	315,664
Total assets		3,795,329	4,706,134	5,481,338	7,268,517	8,243,663
Current liabilities	Before distribution	2,439,427	3,290,134	3,762,576	5,158,985	5,379,233
	After distribution	2,439,427	3,290,134	3,762,576	5,158,985	(Note 2)
Non-current liabilities		22,006	10,380	231,085	214,338	205,192
Total liabilities	Before distribution	2,461,433	3,300,514	3,993,661	5,373,323	5,584,425
	After distribution	2,461,433	3,300,514	3,993,661	5,373,323	(Note 2)
Equity attributable to owners of the parent company		1,333,896	1,405,620	1,487,677	1,895,194	2,659,238
Share capital		1,103,104	1,180,321	1,251,140	1,376,254	1,626,254
Capital reserve		44,977	44,977	44,977	44,977	223,116
Retained Earnings	Before distribution	202,767	211,829	267,745	587,811	767,805
	After distribution	59,363	70,191	267,745	587,811	(Note 2)
Other equity interests		(16,952)	(31,507)	(76,185)	(113,848)	42,063
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total Equity	Before distribution	1,333,896	1,405,620	1,487,677	1,895,194	2,659,238
	After distribution	1,267,709	1,334,801	1,487,677	1,895,194	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The appropriation of the FY2022 earnings is subject to the resolution of the shareholders' meeting.

(4) Condensed Consolidated Statements of Income - IFRS (Parent Company Only Financial Reports)

Unit: NT$ ‘000

Item \ Year	Financial information for the last five fiscal years (Note 1)				
	2018	2019	2020	2021	2022
Operating Revenue	9,811,433	12,697,137	13,655,164	18,771,092	19,312,581
Gross Profit	441,260	592,907	668,067	1,044,151	1,047,658
Operating Profit and Loss	147,251	222,201	246,620	517,168	595,192
Non-operating Income and Expenses	(5,554)	(15,386)	1,600	32,455	(5,401)
Net Income before Tax	141,697	206,815	248,220	549,623	589,791
Net income of continuing operations for the period	138,461	154,917	197,574	445,506	453,946
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	138,461	154,917	197,574	445,506	453,946
Other comprehensive income (net after tax) for the period	20,286	(17,006)	(44,698)	(36,942)	157,210
Total comprehensive income for the period	158,747	137,911	152,876	408,564	611,156
Net income attributable to owners of the parent company	138,461	154,917	197,574	445,506	453,946
Net income attributable to noncontrolling interests	-	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	158,747	137,911	152,876	408,564	611,156
Total comprehensive income attributable to noncontrolling interests	-	-	-	-	-
Earnings per share	1.28	1.31	1.58	3.24	3.08

Note 1: The financial information for each year was audited and certified by attesting CPAs.

(2) Name of the attesting CPAs and audit opinion for the past five fiscal years:

Audit Year	Name of Accounting Firm	Name of Attesting CPA	Audit opinion
2018	KPMG Taiwan	May Yang and Delphi Chen	Unqualified opinion
2019	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2020	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2021	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion
2022	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion

2. Financial analysis for the last five fiscal years

Analyzed items (Note 3) \ Year		2018	2019	2020	2021	2022	As of March 31, 2023 (Note 2)
		Financial analysis for the last five fiscal years (Note 1)					
Financial Structure (%)	Debt to Assets Ratio	64.98	70.35	73.04	74.07	67.91	61.58
	Long-term capital to property, plant and equipment	11,574.07	9,873.51	554.10	689.29	867.58	899.50
Debt Service Coverage Ratio (DSCR) (%)	Current ratio	153.52	140.71	135.96	130.00	141.43	155.50
	Quick ratio	131.27	120.18	114.76	108.85	98.38	111.51
	Interest Coverage Ratio	7.77	9.06	12.74	18.45	10.36	3.76
Operating Performance	Accounts receivable turnover ratio	4.44	4.50	4.55	5.63	5.22	4.40
	Average collection days	82.20	81.11	80.22	64.83	69.92	82.95
	Inventory turnover ratio (times)	17.04	19.75	17.51	18.80	10.75	5.99
	Accounts payable turnover ratio (times)	6.49	6.63	5.71	6.40	6.49	5.56
	Average sales days	21.42	18.48	20.85	19.41	33.95	60.93
	PPE turnover ratio (times)	1,095.76	971.27	84.10	61.03	60.58	40.05
	Total assets turnover ratio (times)	2.78	2.97	2.67	2.94	2.48	1.72
Profitability	Return on assets (%)	4.42	4.10	4.18	7.34	6.47	4.34
	Return on equity (%)	11.35	11.31	13.66	26.34	19.93	9.09
	Profit before tax to capital stock ratio (%)	12.85	17.52	19.84	40.23	36.25	18.94
	Net Income Ratio (%)	1.41	1.22	1.44	2.36	2.35	1.86
	Earnings per share (NT$)	1.28	1.31	1.58	3.24	3.08	1.52
Cash flow	Cash flow ratio (%)	5.86	(10.46)	25.06	(8.32)	(11.86)	16.77
	Cash flow adequacy ratio (%)	95.10	485.30	133.79	40.34	(13.21)	(34.68)
	Cash reinvestment ratio (%)	10.67	(29.75)	51.76	(20.39)	(31.64)	23.57
Leverage	Operating leverage	1.03	1.10	1.09	2.00	1.05	1.06
	Financial leverage	1.17	1.13	1.08	1.06	1.12	1.41

Please explain the reasons for the changes in each financial ratio for the last two years. (The analysis is exempted if the change is less than 20%)

1.Increase in long-term capital to property, plant and equipment ratio: Mainly due to the increase in shareholders' equity in FY2022.

2. The decrease in interest coverage multiple was mainly due to the increase in interest expense in FY2022.

3. Decrease in inventory turnover rate (times): mainly due to the increase in inventory in FY2022.

4. Increase in average days' sales of inventory: Mainly due to the decrease in inventory turnover rate in FY2022.

5. Decrease in return on equity: Mainly due to the increase in net shareholders' equity as a result of the cash capital increase in FY2022.

6. The decrease in operating leverage was mainly due to the increase in net sales and costs in FY2022.

7. Cash flow ratio and cash reinvestment ratio: mainly due to the net cash outflow from operating activities in FY2022.

8. The decrease in cash flow adequacy ratio was mainly due to the increase in inventories in FY2022.

Note 1: The financial information of each year was audited and certified by attesting CPAs.

Note 2: The financial information for the first quarter of FY2023 was reviewed by CPAs only.

Note 3: The calculation formula is as follows:

2. Financial analysis for the last five fiscal years

(1) Financial Analysis - IFRS (Consolidated Financial Statements)

1. Financial Structure
   (1) Debt to asset ratio = total liabilities / total assets.
   (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Debt Service Coverage Ratio (DSCR)
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
   (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.
3. Operating Performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
   (2) Average collection days = 365/receivable turnover ratio.
   (3) Inventory turnover rate = cost of goods sold / average inventory amount.
   (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from operations) balance for each period.
   (5) Average sales days = 365 / inventory turnover ratio.
   (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover ratio = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = Profit or loss after tax / average total equity.
   (3) Net income ratio = Profit or loss after tax / Net sales.
   (4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends)/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 = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

6. Leverage:

(1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.

(2) Financial leverage = Operating income / (Operating income - interest expense).

(2) Financial Analysis - IFRS (Individual Financial Reports)

Analyzed items (Note 2) \ Year		Financial analysis for the last five fiscal years (Note 1)				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt to Assets Ratio	64.85	70.13	72.86	73.93	67.74
	Long-term capital to property, plant and equipment	15,277.77	13,824.07	559.23	695.00	870.88
Debt Service Coverage Ratio (DSCR) (%)	Current ratio	153.60	141.18	135.61	129.10	141.27
	Quick ratio	131.43	120.62	114.96	108.60	98.21
	Interest Coverage Ratio	7.77	9.51	13.26	18.69	10.49
Operating Performance	Accounts receivable turnover ratio	4.40	4.51	4.52	5.55	5.15
	Average collection days	83.04	80.93	80.75	65.77	70.87
	Inventory turnover ratio (times)	17.16	19.89	17.87	19.47	10.90
	Accounts payable turnover ratio (times)	6.49	6.63	5.71	6.39	6.48
	Average sales days	21.27	18.35	20.42	18.75	33.49
	PPE turnover ratio (times)	1,750.95	1,328.29	85.99	61.46	61.07
	Total assets turnover ratio (times)	2.79	2.99	2.68	2.94	2.49
Profitability	Return on assets (%)	4.44	4.10	4.20	7.38	6.49
	Return on equity (%)	11.35	11.31	13.66	26.34	19.93
	Profit before tax to capital stock ratio (%)	12.85	17.52	19.84	37.58	36.27
	Net Income Ratio (%)	1.41	1.22	1.45	2.37	2.35
	Earnings per share (NT$)	1.28	1.31	1.58	3.24	3.08
Cash flow	Cash flow ratio (%)	5.11	(10.57)	24.73	(9.37)	(12.13)
	Cash flow adequacy ratio (%)	11.77	46.02	147.52	37.21	(17.64)
	Cash reinvestment ratio (%)	9.34	(29.59)	51.57	(26.48)	(29.47)
Leverage	Operating leverage	1.02	1.05	1.06	1.03	1.02
	Financial leverage	1.17	1.12	1.09	1.06	1.12

Please explain the reasons for the changes in each financial ratio for the last two years. (The analysis is exempted if the change is less than 20%)

1.Increase in long-term capital to property, plant and equipment ratio: Mainly due to the increase in shareholders' equity in FY2022.

2. The decrease in interest coverage multiple was mainly due to the increase in interest expense in FY2022.

3. Decrease in inventory turnover rate (times): mainly due to the increase in inventory in FY2022.

4. Increase in average days' sales of inventory: Mainly due to the decrease in inventory turnover rate in FY2022. 5. Decrease in return on equity: Mainly due to the increase in net shareholders' equity as a result of the cash capital increase in FY2022. 6. Cash flow ratio and cash reinvestment ratio: mainly due to the net cash outflow from operating activities in FY2022.

Note 1: The financial information for each year was audited and certified by attesting CPAs.

Note 2: The calculation formula is as follows:

1. Financial Structure
(1) Debt to asset ratio = total liabilities / total assets.
(2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt Service Coverage Ratio (DSCR)
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
(3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.

3. Operating Performance
(1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
(2) Average collection days = 365/receivable turnover ratio.
(3) Inventory turnover rate = cost of goods sold / average inventory amount.
(4) Accounts payable (including accounts payable and notes payable arising from operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from operations) balance for each period.
(5) Average sales days = 365 / inventory turnover ratio.
(6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
(7) Total asset turnover ratio = Net sales / Average total assets.

4. Profitability
(1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
(2) Return on equity = Profit or loss after tax / average total equity.
(3) Net income ratio = Profit or loss after tax / Net sales.
(4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends)/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 = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.
(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

6. Leverage:
(1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
(2) Financial leverage = Operating income / (Operating income - interest expense).

3. The Audit Committee's report on the most recent annual financial statements: Please refer to page 156.

4. The most recent annual financial report and the Independent Auditors’ Report certified by the attesting CPA: please refer to pages 158 to 227.

5. The Company's most recent annual audited financial statements: Please refer to pages 228 to 303.

6. If the Company and its affiliates had financial difficulties in the most recent year and as of the printing date of the annual report, the impact on the Company's financial position should be stated: None.

VII. Review and Analysis of Financial Position, Financial Performance, and Risk Matters

1. Financial Position

1. Comparative analysis of financial position

Unit: NT$ '000

Item \ Year	2022	2021	Variation in	
			Amount	%
Current assets	7,650,082	6,750,806	899,276	13.32
Property, plant and equipment	331,763	9,338	322,425	3,452.83
Investment properties	-	297,592	(297,592)	(100.00)
Intangible assets	-	-	-	-
Other assets	305,661	250,986	54,675	21.78
Total assets	8,287,506	7,308,722	978,784	13.39
Current liabilities	5,409,200	5,193,077	216,123	4.16
Non-current liabilities	219,068	220,451	(1,383)	(0.63)
Total liabilities	5,628,268	5,413,528	214,740	3.97
Equity attributable to owners of the parent company	2,659,238	1,895,194	764,044	40.31
Share capital	1,626,254	1,376,254	250,000	18.17
Capital reserve	223,116	44,977	178,139	396.07
Retained earnings	767,805	587,811	179,994	30.62
Other equity interests	42,063	(113,848)	155,911	(136.95)
Treasury stock	-	-	-	-
Non-controlling interests	-	-	-	-
Total equity	2,659,238	1,895,194	764,044	40.31

1. Analysis of changes in the percentage of increase or decrease: (Changes of less than 20% and changes of less than $10 million are exempt)

(1) Property, plant and equipment and investment property: The change is due to the reclassification of investment property in FY2021 to property, plant and equipment in FY2022, and the difference between the two is not significant after consolidation.

(2) Other assets: Mainly due to the increase in deferred income tax assets in FY2022.

(3) Equity attributable to owners of the parent company: Mainly due to the increase of cash capital and profit in FY2022.

(4) Additional Paid-In Capital: This is mainly due to the continued profitability of FY2022.

(5) Retained earnings: Mainly due to continued profitability in FY2022.

(6) Other equity: Mainly due to the exchange differences arising from the net assets of foreign operations in FY2022.

(7) Total equity: This is mainly due to the increase in cash and profit in FY2022.

2.Contingency plans: None.

2. Financial performance

1. Financial performance analysis

Unit: NT$ '000

Item \ Year	2022	2021	Increase (decrease) amount	Change (%)
Operating Revenue	19,346,503	18,852,689	493,814	2.62
Operating Costs	18,295,415	17,760,722	534,693	3.01
Gross Profit	1,051,088	1,091,967	(40,879)	(3.74)
Operating Expenses	483,643	545,647	(62,004)	(11.36)
Operating Income	567,445	546,320	21,125	3.87
Non-operating Income and Expenses	22,024	7,329	14,695	200.50
Net Income before Tax	589,469	553,649	35,820	6.47
Net income of continuing operations for the period	453,946	445,506	8,440	1.89
Loss from discontinued operations	-	-	-	-
Net income (loss) for the period	453,946	445,506	8,440	1.89
Other comprehensive income for the period	157,210	(36,942)	194,152	(525.56)
Total comprehensive income for the period	611,156	408,564	202,592	49.59
Net income attributable to owners of the parent company	453,946	445,506	8,440	1.89
Net income attributable to noncontrolling interests	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	611,156	408,564	202,592	49.59
Total comprehensive income attributable to noncontrolling interests	-	-	-	-
Earnings per share	3.08	3.24	(0.16)	(4.94)

Analysis of percentage change: (Changes of less than 20% and changes of less than $10 million are not analyzed)

1. Non-operating income and expenses, other comprehensive income or loss (net of tax), and total comprehensive income or loss for the period: Mainly due to the net foreign currency exchange gain resulting from the exchange rate

fluctuation of the U.S. dollar to New Taiwan dollar in FY2022, non-operating expenses for new purchases of property, plant and equipment, and a decrease in operating expenses.

(2) Expected sales volume and its basis, possible impact on the Company's future financial operations and plans for response

The Company has not disclosed its financial forecast for 2023, and therefore does not intend to disclose the expected sales volume.

3. Cash Flow

(1) Liquidity analysis for the last two years

Item \ Year	2022	2021	Increase (decrease) ratio
Cash flow ratio	(11.86)	(8.32)	43%
Cash flow adequacy ratio	(13.21)	40.34	(133)%
Cash reinvestment ratio	(31.64)	(22.85)	38%
Analysis of the changes in the ratio 1. Decrease in cash flow ratio and cash reinvestment ratio was mainly due to the net cash outflow from operating activities in FY2022. 2. The decrease in cash flow adequacy ratio was mainly due to the increase in inventories in FY2022.			

(2) Cash flow analysis for the coming year

Unit: NT$ ‘000

Cash balance at the beginning of the year	Estimated annual net cash flow from operating activities	Net cash inflows from investing and financing activities	Estimated remaining (deficit) cash	Remedial measures for estimated cash shortage	
				Investment Plan	Financing plan
1,455,659	406,563	(635,962)	1,226,260	-	-
1. Analysis of changes in cash flows in the coming year. Operating activities: The cash inflows from operations are expected to be generated in the coming year. Net cash inflow from investing and financing activities for the year: This is due to the expected repayment of bank loans in the future.					

4. The impact of significant capital expenditures on financial operations for the most recent fiscal year: None

5. Investment policy, main reasons for profit or loss for the most recent fiscal year, and improvement plans and investment plans for the coming year

Unit: NT$ '000

Investee company	Profit or loss for the period (after tax)	Investment policy	Main reasons for gain or loss	Improvement Plan	Investment plan for the coming year
GMI Technology (BVI)Co.,Ltd	(35,328)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
HARKEN INVESTMENTS LIMITED	-	Indirectly reinvested in Hong Kong from a third region	As a holding company, the current profit is derived from interest income.	Depending on the future operation, we will evaluate the capital increase plan.	None
Vector Electronic Company Limited	(35,328)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
G.M.I International Trading (Shanghai) Co.,Ltd.	(41,019)	Responsible for the sale and purchase of electronic parts and components in bonded warehouses in North China and marketing consulting services	The loss was mainly due to the decline in revenue.	Depending on the future operation, we will evaluate the capital increase plan.	None

GMI Yongda Electronics (Shenzhen) Co.,Ltd.	(600)	Responsible for the sale and purchase of electronic components and business marketing consulting services in South China.	The loss is mainly due to the fact that the company is no longer in operation, but still has operating expenses.	Note 1	Note 1
Shenzhen Hongda Futong Electronics Co.,Ltd.	6,851	Responsible for the sale and purchase of electronic parts and components in China	The profit is mainly due to the marketing service fee from the parent company, which is sufficient to cover the expenses of marketing.	Future evaluation will depend on the operating condition of the subsidiaries	None
Shandong Wanshunhe Energy Co.,Ltd.	-	Trading of chemical products and electronic components	No business activity as of present.	Note 2	Note 2
GW Electronics Company Limited	-	Responsible for the sale and purchase of electronic components of Toshiba's Flash and Discrete products, with the agent relationship currently terminated.	Currently, there is no business activity.	Future evaluation will depend on the status of accounts receivable collection.	None
Global Mobile Internet Co.,Ltd.	(5,997)	Trading of communication equipment and information software services	Losses are mainly due to investment losses	To be reevaluated depending on future operating conditions	None
Unitech Electronics Co.,Ltd.	91,331	Development, manufacturing and marketing of "automatic data collection products" and related businesses	Profit from normal operating activities	None	None

Note 1: The subsidiary was established in 2007 and the Board of Directors approved the liquidation of the subsidiary on November 8, 2022. The deregistration of the company was approved on November 23, 2022.
Note 2: As of today, the capital injection has not been completed and the subsidiary was liquidated by resolution of the Board of Directors on March 28, 2023.

(6) Analysis and evaluation of risk matters for the most recent year and as of the printing date of the annual report

(1) The impact of interest rates, exchange rate changes and inflation on the Company's profit and loss and future measures to address them:

1. Impact of exchange rate changes on the Company's revenue and profitability and the Company's specific measures in response to exchange rate changes

(1) Impact of exchange rate changes on the Company's revenue and profitability

Most of the Company's product prices are denominated in U.S. dollars, therefore, the trend of the U.S. dollar exchange rate and the change in the Company's foreign exchange gain or loss are quite correlated. The Company engages in foreign exchange hedging operations as necessary to control the risks arising from changes in foreign exchange rates in order to reduce the impact of changes in foreign exchange rates on revenue and profitability.

(2) Specific measures taken by the Company in response to changes in foreign exchange rates

The Company responds to the risk of exchange rate fluctuations by directly offsetting the increase in foreign currency receivables due to export sales by increasing the foreign currency payables arising from the purchase of goods in order to achieve the effect of Natural Hedge. We will keep in close contact with banks to keep abreast of exchange rate movements. In accordance with IFRS 7 "Financial Instruments: Disclosures" and the "Procedures for the Acquisition or Disposal of Assets" established by the Company, the risk of exchange rate fluctuations is timely hedged through sound and strict control by those in charge.

2. Impact of interest rate changes on the Company's revenue and profitability and the Company's specific measures to respond to changes in interest rates

(1) Impact of interest rate changes on the Company's revenue and profitability

The Company's finance costs for FY2022 were $62,978,000, which accounted for 0.33% of operating revenues, an insignificant percentage that shall not impact the Company’s revenue or profitability.

(2) The Company's specific measures to respond to changes in interest rates

The Company will gradually apply for cash capital increase, increase the proportion of its own funds and improve the financial structure to minimize the interest rate risk.

3. Inflationary impact on the Company's revenue and profitability and the Company's specific measures to address inflation.

(1) Inflationary impact on the Company's revenue and profitability

There was no significant impact on the Company's profit or loss due to inflation during the year.

(2) Specific measures taken by the Company in response to inflation

The Company continuously monitors changes in upstream commodity prices to reduce the impact of cost changes on the Company's profit or loss.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profits or losses, and future measures to address them.

1. The Company did not engage in high-risk, highly leveraged investments in FY2022.

2. The Company’s endorsed guarantees and loaned funds to others in FY2022: The Company endorsed an application by G.M.I International Trading (Shanghai) Co.,Ltd for a secured credit facility of RMB20 million from Fubon Bank (China), Hongqiao Branch.

(1) Policy: The Company endorsed the guarantee for its subsidiaries in accordance with the "Procedures for Endorsement and Guarantee".

(2) Main reasons: The Company provides endorsement and guarantee to its subsidiaries, and the endorsement and guarantee items are financing guarantees.

(3) Future measures: The necessary control measures are carried out in accordance with the endorsement and guarantee procedures.

3. The Company did not engage in trading in derivative financial instruments in FY2022.

(III) Future research and development

Research and development plan for FY2023

Product/application name	Cooperating supplier
STB (Set-top Box)	Winbond、Realtek、Zbit、APEC
SSD	Realtek、APEC
NB/MB/AIO/IPC	Realtek、Winbond、APEC
BT Speaker and TWS	Realtek
AC to DC Adapter	APEC
LCD panel module	AUO
Wi-Fi/ADSL	Realtek、Winbond
Network SWITCH IC	Realtek、Winbond
PC Peripherals and Type-C	Realtek、Zbit
IoT(Internet of Things)	Realtek
IOI(Internet of Identities)	Realtek
Industrial HMI	AUO、Zbit
Automotive Ethernet	Realtek、Zbit

Product/application name	Cooperating supplier
xPON	Realtek、Winbond

The total amount of R&D expenses for the above projects is estimated to be NT$35,000,000 for FY2023.

(4) Impact of significant domestic and foreign policies and legal changes on the Company's financial operations and measures to address them.

There was no material impact on the Company's financial operations due to significant domestic or foreign policy and legal changes in the most recent fiscal year.

(5) Impact of technological changes (including information and communications security risks) and industry changes on the Company's financial operations and measures taken in response.

There were no significant changes in technology and information and communications security risks that had a material impact on the Company's financial operations in the most recent year.

(6) Impact of corporate image change on corporate crisis management and measures to address it.

Since its establishment, the Company has been actively strengthening its internal management and reinforcing its core values. The Company has a good corporate image and has not experienced any corporate crisis due to changes in corporate image.

(7) Expected benefits, possible risks and measures for mergers and acquisitions: None.

(8) Expected benefits, possible risks and measures for plant expansion: None.

(9) Risks of concentration of imports or sales and measures to address them: None.

(10) The effect of the transfer or change of ownership of directors or major shareholders holding more than 10% of the shares on the Company, the risk and measures to be taken: None.

(11) Impact, risk and response to changes in management rights: None.

(12) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, president, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the publication date of the report: None.

(13) Other significant risks and responses: None.

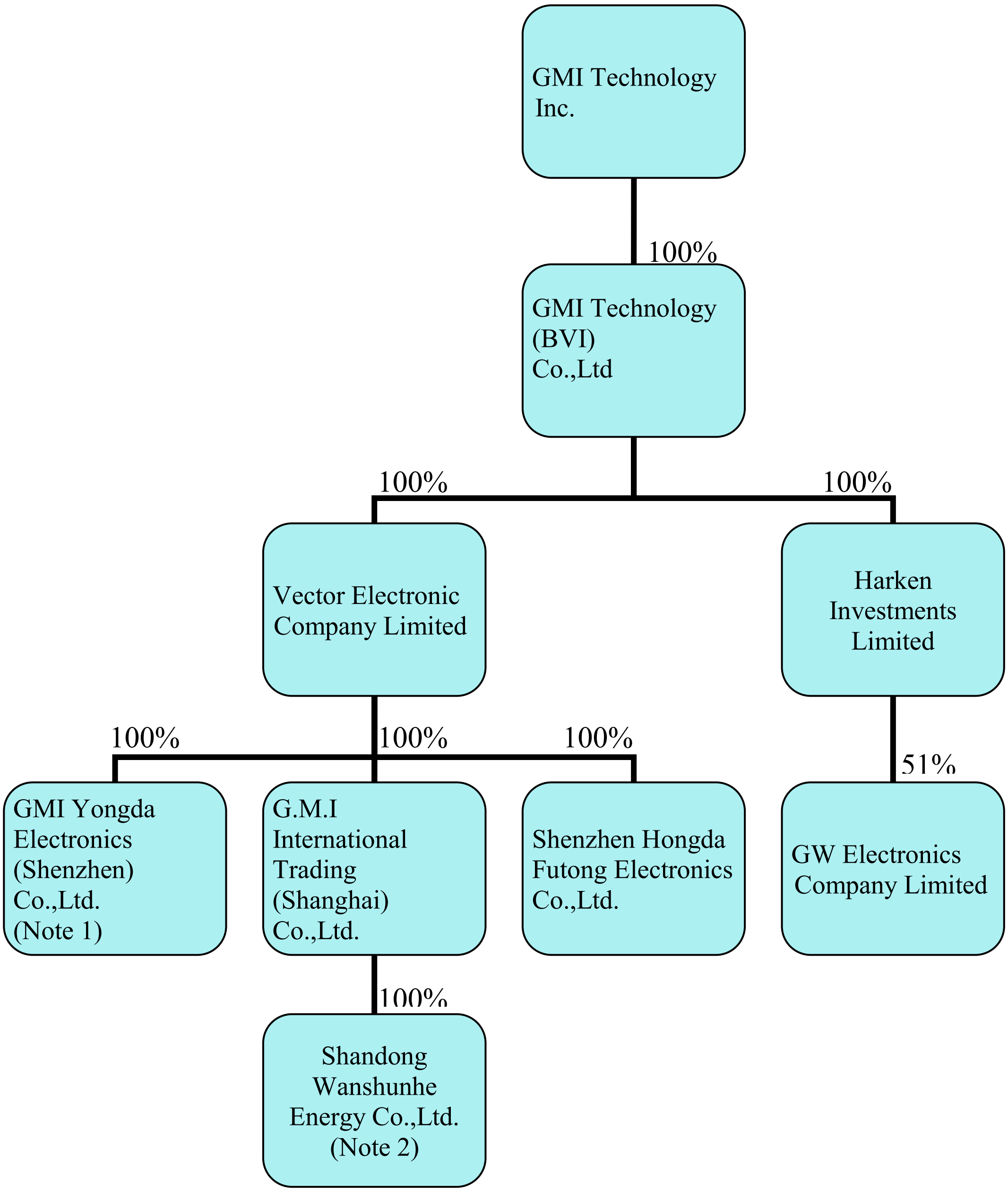
7. Other important matters: None.

VIII. Special Items to be Included

I. Information on affiliated companies.

(1) Report on merger of affiliated companies

1. Organization chart of affiliated companies



Note 1: The subsidiary was established in 2007 and the Board of Directors approved the liquidation of the subsidiary on November 8, 2022. The deregistration of the company was approved on November 23, 2022.

Note 2: As of today, the capital injection has not been completed and the subsidiary was liquidated by resolution of the Board of Directors on March 28, 2023.

2. Basic information of each affiliated company

Unit: NT$ '000

Company name	Date of Establishment	Address：	Paid-in capital	Main scope of business or production
GMI. Technology (BVI) Co.,Ltd.	2003.05.22	Beaufort House, P.O. Box 438, Road Town, Tortola,British Virgin Island	NT$556,991 (USD18,277)	Investment Holding Company
HARKEN INVESTMENTS LIMITED	2012.07.03	Commence Chambers,P.O.Box 2208,Road Town,Trotola,British Virgin Islands.	NT$393,484 (USD13,169)	Investment Holding Company
GW Electronics Company Limited	2012.08.06	Unit 13-16, 8/F, Fo Tang Industrial Centre, 26-28 Au Pui Wan Street, Fotan, Shatin, New Territories, Hong Kong	NT$771,050 (HKD200,000)	Electronic Components Trading
Vector Electronic Company Limited	1990.11.13	9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.	NT$151,141 (HKD34,149)	Electronic Components Trading
G.M.I International Trading (Shanghai) Co.,Ltd.	2002.02.07	Room 1616, Building 1, No.18 Taigu Road, Shanghai Free Trade Pilot Zone, P.R.C.	NT$68,382 (RMB14,740.9)	Electronic components trading and business marketing and consulting services
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	2007.09.27	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	- (Note 1)	Electronic components trading and business marketing and consulting services
Shenzhen Hongda Futong Electronics Co.,Ltd.	2012.05.08	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	NT$65,445 (RMB13,638.11)	Electronic Components Trading
Shandong Wanshunhe Energy Co.,Ltd.	2021.06.09	1201-0056, 12/F, No. 2, No. 130 Jiushui East Road, Licang District, Qingdao City, Shandong Province	- (Note 2)	Trading of chemical products and electronics components

Note 1: The subsidiary was established in 2007 and the Board of Directors approved the liquidation of the subsidiary on November 8, 2022. The deregistration of the company was approved on November 23, 2022.

Note 2: As of today, the capital injection has not been completed and the subsidiary was liquidated by resolution of the Board of Directors on March 28, 2023.

3. Names and shareholdings of directors, supervisors and presidents of affiliated companies

Unit: NT$ '000

Company name	Title	Shareholdings held by	Shares held	
			Number of Shares / Capital Contribution	Shareholding ratio (%)/ Capital contribution ratio
GMI Technology (BVI) Co.,Ltd	Chairman of the Board	GMI Technology Inc. Corporate Representative: Chia-Wen Yeh	NT$556,991 (USD18,277)	100%
HARKEN INVESTMENTS LIMITED	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Chia-Wen Yeh	NT$393,484 (USD13,169)	100%
GW Electronics Company Limited	Note 1		NT$393,236 (HKD102,000)	51.00
Vector Electronic Company Limited	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Chia-Wen Yeh	NT$151,141 (HKD34,149)	100%
G.M.I International Trading (Shanghai) Co.,Ltd.	Chairman of the Board	Executive Director: Chen, Ching-Hsien	NT$68,382 (RMB14,740.9)	100%
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	Note 1			
Shenzhen Hongda Futong Electronics Co.,Ltd.	Chairman of the Board	Vector Electronic Company Limited Representative: Chen, Ching-Hsien	NT$65,445 (RMB13,638.11)	100%
Shandong Wanshunhe Energy Co.,Ltd.	Chairman of the Board	Representative: Lai, Chih-Hsuan	Note 3	

Note 1: Since the Company will not conduct any new business, the positions of Chairman or vice Chairman will not be created after the retirement of the incumbent Chairman.

Note 2: The subsidiary was established in 2007 and the Board of Directors approved the liquidation of the subsidiary on November 8, 2022. The deregistration of the company was approved on November 23, 2022.

Note 3: As of today, the capital injection has not been completed and the subsidiary was liquidated by resolution of the Board of Directors on March 28, 2023.

4. State of Operations of Affiliated Companies

Unit: NT$ ‘000

Company name	Registered Capital (Note 2)	Total assets	Total liabilities	Net value	Operating Revenue	Operating income (loss)	Profit (loss) for the period (After tax)	Earnings Per Share (NT$) (After tax)
GMI. Technology (BVI)Co.,Ltd.	556,991	30,645	-	30,645	-	-	(35,328)	-
HARKEN INVESTMENTS LIMITED	393,484	73	-	73	-	-	-	-
GW Electronics Company Limited	771,051	(Note 3)						
Vector Electronic Company Limited	151,141	56,742	26,175	30,567	78,712	(530)	(35,328)	-
G.M.I International Trading (Shanghai) Co.,Ltd.	68,382	165,123	159,604	5,519	452,179	(32,128)	(41,019)	-
GMI Yongda Electronics	-	-	-	-	-	-	(600)	-

(Shenzhen) Co.,Ltd. (Note 4)								
Shenzhen Hongda Futong Electronics Co.,Ltd.	65,445	53,707	28,776	24,931	70,480	5,523	6,851	-
Shandong Wanshunhe Energy Co.,Ltd. (Note 5)	-	-	-	-	-	-	-	-

Note 1: The financial statements of each of the above companies were audited and certified by attesting CPAs.
Note 2: Based on historical exchange rates.
Note 3: The company engages in no business activity as of present.
Note 4: The subsidiary was established in 2007 and the Board of Directors approved the liquidation of the subsidiary on November 8, 2022. The deregistration of the company was approved on November 23, 2022.
Note 5: As of today, the capital injection has not been completed and the subsidiary was liquidated by resolution of the Board of Directors on March 28, 2023.

(II) Consolidated Financial Statements of affiliated companies: Please refer to pages 158 to 227.

(III) Business Report on affiliated companies: None.

2. Private placement of marketable securities for the most recent year and up to the date of the annual report: None

3. Holding or disposal of the Company's shares by subsidiaries in the most recent year and as of the date of the annual report: None

4. Other necessary supplementary information: None

IX. Matters that may materially affect on shareholders' equity or the price of securities as defined in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act for the most recent fiscal year and as of the date of the annual report: none.

GMI Technology Inc.

Audit Report prepared by the Audit Committee

The Board of Directors has prepared and submitted to the Board of Directors a business report, parent company only financial statements, consolidated financial statements and a proposal for distribution of earnings for the year ended December 31, 2022, among which the parent company only financial statements and consolidated financial statements have been duly audited and certified by the attesting CPAs Jason Lin and Winston Yu of KPMG Taiwan, whereby an Audit Report has been issued.

The above-mentioned business report, financial statements, consolidated financial statements and statement of earnings distribution were examined by the Audit Committee and were found to be in order and consistent with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit report is hereby presented to

the 2023 Annual General Meeting of Shareholders of GMI Technology Inc.

GMI Technology Inc.

Audit Committee Convenor: Jan, Sen

March 28, 2023

Independent Auditors' Report

To the Board of Directors of G.M.I. Technology Inc.,

Opinion

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

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue Recognition

   Please refer to note 4(m) "Revenue Recognition" for accounting policy, and note 6(17) Revenue from Customer Contracts, of the Consolidated Financial Statements.

   Description of key audit matter:

The Group mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales return and discounts

2. Inventory Valuation

Please refer to note 4(h) "Inventories" for accounting policy on inventory valuation, note5(2) Inventory Valuation for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and note 6(3) Inventory, of the Consolidated Financial Statements.

Description of key audit matter:

The Group recognizes inventories at the lower of cost and net realizable value. The Group mainly engages in the purchase and sale of electronic components. Due to rapid technological innovations and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. Inventory valuation is one of the important evaluations performed by our auditors in the consolidated financial statements.

Our principal audit procedures included:

- Assess whether the inventory valuation of GMI group has estimated in accordance with the groups polices.
- Verify inventory aging report and analyze Inventory aging and closeout
- Verify the assessment report of the lower of cost and net realizable value, which is provided by GMI group.

Other information

We did not audit the financial statements of Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd., subsidiaries of the Group. Those statements were audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the reports of other auditors. The financial statements of Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd. reflect total assets constituting 2.86% and 3.12% of the consolidated total assets at December 31, 2022 and 2021, respectively, and total operating revenues constituting 1.62% and 0.01% consolidated total operating revenues for the years then ended December 31, 2022 and 2021, respectively.

The Company has prepared its parent-company-only financial report for the years 2022 and 2021, on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

The Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or circumstances may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Lin, Heng-Shen and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)

March 28, 2023

__Notes to Readers__

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

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

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

G.M.I. Technology, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 1,455,659	18	1,447,717	20
1150	Notes receivable (note 6(2) and (17))	96,006	1	121,831	2
1170	Accounts receivable (note 6(2), (17) and 8)	3,442,658	42	3,715,795	51
1181	Accounts receivables from related parties (note 6(2), (17) and 7)	71	-	38,026	-
1200	Other receivables	17,899	-	16,888	-
1220	Current income tax assets	6,529	-	-	-
130X	Inventories (note 6(3))	2,319,295	27	1,084,342	15
1476	Other financial assets - current (note 8)	231,773	3	209,349	3
1470	Other current assets	80,192	1	116,858	2
	Total current assets	7,650,082	92	6,750,806	93
	Non-current assets:				
1550	Investments accounted for using the equity method (note 6(4) and 7)	237,492	3	227,743	3
1600	Property, plant and equipment (note 6(5) and 8)	331,763	4	9,338	-
1755	Right-of-use assets (note 6(6))	28,937	-	13,501	-
1760	Investment property−net (note 6(7) and 8)	-	-	297,592	4
1840	Deferred income tax assets	36,038	1	5,877	-
1975	Net defined benefit assets- non current (note 6(12))	1,426	-	-	-
1900	Other non-current assets	1,768	-	3,865	-
	Total noncurrent assets	637,424	8	557,916	7
	Total assets	$ 8,287,506	100	7,308,722	100

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(9) and 8)	$ 2,238,874	27	1,395,505	19
2110	Short-term notes and bills payable (note 6(8))	379,163	5	558,953	7
2170	Accounts payable	397,049	5	154,861	2
2180	Accounts payable to related parties (note 7)	2,264,502	27	2,822,935	39
2219	Other payables (note 6(12))	79,774	1	115,687	2
2230	Current income tax liabilities	3,287	-	66,860	1
2280	Current lease liabilities (note 6(11))	12,785	-	8,075	-
2300	Other current liabilities (note 6(17))	21,866	-	58,301	1
2322	Long-term borrowings, current portion (note 6(10) and 8)	11,900	-	11,900	-
	Total current liabilities	5,409,200	65	5,193,077	71
	Non-current liabilities:				
2540	Long-term borrowings (note 6(10) and 8)	202,300	2	214,200	3
2580	Non-current lease liabilities (note 6(11))	16,768	-	6,113	-
2640	Non-current recognized liabilities defined benefit plan	-	-	138	-
	Total non-current liabilities	219,068	2	220,451	3
	Total liabilities	5,628,268	67	5,413,528	74
	Equity attributable to owners of the parent company (note 6(14) and (15):				
3110	Ordinary shares	1,626,254	20	1,376,254	19
3200	Capital surplus	223,116	3	44,977	1
3310	Legal reserve	101,075	1	56,557	1
3320	Special reserve	113,848	1	76,185	1
3350	Unappropriated retained earnings	552,882	7	455.069	6
3400	Other equity	42,063	1	(113,848)	(2)
	Total equity	2,659,238	33	1,895,194	26
	Total liabilities and equity	$ 8,287,506	100	7,308,722	100

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, except earnings per share

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenues (note 6(17) and 7)	$ 19,346,503	100	18,852,689	100
5000	Operating costs (notes 6(3) and 7)	18,295,415	95	17,760,722	94
	Gross profit from operations	1,051,088	5	1,091,967	6
	Operating expenses (notes 6(11), (12), (15) and (18))				
6100	Selling expenses	319,425	1	346,811	2
6200	Administrative expenses	133,066	1	142,881	1
6300	Research and development expenses	22,920	-	33,629	-
6450	Reversal of impairment loss determined in accordance with IFRS 9 (note 6(2))	8,232	-	22,326	-
	Total operating expenses	483,643	2	545,647	3
	Net operating income	567,445	3	546,320	3
	Non-operating income and expenses (note 6(5), (11) and (19))				
7100	Interest income	7,815	-	1,260	-
7010	Other income	5,501	-	5,876	-
7020	Other gains and losses, net	62,113	-	31,853	-
7050	Finance costs	(62,978)	-	(31,730)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	9,573	-	70	-
	Total non-operating income and expenses	22,024	-	7,329	-
7900	Profit before income tax	589,469	3	553,649	3
7950	Less: Income tax expense (note 6(13))	135,523	1	108,143	1
	Profit	453,946	2	445,506	2
8300	Other comprehensive income (loss):				
8310	Items that may not reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurement of defined benefit plans (note 6(12))	1,173	-	721	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified	126			
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items not reclassified to profit or loss	1,299	-	721	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statement	151,895	1	(37,663)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(g))	4,016	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total of items that may be reclassified to profit or loss	155,911	1	(37,663)	-
8300	Other comprehensive income, net	157,210	1	(36,942)	-
	Total comprehensive income	**$ 611,156**	**3**	**408,564**	**2**
	Earnings per share (NT$ dollars) (note 6(16))				
9750	Basic earnings per share	**$ 3.08**		**3.24**	
9850	Diluted earnings per share	**$ 3.08**		**3.24**	

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company							
						Other equity items		
			Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
Balance at January 1, 2021	$ 1,251,140	44,977	36,802	31,507	199,436	(76,185)	-	1,487,677
Profit for the period	-	-	-	-	445,506	-	-	445,506
Other comprehensive income or loss for the period	-	-	-	-	721	(37,663)	-	(36,942)
Total comprehensive income or loss for the period	-	-	-	-	446,227	(37,663)	-	408,564
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	19,755	-	(19,755)	-	-	-
Special reserve	-	-	-	44,678	(44,678)	-	-	-
Stock dividends of ordinary stock	125,114	-	-	-	(125,114)	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-		(1,047)	-	-	(1,047)
Balance on December 31, 2021	1,376,254	44,977	56,557	76,185	455,069	(113,848)	-	1,895,194
Profit for the period	-	-	-	-	453,946	-	-	453,946
Other comprehensive income or loss for the period	-	-	-	-	1,299	155,873	38	157,210
Total comprehensive income for the period	-	-	-	-	455,245	155,873	38	611,156
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	44,518	-	(44,518)	-	-	-
Special reserve	-	-	-	37,663	(37,663)	-	-	-
Cash dividends of ordinary stock	-	-	-	-	(275,251)	-	-	(275,251)
Issuance of shares for cash	250,000	175,000	-	-	-	-	-	425,000
Share-based payment transactions	-	3,139	-	-	-	-	-	3,139
Balance on December 31, 2022	$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology, Inc. and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax:	$ 589,469	553,649
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expense	20,067	24,386
Reversal of expected credit impairment loss	8,232	22,326
Interest expense	62,978	31,730
Interest revenue	(7,815)	(1,260)
Share-based payment transactions	3,139	-
Shares of losses of associates and joint ventures accounted for using equity method	(9,573)	(70)
Losses (gains) from disposal of property, plant and equipment	45	18
Gain recognized in bargain purchase transaction	-	(89,016)
Impairment loss (profit) of associates accounted for using equity method	-	76,640
Total adjustments to reconcile profit	77,613	64,754
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	37,881	90,740
Decrease (increase) in accounts receivable	537,843	(1,207,665)
Increase in Accounts receivable due from related parties	37,956	(38,026)
Decrease in other receivables	(3)	11,760
Decrease in other receivables from related parties	-	7,565
Increase in inventories	(1,106,352)	(305,297)
Increase in other current assets	40,254	(52,140)
Total changes in operating assets:	(452,421)	(1,493,063)
Changes in operating liabilities:		
Increase in accounts payable	232,167	86,669
Increase in accounts payable to related parties	(714,402)	369,563
(Decrease) Increase in other payables	(41,839)	46,230
(Decrease)Increase in other current liabilities	(41,085)	19,833
Decrease in non-current recognized liabilities defined benefit plan	(391)	(425)
Total changes in operating liabilities	(565,550)	521,870
Total adjustments	(940,358)	(906,439)
Cash inflows (outflow) from operations	(350,889)	(352,790)
Interest received	6,897	1,266
Interest paid	(59,120)	(30,637)
Income taxes paid	(238,582)	(49,916)
Net cash inflows from operating activities	(641,694)	(432,077)
Cash flows from (used in) investing activities:		
Disposal of financial instrument measured at fair value through comprehensive income	-	10
Acquisition of investment accounted for using the equity method	-	(200,739)
Acquisition of property, plant and equipment	(31,810)	(2,204)
(Increase) in other financial assets	(1,083)	(25,446)
Decrease in other non-current assets	2,258	773
Dividends received	3,966	-
Net cash outflows from (used in) investing activities	(26,669)	(227,606)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	8,929,732	5,685,792
Decrease in short-term borrowing	(8,130,114)	(4,915,528)
Increase in short-term notes and bills	2,368,379	2,173,333
Decrease in short-term notes and bills	(2,548,169)	(2,053,390)
Decrease of long-term borrowing	(11,900)	(11,900)
Payment of lease liabilities	(13,599)	(18,972)
Other non-current liabilities	-	(1,003)
Cash dividends	(275,251)	-
Capital increase by cash	425,000	-
Net cash inflows from financing activities	744,078	858,332
Effect of exchange rate changes on cash and cash equivalents	(67,773)	20,090
Net increase in cash and cash equivalents	7,942	218,739
Cash and cash equivalents at beginning of period	1,447,717	1,228,978
Cash and cash equivalents at the end of the period	**$ 1,455,659**	**1,447,717**

See accompanying notes to consolidated financial statements.

G.M.I. Technology Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

(1) Company history

G.M.I. Technology Inc, (hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2023.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

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

Standards or Interpretations	Content of amendment	Effective date by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

The Group does not expect the following new and amended standards, which have not yet been recognized, to have a significant impact on the Consolidated Financial Statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "

(Continued)

- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of Preparation

1. Basis of measurement

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

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

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

2. Functional and presentation currency

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

(c) Basis of consolidation

(1) Principles of preparation of consolidated financial statements

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

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

(Continued)

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(2) List of subsidiaries in the consolidated financial statements

			Share holding		
Name of Investor	**Name of subsidiary**	**Principal activity**	December 31, 2022	December 31, 2021	**Notes**
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100%	100%	
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100%	100%	-
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100%	100%	-
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consulting Services	100%	100%	-
Vector Electronic Co. Ltd	G.M.I. Vector Electronics (Shenzhen) Company	Trading of electronic components and business marketing consulting Services	-%	100%	Note 1
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100%	100%	-
G.M.I (Shanghai) Trading Company Limited.	Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	100%	- %	Note 2

Note 1: Subsidiary was established in 2007 and was approved by the board of directors for liquidation on November 8, 2022. Subsidiary was canceled on November 23, 2022. In addition, the Group was liquidated on December 6, 2022.

Note 2: The subsidiary is to be liquidated by resolution of the Board of Directors on March 28, 2023.

(3) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currency

(1) Foreign Currency Transactions

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

(Continued)

foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

(2) Foreign Operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid

(Continued)

investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(g) Financial instruments

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

1. Financial assets

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

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

(1) Financial assets carried at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(2) Fair value through other comprehensive income (FVOCI)

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group; therefore, those receivables are measured at FVOCI. However, they are included in the ‘trade receivables’line item.

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

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

(Continued)

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

(3) Impairment of financial assets

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

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

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

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

(4) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

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

(2) Equity instrument

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

(3) Financial liabilities

Financial liabilities are stated at amortized cost.

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

(4) Derecognition of financial liabilities

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

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

(5) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated

(Continued)

costs of completion and selling expenses.

(i) Investment in associates

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

Investments in associates are accounted for using the equity method. Under the equity method, when associates are originally acquired, they are recognized by cost, plus the net fair value of any identifiable assets and liabilities by the investee that exceeds the cost of the investment. The cost of the investment also includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

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

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

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

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(1) Recognition and measurement

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

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

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

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(2) Subsequent expenditure

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

(3) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1) Building and structure 30 years

(2) Machinery and equipment 5 years

(3) Office equipment and other equipment 3 to 5 years

(4) Leasehold Improvement 3 years

(5) Transportation equipment 4 years

The Group reviews the depreciation method, useful life and residual value at each reporting date, and makes appropriate adjustments when necessary.

(l) Leases

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

1. As a lessees

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

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

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

Lease payments included in the measurement of lease liabilities include fixed payments, including actual fixed payments.

(Continued)

Lease liabilities are subsequently measured using the effective interest method and are remeasured when changes in the subject, scope or other terms of the lease occur.

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

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

(m) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

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

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

Non-financial assets are reversed only to the extent that the carrying amount (other than depreciation or amortization) does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(n) Revenue Recognition

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

The Group recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal

(Continued)

will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time.

(o) Employee benefits

1. Defined contribution plans

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

2. Defined benefit Plan

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

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

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

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

3. Short-term employee benefits

   Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

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

(Continued)

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

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Group confirm the number of shares subscribed by the employees.

(q) Income tax

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

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

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction; and
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
3. taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

(Continued)

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   - the same taxable entity; or
   -
   - different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Group's potentially dilutive Ordinary shares include stock-based compensation to employees.

(s) Operating segment

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

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

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

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

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

1. Judgement on whether the investee company has substantial control

The Group holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Group's board of directors and chairman to have substantial control and significant influence over it.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

1. The loss allowance for trade receivables

   The Group has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(2).

2. Valuation of Inventories

   As inventories are stated at the lower of cost or net realizable value, The Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(3).

(6) Explanation of significant accounts

(1) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand	$	5,784	5,923
Cheques and demand deposits		1,449,875	1,441,794
	$	**1,455,659**	**1,447,717**

(2) Notes and accounts receivable

		December 31, 2022	December 31, 2021
Notes receivable - arising from operations	$	96,295	122,198
Accounts receivable - measured at amortized cost		3,495,090	3,773,918
Accounts receivable due from related parties		71	38,026
Less: Allowance for losses		(52,721)	(58,490)
	$	**3,538,735**	**3,875,652**

(Continued)

The Group has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

(Continued)

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

	December 31, 2022		
	Notes and accounts receivable carrying amount	**Weighted-average loss ratio**	**Allowance provision**
Current	$ 3,379,158	1.09%	36,776
Less than 90 days past due	212,298	7.51%	15,945
	$ **3,591,456**		**52,721**

	December 31, 2021		
	Notes and accounts receivable carrying amount	**Weighted-average loss ratio**	**Allowance provision**
Current	$ 3,873,376	0.90%	34,799
Less than 90 days past due	37,468	1.05%	393
More than 180 days past due	23,298	100%	23,298
	$ **3,934,142**		**58,490**

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

	For the year ended	
	December 31,2022	**December 31,2021**
Balance at January 1	$ 58,490	97,119
Impairment losses (reversal of gains)	8,232	14,905
Amounts written off as irrecoverable during the year	(18,456)	(51,183)
Foreign exchange gains or losses	4,455	(2,351)
Balance at December 31	$ **52,721**	**58,490**

The Group assessed its other receivables – related parties for the year 2021 to be uncollectible in the future since bad debt losses had been withdrawn and written off

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(Continued)

(3) Inventories

		December 31, 2022	December 31, 2021
Goods for sale	$	**2,319,295**	**1,084,342**

Inventories recognized as cost of sales amounted to $18,191,664 thousand and$17,738,682 thousand for the years ended December 31, 2022 and 2021, respectively.

The inventory deprecation loss of $103,751 thousand and $22,040 thousand was recognized as cost of goods sold due to the write down of inventories to net realizable value in the year of 2022 and 2021, respectively.

(4) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2022	December 31, 2021
Associates	$	561,069	551,320
Accumulated impairment		(323,577)	(323,577)
	$	**237,492**	**227,743**

(a) Associates

On November 9, 2021, the Group's board of directors approved to participate in the cash capital increase of Unitech Electronics Co., Ltd. (Unitech Electronics). The group holds 12.73% of the voting shares of Unitech Electronics. The Group is the second largest shareholder of the company, with the Group's board of directors and its chairman having substantial control over the company. As the Group has a significant influence on Unitech Electronics, they are listed as "Investments using the equity method." After participating in the cash capital increase of Unitech Electronics, the Group held 9,559 thousand common shares of Unitech Electronics, with the acquisition cost of $200,739 thousand. In addition, after the appraisal of Unitech Electronics was carried out, the book balance was found to be $289,755 thousand. This includes the gain recognized in a bargain purchase transaction of $89,016 thousand (listed under "Other gains and losses"). The above information is evaluated based on the report issued by the appraisal company.

For Affiliates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights December 31, 2022	Proportion of ownership interest and voting rights December 31, 2021
Unitech Electronics Co.,	Invested by the Group	Taiwan	12.73%	12.73%

(Continued)

Ltd.	using equity method		

(Continued)

For Affiliates that are significant to the Group have been listed on the stock exchange, their fair values are as follows:

		December 31, 2022	December 31, 2021
Unitech Electronics	$	**214,600**	**213,644**

The aggregated financial information of the affiliates that are material to the Group is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

(a) Unitech Electronics's Aggregate Financial Information:

		December 31, 2022	December 31, 2021
Current Asset	$	1,920,808	1,778,816
Non-Current Asset		580,061	539,317
Current Liability		(541,419)	(488,944)
Non-Current Liability		(137,518)	(86,029)
Net Assets	$	**1,821,932**	**1,743,160**

		December 31, 2022	December 31, 2021
Operating Income	$	**2,350,259**	**2,356,165**
Current period net profit		**91,437**	**51,855**
Other comprehensive gains and losses		**18,493**	**(15,482)**
Total comprehensive gains and losses	$	**109,930**	**36,373**

		2022	2021
Beginning carrying balance of the Group's share of net assets of affiliates	$	213,644	289,755
The Group's total gains and losses attributable to affiliates		14,401	529
Dividends received from affiliates		(3,966)	-
Less: Impairment Loss		-	(76,640)
Ending balance of the Group's share of net assets of		224,079	213,644

(Continued)

affiliates		
Ending carrying balance of the Group's interest in affiliates	$ 224,079	213,644

(b) On December 31, 2021, the Group used the equity method for its investments in Unitech Electronics, with the book balance of $290,284 thousand, which was $213,644 thousand lower than the fair value, resulting in an impairment losses of $76,640 thousand, recognized as "Other gains and losses", based on the difference between the book value and fair value.

(c) The Group lost control of its investee company, GW Electronics, in June 2017 and changed to using the equity method. During 2017, the Group assessed that there was uncertainty in the recovery of the investment in GW Electronics, hence, recognized the full amount as impairment. As of December 31, 2021, the accumulated impairment loss was $246,937 thousand.

(d) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group's consolidated financial statements):

	December 31, 2022	December 31, 2021
Carrying amount of equity in individual insignificant associates	$ 13,413	14,099

	2022	2021
Attributable to the Group:		
Net loss for the period	$ (2,052)	(459)
Other comprehensive income or loss	1,366	-
Total comprehensive income or loss	$ **(686)**	**(459)**

(e)Collaterals

None of the Group's investments accounted for using the equity method had been pledged as collateral.

(5) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021 were as follows:

	Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Total
Costs								

(Continued)

		Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Total
Balance on January 1, 2022	$	-	-	1,232	152	4,388	16,128	3,225	25,125
Additions		-	23,109	-	-	-	8,088	613	31,810
Reclassification		270,496	28,155	-	-	(354)	81	273	298,651
Disposal		-	-	(58)	-	-	(1,947)	(2,784)	(4,789)
Effects of changes in foreign exchange rates		-	-	18	2	273	149	25	467
Balance on December 31, 2022	$	270,496	51,264	1,192	154	4,307	22,499	1,352	351,264
Balance at January 1, 2021	$	-	-	1,242	153	4,986	14,716	3,030	24,127
Additions		-	-	-	-	-	1,932	272	2,204
Disposal		-	-	-	-	(505)	(474)	(65)	(1,044)
Effects of changes in foreign exchange rates		-	-	(10)	(1)	(93)	(46)	(12)	(162)
Balance on December 31, 2021	$	-	-	1,232	152	4,388	16,128	3,225	25,125
Depreciation and impairment losses:									
Balance on January 1, 2022	$	-	-	1,112	84	2,311	9,643	2,637	15,787
Additions		-	1,317	-	36	949	4,436	368	7,106
Disposal		-	-	(55)	-	-	(1,905)	(2,784)	(4,744)
Reclassification		-	1,059	-	-	(276)	54	222	1,059
Effects of changes in foreign exchange rates		-	-	16	2	175	78	22	293
Balance on December 31, 2022	$	-	2,376	1,073	122	3,159	12,306	465	19,501
Balance at January 1, 2021	$	-	-	1,109	49	1,781	6,463	2,379	11,781
Depreciation for the year		-	-	12	36	1,072	3,657	333	5,110
Disposal		-	-	-	-	(505)	(458)	(63)	(1,026)
Effects of changes in foreign exchange rates		-	-	(9)	(1)	(37)	(19)	(12)	(78)
Balance on December 31, 2021	$	-	-	1,112	84	2,311	9,643	2,637	15,787
Carrying amounts:									
Balance at December 31, 2022	$	270,496	48,888	119	32	1,148	10,193	887	331,763
Balance at December 31, 2021	$	-	-	120	68	2,077	6,485	588	9,338
Balance at January 1, 2021	$	-	-	133	104	3,205	8,253	651	12,346

As of December 31, 2022 and 2021, none of the Group's property, plant and equipment had not been pledged as collateral.

(6) Right-of-use assets

(Continued)

		Buildings and Construction
Cost:		
Balance on January 1, 2022	$	41,044
Additions		28,356
Reduction		(33,634)
Effects of changes in foreign exchange rates		1,792
Balance on December 31, 2022	**$**	**37,558**
Balance at January 1, 2021	$	50,305
Additions		12,716
Reduction		(21,289)
Effects of changes in foreign exchange rates		(688)
Balance on December 31, 2021	**$**	**41,044**
Depreciation:		
Balance on January 1, 2022	$	27,543
Depreciation		13,501
Reduction		(33,634)
Effects of changes in foreign exchange rates		1,211
Balance on December 31, 2022	**$**	**8,621**
Balance at January 1, 2021	$	30,891
Depreciation		18,368
Reduction		(21,289)
Effects of changes in foreign exchange rates		(427)
Balance on December 31, 2021	**$**	**27,543**
Carrying amounts:		
Balance at December 31, 2022	**$**	**28,937**
Balance at December 31, 2021	**$**	**13,501**
Balance at January 1, 2021	**$**	**19,414**

(7) Investment property

(Continued)

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right of use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 6 months to 2 years. The rent income of the leases of investment properties is fixed.

The movements in investment property of the Group were as follows:

	Owned property		
	Land	**Buildings and Construction**	**Total**
Cost:			
Balance on January 1, 2022	$ 270,496	28,155	298,651
Transfer to Property, Plant and Equipment	(270,496)	(28,155)	(298,651)
Balance on December 31, 2022	**$ -**	**-**	-
Balance at January 1, 2021	**$ 270,496**	**28,155**	**298,651**
Depreciation and impairment losses:			
Balance on January 1, 2022	$ -	1,059	1,059
Transfer to Property, Plant and Equipment	-	(1,059)	(1,059)
Balance on December 31, 2022	**$ -**	**-**	-
Balance at January 1, 2021	$ -	151	151
Depreciation for the year	-	908	908
Balance on December 31, 2021	**$ -**	**1,059**	**1,059**
Carrying amounts:			
Balance at December 31, 2022	**$ -**	**-**	-
Balance at January 1, 2021	**$ 270,496**	**28,004**	**298,500**
Balance at December 31, 2021	**$ 270,496**	**27,096**	**297,592**
Fair value			
Balance at December 31, 2022			$ -

The Group relocated its office to Xingzhong Rd., Neihu District, in January 2022. The land and office were originally accounted for as investment properties and were reclassified to property, plant and

(Continued)

equipment as the use was transferred from lease to self-use. For details of the relevant disclosures, please refer to note 6(5)

(8) Short-term notes and bills payable

	2022.12.31		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	Grand Bills Finance Corp.	2.1%	$ 100,000
Commercial paper payable	MEGA BILLS FINANCE CO., LTD.	2.1%	80,000
Commercial paper payable	DAH CHUNG BILLS FINANCE CORP.	2.1%	150,000
Commercial paper payable	Taiwan Finance Corporation	2.058%	50,000
Less: Discount on short term notes and bills payable			(837)
Total			$ 379,163

(Continued)

	2021.12.31		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	International Bills Finance Corporation	1.33%	$ 60,000
Commercial paper payable	Grand Bills Finance Corp.	1.33%	80,000
Commercial paper payable	Ta Ching Bills Finance Corporation	1.338%	80,000
Commercial paper payable	China Bills Finance Co., Ltd.	1.33%	50,000
Commercial paper payable	MEGA BILLS FINANCE CO., LTD.	1.338%	80,000
Commercial paper payable	DAH CHUNG BILLS FINANCE CORP.	1.30%	80,000
Commercial paper payable	TAIWAN COOPERATIVE BILLS FINANCE CORPORATION	1.33%	80,000
Commercial paper payable	Taiwan Finance Corporation	1.298%	50,000
Less: Discount on short term notes and bills payable			(1,047)
Total			**$ 558,953**

No assets of the Group were pledged as guarantee for the payment of short-term notes and bills.

(9) Short-term borrowing

The short-term borrowings were summarized as follows:

	2022.12.31	**2021.12.31**
Unsecured bank loans	$ 1,526,057	1,038,960
Secured bank loans	712,817	356,545
	$ 2,238,874	**1,395,505**
Unused short-term credit lines	**$ 3,894,372**	**1,977,726**
Range of Interest rate	**1.58%~6.58%**	**0.85%~1.91%**

For the collateral for bank loans, please refer to note 8.

(Continued)

(10) Long-term borrowings

The details, terms and conditions of the long-term borrowings were summarized as follows:

		2022.12.31	2021.12.31
Secured bank loans	$	214,200	226,100
Less: current portion		(11,900)	(11,900)
	$	202,300	214,200
Unused short-term credit lines	$	-	-
Range of interest rates (%)		1.65%	1.1%

For the collateral for bank loans, please refer to note 8.

(11) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

		2022.12.31	2021.12.31
Current	$	12,785	8,075
Non-current	$	16,768	6,113

The amounts of leases recognized in profit or loss were as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense on lease liabilities	$	1,068	853
Expenses relating to short-term leases	$	1,959	1,642

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Total cash outflow for leases	$	16,626	21,467

The Group leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(Continued)

(12) Employee benefits

(a) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	2022.12.31	2021.12.31
Present value of the defined benefit obligations	$ 12,456	13,807
Fair value of plan assets	(13,882)	(13,669)
Net defined benefit liabilities	**$ (1,426)**	**138**

The Group’s employee benefit liabilities were as follows:

	2022.12.31	2021.12.31
Liability for short-term compensated absences (included in other payables)	**$ 1,878**	**1,612**

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

(1) Composition of plan assets

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

The Group’s Bank of Taiwan labor pension reserve account balance amounted to 13,882 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

(2) Movements in present value of defined benefit obligations

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Defined benefit obligations at January 1	$	13,807	14,294
Current service cost and interest cost		92	43
Net defined benefit liability remeasurement		(133)	(530)
Benefits paid		(1,310)	-
Defined benefit obligations at December 31	**$**	**12,456**	**13,807**

(3) Movements in fair value of defined benefit plan assets

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Fair value of plan assets at January 1	$	(13,669)	(13,010)
Interest income		(93)	(40)
Net defined benefit asset remeasurement		(1,040)	(190)
Contributions paid by the employer		(390)	(429)
Benefits paid		1,310	-
Fair value of plan assets at December 31	**$**	**(13,882)**	**(13,669)**

(4) Expenses recognized in profit or loss

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost and interests	$	92	43
Net interest of net liabilities for defined benefit obligations		(93)	(40)
	$	**(1)**	**3**

For the year ended December 31, 2022	For the year ended December 31, 2021

(Continued)

Operating expenses	**$**	**(1)**	**3**

(5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Group's net defined benefit obligation recognized in other comprehensive income were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Cumulated amount at January 1	$	(1,616)	(2,337)
Total gain/loss recognized		1,173	721
Cumulated amount at December 31	**$**	**(443)**	**(1,616)**

(6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Discount Rate	1.20%	0.70%
Future salary increases	3.00%	3.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one year period after the reporting date is $402 thousand.

The weighted average lifetime of the defined benefits plans is 6.7 years.

(7) Sensitivity analysis

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

		Impact on the defined benefit obligations	
		Increased 1%	**Decreased 1%**
Balance at December 31, 2022			
Discount Rate	$	(838)	847
Future salary increases		730	(724)

December 31, 2021

(Continued)

Discount Rate	(951)	962
Future salary increases	838	(830)

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

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

(b) Defined contribution plans

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

The total pension costs of the Group's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $13,096 thousand and $12,845 thousand for the years ended December 31, 2022 and 2021, respectively.

(13) Income taxes

(a) Income tax expenses:

The components of income tax expense (gains) in the years ended December 31, 2022 and 2021 were as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Current tax expense		
Current period	$ 164,550	106,438
Adjustment for prior years	1,134	317
Subtotal	165,684	106,755
Deferred tax expense (income)		
Origination and reversal of temporary differences	(30,161)	1,388
Subtotal	(30,161)	1,388
Income tax expense	**$ 135,523**	**108,143**

(Continued)

Reconciliation of income tax expense and profit before tax for 2022 and 2021 is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before income tax	$ 589,469	553,649
Income tax using the Company's domestic tax rate	117,894	110,730
Effect of tax rates in foreign jurisdiction	(1,703)	1,384
Permanent difference	(1,914)	-
Change in unrecognized temporary differences	6,927	-
Adjustments for under provisions of prior years	1,134	317
Additional tax on undistributed earnings	4,387	-
Others	8,798	(4,288)
Total	**$ 135,523**	**108,143**

(b) Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	2022.12.31	2021.12.31
Tax effect of deductible Temporary Differences	**$ 105,331**	**98,404**

The deferred tax assets have not been recognized in respect of the these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(2) Recognized deferred tax assets

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

Deferred Tax Assets:

	Allowance for bad debt	Unrealized exchange loss	Other	Total
Balance at January 1, 2022	$ 2,557	132	3,188	5,877
Recognized in profit or loss	1,274	15,827	13,060	30,161
Balance at December 31, 2022	**$ 3,831**	**15,959**	**16,248**	**36,038**
Balance at January 1, 2021	$ 2,911	(446)	4,800	7,265
Recognized in profit or loss	(354)	578	(1,612)	(1,388)
Balance at December 31, 2021	**$ 2,557**	**132**	**3,188**	**5,877**

(Continued)

There were no income tax expense recognized the Group equity and other comprehensive income for amount of years ended December 31, 2022 and 2021.

The Company's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(14) Capital and other equity

As of December 31, 2022 and 2021, the number of authorized shares both were 200,000 thousand shares with par value of $10 per share. The total value of authorized shares both amounted to $2,000,000 thousand. The aggregate amount of the aforesaid authorized share capital was composed of ordinary shares only, and the issued shares were 162,625 thousand shares and 137,625 thousand shares, respectively. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31,2021 and 2022 were as follows:

	Ordinary share	
	For the year ended	
(in thousands of shares)	**December 31, 2022**	**December 31, 2021**
Balance on January 1	137,625	125,114
Issued for cash	25,000	-
Capital increase from stock dividends	-	12,511
Balance on December 31	**162,625**	**137,625**

(a) Ordinary shares

After the resolution of the Board on March 24, 2022, The Company issued 25,000 thousand new ordinary shares through cash capital increase at a price of $17 per share at premium. The total amount of new shares amounting to $425,000 thousand and the base day for capital increase is on August 11, 2022. The Group's share capital was fully received as of August 11, 2022 and the registration of the change was completed on August 30, 2022.

The Group's shareholders' meeting held on July 22, 2021 resolved to allot $125,114 thousand of shares at no consideration, with September 1, 2021 as the base date for the capital increase, and the legal registration procedures have been completed.

(b) Capital surplus

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

		2022.12.31	**2021.12.31**
Share capital at premium	$	219,941	44,941
Changes in net equity of associates recognized by equity method		36	36
Employee stock options		3,139	-
	$	**223,116**	**44,977**

(Continued)

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

In addition, the Group is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(15) for details.

(c) Retained earnings

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

(1) Legal reserve

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

(2) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 23, 2022 and July 22, 2021, the appropriation the earnings for 2021 and 2020 was resolved in the general meeting of shareholders. The amounts of interests distributed to owners were as follows:

	For the year ended			
	December 31, 2021		December 31, 2020	
	Amount per share	Total Amount	Amount per share	Total Amount

(Continued)

Dividends distributed to ordinary shareholders:				
Shares	$ -	-	1.00	125,114
Cash	2.00	275,251	-	-
Total		$ **275,251**		**125,114**

(d) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2022	$ (113,848)	-
Exchange differences on translation of net assets of foreign operations	155,873	38
Balance on December 31, 2022	**$ 42,025**	**38**
Balance at January 1, 2021	$ (76,185)	-
Exchange differences on translation of net assets of foreign operations	(37,663)	-
Balance on December 31, 2021	**$ (113,848)**	**-**

(15) share-based payment transaction

(a) The Group's Board of Directors resolved to implement issuance of stock for cash on March 24, 2022, of which 3,750 thousand shares were reserved for employees.

	Cash injection reserved for employees subscription
Grant date	Balance at July 11, 2022
Number of options granted	2,511 thousand shares
Recipients	Employee
Vesting conditions	Immediately vested

The Group adopted the Black-Scholes model to evaluate the fair value of the share-based payments

(Continued)

at the grant date. The assumptions adopted in this valuation model were as follows:

The fair value per unit of the share option was $1.25 and the remuneration cost of $3,139 thousand was recognized in the year ended December 31, 2022 and classified as operating expenses. Please refer to note 6(14) for the capital reserve recognition.

(b) Employee expenses attributable to share based payment are as follows:

	For the year ended December 31, 2022
Expenses resulting from granted employee share options	$ 3,139

(Continued)

(16) Earnings per share

(a) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2022 and 2021 was based on the profit attributable to ordinary shareholders of the Company amounting to $453,946 thousand and $445,506 thousand, and the weighted average number of ordinary shares outstanding of 147,420 thousand and 137,625 thousand, respectively, as follows:

(1) Profit attributable to ordinary shareholders of the Company

		2022	2021
Profit attributable to ordinary shareholders of the Company	**$**	**453,946**	**445,506**

(2) Weighted-average number of outstanding ordinary shares

		For the year ended	
		December 31, 2022	December 31, 2021
Outstanding at January 1	$	137,625	125,114
Effect of shares dividends		-	12,511
Effect of shares issued		9,795	-
Outstanding at December 31	**$**	**147,420**	**137,625**

(b) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2022 and 2021 was based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares is as follows:

(1) Profit attributable to ordinary shareholders of the Company (diluted)

		For the year ended	
		December 31, 2022	December 31, 2021
Profit attributable to ordinary shareholders of the Company (dilutive)	**$**	**453,946**	**445,506**

(Continued)

(2) Weighted-average number of ordinary shares (diluted)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Weighted-average number of ordinary shares outstanding (basic)	$ 147,420	137,625
Effect of employee share bonus	43	28
Weighted-average number of ordinary shares outstanding at December 31(Dilution)	**$ 147,463**	**137,653**

(17) Revenue from contracts with customers

(a) Details of revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Primary geographical markets:		
Taiwan	$ 872,854	828,734
China	18,366,698	17,849,763
Others	106,951	174,192
	$ 19,346,503	**18,852,689**
Major products/service lines:		
Digital Communication Solutions and Components	$ 16,259,517	16,314,633
Storage Applications Solutions and Components	2,923,485	2,464,524
Analog Electronic Components	163,501	73,532
	$ 19,346,503	**18,852,689**

(b) Contract balances

	2022.12.31	2021.12.31	2021.1.1
Notes receivable	$ 96,295	122,198	218,938
Accounts receivable	3,495,090	3,773,918	2,702,840
Accounts receivable due from related parties	71	38,026	-
Less: Loss allowance	(52,721)	(58,490)	(97,119)
Total	**$ 3,538,735**	**3,875,652**	**2,824,659**

(Continued)

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(2).

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

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to 650 thousand and 600 thousand, and directors' and supervisors' remuneration amounting to 11,000 thousand and 8,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

(19) Non-operating income and expenses:

(a) Interest income

The details of interest income were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income	$ 7,815	1,260

(b) Other income

The Group's other income was as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021

(Continued)

Rent income	$	-	2,784
Other		5,501	3,092
	$	**5,501**	**5,876**

(c) Other gains and losses

The Group's other gains and losses were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Foreign exchange gains	$	62,311	21,399
Miscellaneous disbursements		(153)	(1,904)
Losses on disposals of property, plant and equipment		(45)	(18)
Gain on bargain purchase		-	89,016
Impairment loss		-	(76,640)
	$	**62,113**	**31,853**

(d) Finance costs

Finance costs of the Group are detailed as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Interest on bank loans	$	(61,910)	(30,877)
Interest expenses on lease liabilities		(1,068)	(853)
	$	**(62,978)**	**(31,730)**

(20) Financial instruments

(a) Credit risk

(1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

The Group's customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial position of its customers and, if necessary, requires them to provide

(Continued)

guarantees or assurances. The Group also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

(3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(2).

(b) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

		Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Balance at December 31, 2022								
Non-derivative financial liabilities								
Short-term borrowings	$	2,238,874	2,263,959	2,075,926	188,033	-	-	-
Short-term notes payables		379,163	380,000	380,000	-	-	-	-
Accounts payable (including related parties)		2,661,551	2,661,551	2,661,551	-	-	-	-
Other payables		79,774	79,774	79,774	-	-	-	-
Long-term borrowings (including current portion)		214,200	236,142	7,705	7,656	29,947	63,735	127,099
Lease liabilities		29,553	31,509	6,941	7,014	11,184	6,370	-
	$	5,603,115	5,652,935	5,211,897	202,703	41,131	70,105	127,099
December 31, 2021								
Non-derivative financial liabilities								
Short-term borrowings	$	1,395,505	1,399,990	1,399,990	-	-	-	-
Short-term notes payables		558,953	560,000	560,000	-	-	-	-
Accounts payable (including related parties)		2,977,796	2,977,796	2,977,796	-	-	-	-
Other payables		115,687	115,687	115,687	-	-	-	-
Long-term borrowings (including current portion)		226,100	243,166	7,185	7,153	14,207	73,935	140,686
Lease liabilities		14,188	15,205	7,292	1,229	1,830	4,854	-
	$	5,288,229	5,311,844	5,067,950	8,382	16,037	78,789	140,686

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

(Continued)

(c) Currency risk

(1) Exposure of foreign currency risk

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

		2022.12.31			2021.12.31	
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
USD	$ 202,908	30.710	6,231,305	217,650	27.680	6,024,552
RMB	1,223	4.408	5,391	1,199	4.344	5,208
Financial liabilities						
Monetary items						
USD	175,824	30.710	5,399,555	175,992	27.680	4,871,459

(2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before tax by $41,857 thousand and $57,915 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 62,311 thousand and 21,399 thousand, respectively.

(d) interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Group's net income will decrease /increase by $28,322 thousand and $21,806 thousand for the years ended December 31, 2022 and 2021 with all other variable factors remaining constant. This is mainly due to the the Group's variable rate bank deposit.

(Continued)

(21) Financial risk management

(a) Overview

The Group has exposure to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying non-consolidated financial statements.

(b) Structure of risk management

The Group's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group's business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Group in accordance with the procedure of the board meetings.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(1) Accounts receivable and other receivables

The policy adopted by the Group is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Group will rate the major customers using other publicly available financial information and mutual transaction records. The Group continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

(Continued)

(2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(d) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2022 and 2021, the Group's unused credit line were amounted to 3,894,372 thousand and 1,977,726, respectively.

(e) Market risk

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

(1) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group's respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD and RMB.

(2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(22) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company’s debt-to-equity ratios at the end of the reporting periods were as follows:

		2022.12.31	2021.12.31
Total liabilities	$	5,628,268	5,413,528
Less: Cash and cash equivalents		(1,455,659)	(1,447,717)
Net liabilities	$	**4,172,609**	**3,965,811**
Total equity	$	**2,659,238**	**1,895,194**
Debt-to-equity ratio		**61.08%**	**67.66%**

(23) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

				Non-Cash changes		
		2022.1.1	**Cash flows**	**Lease modification**	**Foreign exchange movement**	**2022.12.31**
Short-term notes payables	$	558,953	(179,790)	-	-	379,163
Short-term borrowings		1,395,505	799,618	-	43,751	2,238,874
long-term borrowings		226,100	(11,900)	-	-	214,200
Lease liabilities		14,188	(13,599)	28,356	608	29,553
Total liabilities from financing activities	$	**2,194,746**	**594,329**	**28,356**	**44,359**	**2,861,790**

				Non-Cash changes		
		2021.1.1	**Cash flows**	**Lease modification**	**Foreign exchange movement**	**2021.12.31**
Short-term notes payables	$	439,010	119,943	-	-	558,953
Short-term borrowings		629,487	770,264	-	(4,246)	1,395,505
long-term borrowings		238,000	(11,900)	-	-	226,100
Lease liabilities		20,726	(18,972)	12,716	(282)	14,188
Total liabilities from financing activities	$	**1,327,223**	**859,335**	**12,716**	**(4,528)**	**2,194,746**

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
GW Electronics Company Limited (hereinafter referred to as GW Electronics)	Investee company accounted for using equity method by the Group
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method by the Group
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as“Realtek Singapore”)	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity

(b) Significant related-party transactions

(a) Sale revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Other related parties- Realtek	$ 2,252	8,453
Other related person- Realtek Singapore	15,899	-
	$ 18,151	**8,453**

The sales price to related parties are not significantly different from that of the general sales price. Receivables between related parties are not subject to collateral based on the Group’s assessment.

(Continued)

(b) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

		For the year ended	
		December 31, 2022	December 31, 2021
Other related parties- Realtek	$	8,920,736	9,359,337
Other related person- Realtek Singapore		7,051,561	5,692,246
Other related parties - RayMx		128,864	466,492
Other related parties - Actions (HK)		3,893	24,129
	$	16,105,054	15,542,204

The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment terms were not significantly different from those of non-related-parties.

(c) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship		2022.12.31	2021.12.31
Amounts received in subsequent period (Note 1)	Other related parties	$	71	38,026

Accounts receivables are mainly arising from return of purchases from associates.

(d) Payable from related parties

The payables to related parties were as follows:

Account	Relationship		2022.12.31	2021.12.31
Payables to related parties	Realtek	$	894,388	1,595,934
Payables to related parties	Realtek Singapore		1,357,835	1,227,001
Payables to related parties	RayMx		11,717	-
Payables to related parties	Actions (HK)		562	-
		$	2,264,502	2,822,935

(e) Acquisition of investments accounted for using equity method

The Group participated in the cash capital increase of Unitech Electronics in the year ended December 31, 2021, and acquired 9,559 thousand shares at $200,739 thousand. Please refer to note 6(4) for more details.

(f) Other

In the year ended December 31, 2022, the Group purchased software system from associates amounting to $891 thousand. As of December 31, 2022, the above-mentioned amount had been fully paid.

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Short-term employee benefits	$ 36,946	33,132
Post-employment benefits	298	435
	$ 37,244	33,567

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	2022.12.31	2021.12.31
Time deposit (classified under other financial assets)	Bank loan limit	$ 231,773	209,349
Accounts receivable	The unused letters of credit and secured loans	219,193	128,305
Property, plant and equipment	Long-term bank loans	296,684	-
Investment property	Long-term bank loans	-	297,592
		$ 747,650	635,246

(9) Significant contingent liabilities and unrecognized commitments

(a) Guarantees provided by the Group's bank to its suppliers for the delivery of goods:

	2022.12.31	2021.12.31
Purchase Guarantee	$ 329,615	384,208

(b) The amount of unused outstanding letters of credit were as follows:

	2022.12.31	2021.12.31
Outstanding standby letters of credit	$ 2,107,466	2,559,694

(c) The tax payable on imported goods guaranteed by the Group's bank:

	2022.12.31	2021.12.31

(Continued)

Taxes on imported goods guaranteed by banks	$	4,000	7,000

(d) As of December 31, 2022 and 2021, the Group had issued $1,160,065 thousand and $1,160,065 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses due to major disasters: None

(11) Significant Subsequent Events: None.

(12) Others:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows

By functional / By item	For the year ended December 31, 2022 Cost of good sold	Operating expenses	Total	December 31, 2021 Cost of good sold	Operating expenses	Total
Employee benefits						
Salary	-	161,666	161,666	-	225,255	225,255
Labor and health insurance	-	11,257	11,257	-	10,902	10,902
Pension	-	13,095	13,095	-	12,848	12,848
Other employee benefits expense	-	7,251	7,251	-	7,911	7,911
Depreciation	-	20,607	20,607	-	24,386	24,386

(b) Others

Accounts receivable regarding to legal proceedings:

In January 2017, the Company filed a civil lawsuit to the Shanghai court for the overdue payment of Shanghai Hairong Information Technology Co. (Shanghai Hairong). However, in May 2017, the Shanghai court rejected the lawsuit. In July of the same year, the Company filed a criminal lawsuit to the Shenzhen Public Security Bureau against the majority shareholder of Shanghai Hairong. However, in September of that year, the Shenzhen Public Security Bureau notified the Company that the case cannot be filed. Hence, the Company has now filed a civil lawsuit against Shanghai Hairong to the Shenzhen court, and the court agreed to accept the lawsuit, which was heard on June 21, 2018. On May 22, 2019, the court ordered Shanghai Hairong to pay the Company the amount of $5,804 thousand (US$187 thousand). Shanghai Hairong appealed against the Company again on June 12, 2019, and The Shenzhen Intermediate People's Court ruled in the second instance to maintain the status quo ante.Shanghai Hairong negotiated a settlement with the Company on December 15, 2021. The Company has received $5,804 thousand in June 2022 and the Company recognized allowance for bad debt for uncollected amounts of $18,456 thousand to write off the allowance for losses for changes in allowance for doubtful debts, please refer to note 6(2).

(13) Other disclosures

(a) Information on significant transactions:

(Continued)

1. The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:
2. Loans to other parties: None

(Continued)

3. Guarantees and endorsements for other parties:

	Maximum amount for guarantees and endorsements	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise			Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/guarantees to third parties on behalf of subsidiary		Endorsements/guarantees to third parties on behalf of companies in Mainland China
Number	Name of investee	Name	Note 2	Guarantee limit	Balance of guarantees and endorsements as of reporting date	Balance of guarantees and endorsements as of reporting date					Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Guarantee
0	The Group	G.M.I (Shanghai) Trading Company Limited.	2	2,659,238	88,160 (RMB20,000*4.408)	88,160 (RMB20,000*4.408)	-	-	2,659,238	Y	-	Y

Note 1: The Company's endorsement and guarantee amount for a single enterprise is limited to 80% of the Company's shareholders' equity, but for a single overseas affiliate, it is limited to 100% of the Company's shareholders' equity.

Note 2: The relationship between the guarantor and the target of the endorsement is as follows.

(1) Companies with business dealings.
(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company that directly or indirectly holds more than 50% of the voting shares of the company.
(4) A company in which the company directly or indirectly holds more than 90% of the voting shares.
(5) A company that is mutually insured by a contract between peers or co-founders for the purpose of contracting.
(6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
(7) Interbank companies that are engaged in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

4. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): None

5. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

6. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None

7. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

8. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(Continued)

GMI Technology Inc. Ltd. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In Thousands of New Taiwan Dollars)

Purchase/Sale Name of company	Name of counter-party Name	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchase/Sale	Total Amount	Percentage of total purchases/sales	Payment terms	price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	8,920,736	45.68%	O/A 45 days	No purchases from other vendors	No material variance	(894,388)	(33.60)%	-
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	7,051,561	36.11%	O/A 45 days	No purchases from other vendors	No material variance	(1,357,835)	(51.02)%	-
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(413,386)	(2.14)%	O/A 60 days	No material variance	No material variance	144,665	4.09%	
The Company	RayMx Microelectronics Corp	Subsidiary of Realtek Semiconductor Co.	Purchase	128,864	0.66%	O/A 45 days	No purchases from other vendors	No material variance	(11,717)	(0.44)%	-

9. Receivable from related parties exceeding the lower of $100,000 thousand or 20% of The Group's paid-in capital: None.

(In Thousands of New Taiwan Dollars)

Receivables Subsidiary	Name of counter-party	Nature of relationship	Ending balance Ending balance (note)	Turnover days	Overdue		Amounts received in subsequent period (Note 1) Amounts received in subsequent period (Note 1)	Loss allowance Amount
					Total Amount	Actions taken		
The Company	G.M.I (Shanghai)	Subsidiaries	144,665	281.30%	-		144,665	-

Note: The transactions were written off in the consolidated financial statements.

10. Trading in derivative instruments: None

11. Business relationships and significant intercompany transactions:

No. (Note 1)	Name of Company	Name of counter-party	Nature of relationship Relationship	Intercompany transactions, 2021			
				Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Vector Electronic	1	Sales revenue	78,714	based on cost-plus approach	0.41%
0	GMI company	Vector Electronic	1	Accounts receivable	26,047	O/A 60 days	0.31%
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	75,349	Monthly payment	0.39%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	413,386	based on cost-plus approach	2.14%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	144,665	O/A 60 days	1.75%

Note 1: Numbers are filled in as follows:
1. "0" represents the Group
2. The subsidiaries start with number 1.

2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(Continued)

(b) Information on investees:

The following is the Group's information on investees for the year 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31			Maximum shareholding or capitalization in the period	Current period gains or losses of the investee company	Recognized investment gains or losses for the current period	Note
				December 31, 2022	December 31, 2021	shares	Percentage of ownership	Carrying value				
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00%	30,645	100.00%	(35,328)	(35,328)	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21%	13,413	34.21%	(5,997)	(2,052)	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73%	224,079	12.73%	91,331	11,625	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00%	30,567	100.00%	(35,328)	(35,328)	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00%	73	100.00%	-	-	Note
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00%	-	51.00%	-	-	

Note: The transactions were written off in the consolidated financial statements.

(c) Information on investment in mainland China

1. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows from Taiwan as of January 1, 2020		Accumulated outflow of investment from Taiwan as of December 31, 2022	Current period gains or losses of the investee company	Percentage of ownership	Highest Percentage of ownership	Recognized investment gains or losses for the current period	Balance at December 31 Carrying amounts	Accumulated remittance of earnings in current period	Note
			Note 1	accumulated investment amount	Outflow	Inflow								
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (Note 2)	(41,019)	100.00%	100.00%	(41,019)	5,519	-	
Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	-	(b)	-	-	-	-	-	100.00%	100.00%	-	-	-	Note 3
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (Note 2)	6,851	100.00%	100.00%	6,851	24,931	-	
G.M.I Vector Electronic (Shenzhen) Company	Trading of electronic components and business marketing	-	(b)	-	-	-	- (Note 2)	(600)	- %	- %	(600)	-	-	Note 4

(Continued)

	consulting													

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary is to be liquidated by resolution of the Board of Directors on March 28, 2023.

Note 4: subsidiary was established in 2007 and was approved by the board of directors for liquidation on November 8, 2022 were authorized been canceled on November 23, 2022.

2. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
93,368	629,123	1,595,542

3. Significant transactions with the investees in Mainland China:

The significant inter-company transactions with the Group in Mainland China for the year ended December 31, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in“Information on significant transactions”.

(d) Major Shareholders

Unit: Shares

Shareholding / Shareholder’s name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45%
De-Jia Investment Co., Ltd.	13,848,303	8.51%

Note: The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of 5% ordinary shares or more of the Company’s shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information:

(a) General information

(Continued)

The Group sells and purchases various electronic equipment and components and does not have a significant industrial segment. The information of this operating segment is consistent with the consolidated financial statements. Please refer to the Consolidated Balance Sheet and the Consolidated Statements of Income for details.

(b) Products and services information

The Group's revenue from external customer were as follows:

Products and services		For the year ended December 31, 2022	For the year ended December 31, 2021
Digital Communication Solutions and Components	$	16,259,517	16,314,633
Storage Applications Solutions and Components		2,923,485	2,464,524
Analog Electronic Components		163,501	73,532
Total	$	19,346,503	18,852,689

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographical information		For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from the external customers:			
Taiwan	$	872,854	828,734
China		18,366,698	17,849,763
Others		106,951	174,192
	$	**19,346,503**	**18,852,689**
Non-current assets:			
Taiwan	$	327,851	302,317
Mainland China		23,492	14,759
Hong Kong		11,125	7,220
Total	**$**	**362,468**	**324,296**

(d) Major customers:

There were no individual customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021.

		For the year ended December 31, 2022	For the year ended December 31, 2021
Customer A	**$**	**3,618,642**	**4,373,423**

(Continued)

Independent Auditors' Report

To the Board of Directors of GMI. Technology Inc.:

Opinion

We have audited the consolidated financial statements of G.M.I. Technology Inc. ("the Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1.Revenue recognition

Please refer to note 4(n) "Revenue Recognition" for accounting policy, and note 6(17) Revenue from Customer Contracts, of the Consolidated Financial Statements.

Description of key audit matter:

The Company mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

(Continued)

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales return and discount2.Valuation of inventories

Inventory Valuation

Please refer to note 4(g) "Inventories" for accounting policy on inventory valuation, note5(2) Inventory Valuation for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and note 6(3) Inventory, of the Consolidated Financial Statements.

Description of key audit matter:

The Company recognizes inventories at the lower of cost and net realizable value. The Company mainly engages in the purchase and sale of electronic components. Due to rapid technological innovations and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. Inventory valuation is one of the important evaluations performed by our auditors in the consolidated financial statements.

Our principal audit procedures included:

- Assess whether the inventory valuation of GMI has estimated in accordance with the Company polices.
- Verify inventory aging report and analyze Inventory aging and closeout
- Verify the assessment report of the lower of cost and net realizable value, which is provided by GMI

Other Matters

We did not audit the financial statements of Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd., subsidiaries of the Group. Those statements were audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the reports of other auditors. The financial statements of Unitech Computer Co., Ltd. and Global Mobile Internet Co., Ltd. reflect total assets constituting 2.88% and 3.13% of the consolidated total assets at December 31, 2022 and 2021, respectively, and total operating revenues constituting 1.62% and 0.01% consolidated total operating revenues for the years then ended December 31, 2022 and 2021, respectively.

The Company has prepared its parent-company-only financial report for the years 2022 and 2021, on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

The Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or circumstances may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Lin, Heng-Shen and Yu, Chi-Lung.

KPMG
Taipei, Taiwan (Republic of China)
March 28, 2023

Notes to Readers

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

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

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

GMI Technology Inc.

Balance sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		2022.12.31		2021.12.31	
	Assets:	**Amount**	**%**	**Amount**	**%**
	Current assets				
1100	Cash and cash equivalents (note 6 (1))	$ 1,367,298	17	1,362,671	19
1150	Notes receivable, net (Note 6(2) and (17))	96,006	1	121,831	2
1170	Accounts receivable, net (note 6(2), (17) and 8)	3,324,349	40	3,604,874	50
1180	Accounts receivables from related parties (note 6(2), (17), and 7)	170,783	2	187,277	3
1200	Other receivables	14,950	-	13,658	-
1220	Current income tax assets	6,529	-	-	-
130X	Inventories (note 6(3))	2,307,205	28	1,043,985	14
1476	Other current financial assets (note 8)	231,773	3	209,349	3
1470	Other current assets:	80,192	1	116,858	1
	Total current assets	7,599,085	92	6,660,503	92
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(4) and 7)	268,137	3	292,602	4
1600	Property, plant and equipment (notes 6(5))	328,914	4	5,935	-
1755	Right-of-use assets(note 6(6))	8,396	-	2,352	-
1760	Investment property, net (note 6(7) and 8)	-	-	297,592	4
1840	Deferred tax assets (note 6(13))	36,038	1	5,877	-
1975	Net defined benefit assets- non current (note 6(12))	1,426	-	-	-
1900	Other non-current assets:	1,667	-	3,656	-
	Total non-current assets	644,578	8	608,014	8
	Total assets	$ 8,243,663	100	7,268,517	100

		2022.12.31		2021.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(9) and 8)	$ 2,238,874	27	1,395,505	19
2110	Short-term notes and bills payable (note 6(8))	379,163	5	558,953	8
2170	Accounts payable	394,332	5	153,748	2
2180	Accounts payable to related parties (note 7)	2,264,502	27	2,822,935	39
2219	Other payable (note 6(12))	62,449	1	89,884	1
2230	Current income tax liabilities	3,287	-	66,860	1
2280	Current lease liabilities (note 6(11))	5,573	-	2,607	-
2300	Other current liabilities (note 6(17))	19,153	-	56,593	1
2322	Long-term borrowings, current portion (note 6(10) and 8)	11,900	-	11,900	-
	Total Current liabilities	5,379,233	65	5,158,985	71
	Non-current liabilities				
2540	Long-term borrowings (note 6(10) and 8)	202,300	2	214,200	3
2580	Non-current lease liabilities (note 6(11))	2,892	-	-	-
2640	Non-current recognized liabilities defined benefit plan (note 6(12))	-	-	138	-
	Total Non-current liabilities	205,192	2	214,338	3
	Total liabilities	5,584,425	67	5,373,323	74
	Equity (note 6(14) and (15))				
3110	Ordinary share	1,626,254	20	1,376,254	19
3200	Capital surplus	223,116	3	44,977	1
3310	Legal reserve	101,075	1	56,557	1
3320	Special reserve	113,848	1	76,185	1
3350	Unappropriated retained earnings	552,882	7	455,069	6
3400	Other equity	42,063	1	(113,848)	(2)
	Total equity	2,659,238	33	1,895,194	26
	Total liabilities and equity	$ 8,243,663	100	7,268,517	100

See accompanying notes to the parent company only financial statements.

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

GMI Technology Inc.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		For the Year Ended			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(17) and 7)**	$ 19,312,581	100	18,771,092	100
5000	**Operating costs (Notes 6(3) and 7)**	18,264,923	95	17,726,941	94
	Gross profit	1,047,658	5	1,044,151	6
	Operating expenses (Notes 6(11), (12),(15),(18), and 7)				
6100	Selling expenses	286,468	1	330,227	2
6200	Administrative expenses	133,066	1	142,880	1
6300	Research and development expense	22,920	-	33,629	-
6450	Impairment loss determined in accordance with IFRS 9 (Note 6(2))	10,012	-	20,247	-
	Total operating Expenses	452,466	2	526,983	3
	Net operating income	595,192	3	517,168	3
	Non-operating income and expenses (Note 6 (4), (11),(19)):				
7100	Interest income	7,343	-	805	-
7010	Other income	5,160	-	5,735	-
7020	Other gains and losses	70,000	-	27,512	-
7050	Finance costs	(62,149)	-	(31,069)	-
7060	Share of associates accounted for using equity method	(25,755)	-	29,472	-
	Total non-operating income and expenses	(5,401)	-	32,455	-
7900	**Profit before tax**	589,791	. 3	549,623	3
7950	**Less: Income tax expense (Note 6(13))**	135,845	1	104,117	1
	Profit	453,946	2	445,506	2
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans (note 6(12))	1,173	-	721	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	126	-	-	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	- -	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss:	1,299	-	721	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	151,895	1	(37,663)	-
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method that may be reclassified to profit or loss	4,016	-	-	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss)that will be reclassified to profit or loss, total	155,911	1	(37,663)	-
8300	**Other comprehensive income**	157,210	1	(36,942)	-
	Total comprehensive income	**$ 611,156**	**3**	408,564	**2**
	Earnings per share (in dollars) (Note 6(p)):				
9750	**Basic earnings per share**	**$**	**3.08**		**3.24**
9850	**Diluted earnings per share**	**$**	**3.08**		**3.24**

See accompanying notes to the parent company only financial statements.

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

GMI Technology Inc.

Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest		
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
Balance on January 1, 2021	$ 1,251,140	44,977	36,802	31,507	199,436	(76,185)	-	1,487,677
Profit for the period	-	-	-	-	445,506	-	-	445,506
Other comprehensive income or loss for the period	-	-	-	-	721	(37,663)	-	(36,942)
Total comprehensive income for the period	-	-	-	-	446,227	(37,663)	-	408,564
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	19,755	-	(19,755)	-	-	-
Special reserve	-	-	-	44,678	(44,678)	-	-	-
Stock dividends of ordinary share	125,114	-	-	-	(125,114)	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(1,047)	-	-	(1,047)
Balance on December 31, 2021	1,376,254	44,977	56,557	76,185	455,069	(113,848)	-	1,895,194
Profit for the period	-	-	-	-	453,946	-	-	453,946
Other comprehensive income or loss for the period	-	-	-	-	1,299	155,873	38	157,210
Total comprehensive income for the period	-	-	-	-	455,245	155,873	38	611,156
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	44,518	-	(44,518)	-	-	-
Special reserve	-	-	-	37,663	(37,663)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(275,251)	-	-	(275,251)
Issuance of shares for cash	250,000	175,000	-	-	-	-	-	425,000
Share-based payment transactions	-	3,139	-	-	-	-	-	3,139
Balance on December 31, 2022	**$ 1,626,254**	**223,116**	**101,075**	**113,848**	**552,882**	**42,025**	**38**	**2,659,238**

See accompanying notes to the parent company only financial statements.

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

GMI Technology Inc.

Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 589,791	549,623
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	10,972	14,953
Expected credit loss (Reversal of expected credit loss)	10,012	20,247
Interest expense	62,149	31,069
Interest income	(7,343)	(805)
Share-based payments transaction	3,139	-
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using the equity method	25,755	(29,472)
Gain on bargain purchase	-	(89,016)
Impairment loss of associates accounted for using equity method	-	76,640
Total adjustments to reconcile profit (loss)	104,684	23,616
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	37,881	90,740
Decrease (increase) in accounts receivable	524,583	(1,150,181)
Decrease (increase) in accounts receivable due from related parties	33,025	(108,223)
Decrease (increase) in other receivables	(306)	11,967
Decrease in other receivables due from related parties	-	7,565
Increase in inventories	(1,135,312)	(292,385)
Decrease (increase) in other current assets	40,254	(52,276)
Net changes in operating assets Total	(499,875)	(1,492,793)
Net changes in operating liabilities:		
Increase in accounts payable	231,431	87,599
Increase (decrease) in accounts payable to related parties	(712,195)	368,942
(Decrease) Increase in other payable	(32,982)	32,414
Increase (decrease) in other current liabilities	(42,067)	19,665
Decrease in non-current recognized liabilities defined benefit plan	(391)	(425)
Net changes in operating liabilities:	(556,204)	508,195
Adjustments:	(951,395)	(960,982)
Cash outflows generated from operations	(361,604)	(411,359)
Interest received	6,424	812
Interest paid	(58,291)	(29,977)
Income taxes paid	(238,905)	(45,891)
Net cash outflows from operating activities	(652,376)	(486,415)
Cash from (used in) investing activities		
Disposal Financial assets at fair value through other comprehensive income	-	10
Acquisition of investments accounted for using equity method	-	(200,739)
Acquisition of property, plant and equipment	(31,006)	(1,051)
(Increase) in other financial assets	(1,083)	(25,446)
Increases and decreases in other non-current assets	2,146	614
Dividends received	3,966	-
net cash outflow from investing activities	(25,977)	(226,612)
Cash from (used in) financing activities		
Increase in short-term borrowings	8,929,732	5,685,792
Decrease in short-term borrowings	(8,130,114)	(4,906,848)
Increase in short-term notes and bills payable	2,368,379	2,173,333
Decrease in short-term notes and bills payable	(2,548,169)	(2,053,390)
Repayments of long-term debt	(11,900)	(11,900)
Payments of lease liabilities	(5,433)	(10,474)
Decrease in other non-current liabilities	-	(1,003)
Cash dividends paid	(275,251)	-
Issuance of shares for cash	425,000	-
Net cash inflows used in financing activities	752,244	875,510
Effect of exchange rate changes on cash and cash equivalents	(69,264)	20,474
Increase in cash and cash equivalents	4,627	182,957
Cash and cash equivalents at beginning of period	1,362,671	1,179,714
Cash and cash equivalents, end of period	**$ 1,367,298**	**1,362,671**

See accompanying notes to the parent company only financial statements.

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

GMI Technology Inc.

Notes to the Parent Company Only Financial Statements

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

G.M.I. Technology Inc, (hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

(2) Approval date and procedures of the financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2023.

(3) New standards, amendments, and interpretations adopted

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

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

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

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

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

- Amendments to IAS 1 "Disclosure of Accounting policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Deferred income tax in relation to assets and liabilities arising from a single exchange"

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

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

New standards, amendments and interpretations adopted	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt. The amended provision clarifies how an enterprise should classify its liabilities (such as convertible corporate bonds) which are settled by issuing its own equity instrument.	January 1, 2024
●Amendments to IAS 1 "Non-current Liabilities with Covenants	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

(Continued)

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

The Group does not expect the following new and amended standards, which have not yet been recognized, to have a significant impact on the Consolidated Financial Statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

1. Basis of measurement

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

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

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

2. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial

(Continued)

information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

1. Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss.

2. Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification current and non-current assets and liabilities

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

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading

(Continued)

3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(f) Financial instruments

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

1. Financial assets

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

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

(Continued)

(1) Financial assets carried at amortized cost

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

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group; therefore, those receivables are measured at FVOCI. However, they are included in the ‘trade receivables’ line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument by instrument basis. Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

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

(Continued)

(3) Impairment of financial assets

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

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

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

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of

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recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(4) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity instruments

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

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

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

Any gain or loss on derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially

(Continued)

different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(5) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less the necessary selling expenses.

(h) Investment in associates

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

Investments in associates are accounted for using the equity method and are recognized initially at cost. Under equity method, identifiable asset of investee is combined with share of net fair value of liabilities, and any amount exceeded investment cost will be recognized upon original acquisition. The cost for any reclassified as of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill identified on initial acquisition, net of any accumulated impairment losses.

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

(Continued)

changes in percentage of ownership.

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

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

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

1. Recognition and measurement

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

(Continued)

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

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

2. Subsequent expenditure

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

3. Depreciation

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

Land is not depreciated.

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

(1) Building and structure 30 years
(2) Machinery and equipment 5 years
(3) Office equipment and other equipment 3 ~5 years
(4) Leasehold Improvement 3 years
(5) Transportation equipment 4 years.

The Company reviews the depreciation method, useful life and residual value at each reporting date, and makes appropriate adjustments when necessary.

(l) Leases

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

1. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the

(Continued)

commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of lease liabilities include: fixed payments, including actual fixed payments.

Lease liabilities are subsequently measured using the effective interest method and are remeasured when changes in the subject, scope or other terms of the lease occur.

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

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

(m) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their

(Continued)

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

Non-financial assets are reversed only to the extent that the carrying amount (other than depreciation or amortization) does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(n) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Company has objective evidence that all acceptance conditions have been met.

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time..

(o) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the

(Continued)

related service is provided.

2. Defined benefit plans

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

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

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

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

3. Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to

(Continued)

employees is generally recognized as an expense, with a corresponding increase in equity, over the resting period of the awards. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

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

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Group confirm the number of shares subscribed by the employees.

(q) Income Tax

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognized of assets or liabilities in a transaction that is not a

(Continued)

business combination and that affects neither accounting nor taxable profits or losses;

2. temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) the same taxable entity; or
   (2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

(r) Earnings per Share

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Company's potentially dilutive Ordinary shares include stock-based compensation to employees.

(s) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

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

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

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

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

1. Judgement on whether the investee company has substantial control

   The Company holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Company's board of directors and chairman to have substantial control and significant influence over it.

   Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

1. The loss allowance for trade receivables

   The Company has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(2).

(Continued)

2. Valuation of Inventories

As inventories are stated at the lower of cost or net realizable value, The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(3).

6. Explanation of significant accounts

(1) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand	$	5,784	5,506
Cheques and demand deposits		1,361,514	1,357,165
	$	**1,367,298**	**1,362,671**

(2) Notes receivable and accounts receivable

		December 31, 2022	December 31, 2021
Notes receivable - arising from operations	$	96,295	122,198
Accounts receivable - measured at amortized cost		3,376,397	3,660,882
Accounts receivable due from related parties		170,783	187,277
Less: Allowance for losses		(52,337)	(56,375)
	$	**3,591,138**	**3,913,982**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	December 31, 2022			
		Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$	3,431,177	1.06%	36,392
Less than 90 days past due		212,298	7.51%	15,945
	$	**3,643,475**		**52,337**

	December 31, 2021		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision

(Continued)

Current	$	3,909,651	0.84%	32,696
Less than 90 days past due		37,408	1.02%	381
More than 180 days past due		23.298	100%	23,298
	$	**3,970,357**		**56,375**

The movements in the allowance for notes and accounts receivables were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Balance at January 1	$	56,375	97,085
Impairment losses (reversal of gains)		10,012	12,826
Amounts written off as irrecoverable during the year		(18,456)	(51,183)
Foreign exchange gains or losses		4,406	(2,353)
Balance at December 31	$	**52,337**	**56,375**

The Company assessed its other receivables – related parties for the year 2021 to be uncollectible in the future since bad debt losses had been withdrawn and written off.

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(3) Inventories

		December 31, 2022	**December 31, 2021**
Goods for sale	$	**2,307,205**	**1,043,985**

Inventories recognized as cost of sales amounted to $18,161,873 thousand and $17,705,134 thousand for the years ended December 31, 2022 and 2021, respectively.

The inventory deprecation loss of $103,050 and $21,807 thousand was recognized as cost of goods sold due to the write down of inventories to net realizable value in the year of 2022 and 2021, respectively

(Continued)

(4) Investments accounted for using equity method

A summary of The Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2022	December 31, 2021
Subsidiaries	$	30,645	64,859
Associates		314,132	304,383
Accumulated impairment loss and amortization:		(76,640)	(76,640)
	$	**268,137**	**292,602**

(a) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022.

(b) Associates

On November 9, 2021, the Company's board of directors approved to participate in the cash capital increase of Unitech Electronics Co., Ltd. (Unitech Electronics). The Company holds 12.73% of the voting shares of Unitech Electronics. The Company is the second largest shareholder of the company, with the Company's board of directors and its chairman having substantial control over the company. As the Company has a significant influence on Unitech Electronics, they are listed as "Investments using the equity method." After participating in the cash capital increase of Unitech Electronics, the Company held 9,559 thousand common shares of Unitech Electronics, with the acquisition cost of $200,739 thousand. In addition, after the appraisal of Unitech Electronics was carried out, the book balance was found to be $289,755 thousand. This includes the gain recognized in a bargain purchase transaction of $89,016 thousand (listed under "Other gains and losses"). The above information is evaluated based on the report issued by the appraisal company

For Associates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights	
			December 31, 2022	December 31, 2021
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73%	12.73%

For Affiliates that are significant to the Group have been listed on the stock exchange,

(Continued)

their fair values are as follows:

		December 31, 2022	December 31, 2021
Unitech Electronics	**$**	**214,600**	**213,644**

The aggregated financial information of the affiliates that are material to the Company is as follows. The financial information has been adjusted to the amounts included in the IFRS financial statements of each Associate to reflect the Company's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Associates:

(1) Unitech Electronics's Aggregate Financial Information

		December 31, 2022	December 31, 2021
Current Asset	$	1,920,808	1,778,816
Non-Current Asset		580,061	539,317
Current Liability		(541,419)	(488,944)
Non-Current Liability		(137,518)	(86,029)
Net Assets	**$**	**1,821,932**	**1,743,160**

		2022	2021
Operating Income	**$**	**2,350,259**	**2,356,165**
Current period net profit	**$**	91,437	51,855
Other comprehensive gains and losses		18,493	(15,482)
Total comprehensive gains and losses	**$**	**109,930**	**36,373**

(Continued)

		2022	2021
Beginning carrying balance of the Group's share of net assets of affiliates	$	213,644	289,755
The Group's total gains and losses attributable to affiliates		14,401	529
Dividends received from affiliates		(3,966)	-
Ending balance of the Group's share of net assets of affiliates		-	(76,640)
Less: Impairment Loss		224,079	213,644
Ending carrying balance of the Group's interest in affiliates	$	**224,079**	**213,644**

(c) On December 31, 2021, the Company used the equity method for its investments in Unitech Electronics, with the book balance of $290,284 thousand, which was $213,644 thousand lower than the fair value, resulting in an impairment losses of $76,640 thousand, recognized as "Other gains and losses" , based on the difference between the book value and fair value.

(d) The aggregate financial information of the Company's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group's consolidated financial statements):

		December 31, 2022	December 31, 2021
Carrying amount of equity in individual insignificant associates	$	**13,413**	**14,099**

		2022	2021
Attributable to the Group:			
Net loss for the period	$	(2,052)	(459)
Other comprehensive income or loss		1,366	-
Total comprehensive income or loss	$	**(686)**	**(459)**

(e) Collateral

None of the Company's investments accounted for using the equity method had been pledged as collateral.

(Continued)

(5) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of The Company for the years ended December 31, 2022 and 2021 were as follows:

		Land	Buildings and Construction	Machinery and Equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Total
Cost or deemed cost:									
Balance on January 1, 2022	$	-	-	-	-	2,611	12,155	1,458	16,224
Additions		-	23,109	-	-	-	7,284	613	31,006
Reclassification		270,496	28,155	-	-	(354)	81	273	298,651
Disposal		-	-	-	-	-	(1,303)	(1,403)	(2,706)
Effects of changes in foreign exchange rates		-	-	-	-	248	94	-	342
Balance on December 31, 2022	$	270,496	51,264	-	-	2,505	18,311	941	343,517
Balance at January 1, 2021	$	-	-	-	-	3,195	11,568	1,309	16,072
Additions		-	-	-	-	-	838	213	1,051
Disposal		-	-	-	-	(505)	(229)	(64)	(798)
Effects of changes in foreign exchange rates		-	-	-	-	(79)	(22)	-	(101)
Balance on December 31, 2021	$	-	-	-	-	2,611	12,155	1,458	16,224
Depreciation and impairment losses:									
Balance on January 1, 2022	$	-	-	-	-	1,593	7,604	1,092	10,289
Depreciation for the year		-	1,317	-	-	605	3,541	282	5,745
Disposal		-	-	-	-	-	(1,303)	(1,403)	(2,706)
Reclassification		-	1,059	-	-	(276)	54	222	1,059
Effects of changes in foreign exchange rates		-	-	-	-	166	50	-	216
Balance on December 31, 2022	$	-	2,376	-	-	2,088	9,946	193	14,603
Balance at January 1, 2021	$	-	-	-	-	1,397	4,933	899	7,229
Depreciation for the year		-	-	-	-	735	2,910	257	3,902
Disposal		-	-	-	-	(505)	(229)	(64)	(798)
Effects of changes in foreign exchange rates		-	-	-	-	(34)	(10)	-	(44)
Balance on December 31, 2021	$	-	-	-	-	1,593	7,604	1,092	10,289
Carrying amounts:									
Balance at December 31, 2022	$	270,496	48,888	-	-	417	8,365	748	328,914
Balance at December 31, 2021	$	-	-	-	-	1,018	4,551	366	5,935
Balance at January 1, 2021	$	-	-	-	-	1,798	6,635	410	8,843

As of December 31, 2022 and 2021, none of the Company's property, plant and equipment had not been pledged as collateral.

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(6) Right-of-use assets

		Buildings and Construction
Cost:		
Balance on January 1, 2022	$	14,116
Additions		10,818
Deduction		(15,135)
Effects of changes in foreign exchange rates		1,397
Balance on December 31, 2022	**$**	**11,196**
Balance at January 1, 2021	$	27,156
Additions		3,962
Deduction		(16,495)
Effects of changes in foreign exchange rates		(507)
Balance on December 31, 2021	**$**	**14,116**
Depreciation:		
Balance on January 1, 2022	$	11,764
Depreciation		5,227
Deduction		(15,135)
Effects of changes in foreign exchange rates		944
Balance on December 31, 2022	**$**	**2,800**
Balance at January 1, 2021	$	18,446
Depreciation		10,143
Deduction		(16,495)
Effects of changes in foreign exchange rates		(330)
Balance on December 31, 2021	**$**	**11,764**
Carrying amounts:		
Balance at December 31, 2022	**$**	**8,396**
Balance at December 31, 2021	**$**	**2,352**
Balance at January 1, 2021	**$**	**8,710**

(Continued)

(7) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right of use assets, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 6 months to 2 years. The rent income of the leases of investment properties is fixed.

The movements in investment property of the Company were as follows:

		Owned property		
		Land	**Buildings and Construction**	**Total**
Cost:				
Balance on January 1, 2022	$	270,496	28,155	298,651
Transfer to property, plant and equipment		(270,496)	(28,155)	(298,651)
Balance on December 31, 2022	$	-	-	-
Balance at January 1, 2021	$	270,496	28,155	298,651
Depreciation and impairment losses:				
Balance on January 1, 2022	$	-	1,059	1,059
Transfer to property, plant and equipment		-	(1,059)	(1,059)
Balance on December 31, 2022	$	-	-	-
Balance at January 1, 2021	$	-	151	151
Depreciation for the year		-	908	908
Balance on December 31, 2021	$	-	1,059	1,059
Carrying amounts:				
Balance at December 31, 2022	$	-	-	-
Balance at December 31, 2021	$	270,496	27,096	297,592
Balance at January 1, 2021	$	270,496	28,004	298,500
Fair value				
Balance at December 31, 2022				$ -

The Company relocated its office to Xingzhong Rd., Neihu District, in January 2022. The land and office were originally accounted for as investment properties and were reclassified to property, plant and equipment as the use was transferred from lease to self-use. Please refer to

(Continued)

note 6(5) for details of the relevant disclosures.

(8) Short-term notes and bills payable

	2022.12.31		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	Grand Bills Finance Corp.	2.1%	$ 100,000
Commercial paper payable	MEGA BILLS FINANCE CO., LTD.	2.1%	80,000
Commercial paper payable	DAH CHUNG BILLS FINANCE CORP.	2.1%	150,000
Commercial paper payable	Taiwan Finance Corporation	2.058%	50,000
Less: Discount on short term notes and bills payable			(837)
Total			**$ 379,163**

	2021.12.31		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	International Bills Finance Corporation	1.33%	$ 60,000
Commercial paper payable	Grand Bills Finance Corp.	1.33%	80,000
Commercial paper payable	Ta Ching Bills Finance Corporation	1.338%	80,000
Commercial paper payable	China Bills Finance Co., Ltd.	1.33%	50,000
Commercial paper payable	MEGA BILLS FINANCE CO., LTD.	1.338%	80,000
Commercial paper payable	DAH CHUNG BILLS FINANCE CORP.	1.30%	80,000
Commercial paper payable	TAIWAN COOPERATIVE BILLS FINANCE CORPORATION	1.33%	80,000
Commercial paper payable	Taiwan Finance Corporation	1.298%	50,000
Less: Discount on short term notes and bills payable			(1,047)
Total			**$ 558,953**

No assets of the Group were pledged as guarantee for the payment of short-term notes and bills.

(Continued)

(9) Short-term borrowings

The short-term borrowings were summarized as follows:

		2022.12.31	2021.12.31
Unsecured bank loans	$	1,526,057	1,038,960
Secured bank loans		712,817	356,545
	$	2,238,874	1,395,505
Unused short-term credit lines	$	3,806,212	1,890,846
Range of Interest rate		1.58%~6.58%	0.85%~1.91%

For the collateral for bank loans, please refer to note 8.

(10) Long-term borrowings

The details were as follows:

		2022.12.31	2021.12.31
Secured bank loans	$	214,200	226,100
Less: current portion		(11,900)	(11,900)
	$	202,300	214,200
Unused short-term credit lines	$	-	-
Range of interest rates (%)		1.65%	1.1%

For the collateral for bank loans, please refer to note 8.

(11) Lease liabilities

The carrying amounts of The Company's lease liabilities were as follows:

		2022.12.31	2021.12.31
Current	$	5,573	2,607
Non-current	$	2,892	-

The amounts of leases recognized in profit or loss were as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense on lease liabilities	$	239	287
Expenses relating to short-term leases	$	924	489

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

(Continued)

		For the year ended December 31, 2022	For the year ended December 31, 2021
Total cash outflow for leases	$	6,596	11,250

The Company leases buildings and improvements for its office. The leases typically run for 5 years and some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability

(12) Employee benefits

(a) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		2022.12.31	2021.12.31
Present value of the defined benefit obligations	$	12,456	13,807
Fair value of plan assets		(13,882)	(13,669)
Net defined benefit liabilities	$	(1,426)	138

The Company's employee benefit liabilities were as follows:

		2022.12.31	2021.12.31
Liability for short-term compensated absences (included in other payables)	$	1,438	1,379

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

(Continued)

(1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to 13,882 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Movements in present value of defined benefit obligations

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

		For the year ended	
		December 31, 2022	**December 31, 2021**
Defined benefit obligations at January 1	$	13,807	14,294
Current service cost and interest cost		92	43
Net defined benefit liability remeasurement		(133)	(530)
Benefits paid		(1,310)	-
Defined benefit obligations at December 31	**$**	**12,456**	**13,807**

(Continued)

(3) Movements in fair value of defined benefit plan assets

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Fair value of plan assets at January 1	$	(13,669)	(13,010)
Interest income		(93)	(40)
Net defined benefit asset remeasurement		(1,040)	(190)
Contributions paid by the employer		(390)	(429)
Benefits paid		1,310	-
Fair value of plan assets at December 31	**$**	**(13,882)**	**(13,669)**

(4) Expenses recognized in profit or loss

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost and interests	$	92	43
Net interest of net liabilities for defined benefit obligations		(93)	(40)
	$	**(1)**	**3**

		For the year ended December 31, 2022	For the year ended December 31, 2021
Operating expenses	**$**	**(1)**	**3**

(Continued)

(5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Company's net defined benefit obligation recognized in other comprehensive income were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Cumulated amount at January 1	$	(1,616)	(2,337)
Total gain/loss recognized		1,173	721
Cumulated amount at December 31	**$**	**(443)**	**(1,616)**

(6) Actuarial assumptions

The following were the actuarial assumptions at the year-end reporting date:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Discount Rate	1.20%	0.70%
Future salary increases	3.00%	3.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $402 thousand.

The weighted average lifetime of the defined benefits plans is 6.7 years.

(Continued)

(7) Sensitivity analysis

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

		Impact on the defined benefit obligations	
		Increased 1%	**Decreased 1%**
Balance at December 31, 2022			
Discount Rate	$	(838)	847
Future salary increases		730	(724)
December 31, 2021			
Discount Rate		(951)	962
Future salary increases		838	(830)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets. There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

(b) Defined contribution plans

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

The total pension costs of the Company's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $5,032 thousand and $5,145 thousand for the years ended December 31, 2022 and 2021, respectively.

(13) Income taxes

(Continued)

(a) Income tax expenses:

The components of income tax expense (gains) in the years 2022 and 2021 were as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax expense			
Current period	$	164,872	102,412
Adjustment for prior years		1,134	317
Subtotal		166,006	102,729
Deferred tax expense (income)			
Origination and reversal of temporary differences		(30,161)	1,388
Subtotal		(30,161)	1,388
Income tax expense	**$**	**135,845**	**104,117**

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before income tax	$	589,791	549,623
Income tax using the Company's domestic tax rate		117,958	109,925
Permanent difference		(1,914)	-
Change in unrecognized temporary differences		6,927	-
Adjustments for under provisions of prior years		1,134	317
Additional tax on undistributed earnings		4,387	-
Others		7,353	(6,125)
Total	**$**	**135,845**	**104,117**

(Continued)

(b) Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

		2022.12.31	2021.12.31
Tax effect of deductible Temporary Differences	$	105,331	98,404

The deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(2) Recognized deferred tax assets

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

Deferred Tax Assets:

		Allowance for bad debt	Unrealized exchange loss	Other	Total
Balance at January 1, 2022	$	2,557	132	3,188	5,877
Recognized in profit or loss		1,274	15,827	13,060	30,16
Balance at December 31, 2022	**$**	**3,831**	**15,959**	**16,248**	**36,038**
Balance at January 1, 2021	$	2,911	(446)	4,800	7,265
Recognized in profit or loss		(354)	578	(1,612)	(1,388)
Balance at December 31, 2021	**$**	**2,557**	**132**	**3,188**	**5,877**

There were no income tax expense recognized in equity and other comprehensive income for amount of years ended December 31, 2022 and 2021.

The Company’s tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(14) Capital and other equity

As of December 31, 2022 and 2021, the number of authorized shares both were 200,000 thousand shares with par value of $10 per share. The total value of authorized shares both amounted to $2,000,000 thousand. The aggregate amount of the aforesaid authorized share capital was composed of ordinary shares only, and the issued shares were 162,625 thousand shares and 137,625 thousand shares, respectively. All issued shares were paid up upon issuance.

(Continued)

Reconciliation of shares outstanding for year ended December 31,2022 and 2021 were as follows:

(in thousands of shares)	Ordinary share For the year ended December 31, 2022	Ordinary share For the year ended December 31, 2021
Balance on January 1	137,625	125,114
Issued for cash	25,000	-
Capital increase from stock dividends	-	12,511
Balance on December 31	**162,625**	**137,625**

(a) Ordinary shares

After the resolution of the Board on March 24, 2022, The Company issued 25,000 thousand new ordinary shares through cash capital increase at a price of $17 per share at premium. The total amount of new shares amounting to $425,000 thousand and the base date for capital increase is on August 11, 2022. The Company's share capital was fully received as of August 11, 2022 and the registration of the change was completed on August 30, 2022.

The Company's shareholders' meeting held on July 22, 2021 resolved to allot $125,114 thousand of shares at no consideration, with September 1, 2021 as the base date for the capital increase, and the legal registration procedures have been completed.

(b) Capital surplus

The components of capital surplus were as follows:

		2022.12.31	2021.12.31
Share capital at premium	$	219,941	44,941
Changes in net equity of associates recognized by equity method		36	36
Employee stock options		3,139	-
	$	**223,116**	**44,977**

(Continued)

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

(c) Retained earnings

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

(1) Legal reserve

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

(2) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is

(Continued)

reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 23, 2022 and July 22, 2021, the appropriation the earnings for 2021 and 2020 was resolved in the general meeting of shareholders. The amounts of dividends distributed to owners were as follows:

	For the year ended December 31, 2021		For the year ended December 31, 2020	
	Amount per share	**Total Amount**	**Amount per share**	**Total Amount**
Dividends distributed to ordinary shareholders:				
Shares	$ -	-	1.00	125,114
Cash	2.00	275,251	-	-
Total		$ 275,251		125,114

(d) Other equity interest

	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2022	$ (113,848)	-
Exchange differences on translation of net assets of foreign operations	155,873	38
Balance on December 31, 2022	$ 42,025	38
Balance at January 1, 2021	$ (76,185)	-
Exchange differences on translation of net assets of foreign operations	(37,663)	-
Balance on December 31, 2021	$ (113,848)	-

(Continued)

(15) Share-based payment transaction

(a) The Company's Board of Directors resolved to implement issuance of stock for cash on March 24, 2022, of which 3,750 thousand shares were reserved for employees.

	Cash injection reserved for employees subscription
Grant date	Balance at July 11, 2022
Number of options granted	2,511 thousand shares
Recipients	Employee
Vesting conditions	Immediately vested

The Company adopted the Black-Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

The fair value per unit of the share option was $1.25 and the remuneration cost of $3,139 thousand was recognized in the year ended December 31, 2022 and classified as operating expenses. Please refer to note 6(n) for the capital reserve recognition.

(b) Employee expenses attributable to sharebased payment are as follows:

	For the year ended December 31, 2022
Expenses resulting from granted employee share options	$ 3,139

(16) Earnings per share

(a) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2022 and 2021 was based on the profit attributable to ordinary shareholders of the Company amounting to $453,946 thousand and $445,506 thousand, and the weighted average number of ordinary shares outstanding of 147,420 thousand and 137,625 thousand, respectively, as follows:

(1) Profit attributable to ordinary shareholders of the Company

	2022	2021
Profit attributable to ordinary shareholders of the Company	$ 453,946	445,506

(Continued)

(2) Weighted-average number of outstanding ordinary shares

		For the year ended	
		December 31, 2022	December 31, 2021
Outstanding at January 1	$	137,625	125,114
Effect of shares dividends		-	12,511
Effect of shares issued		9,795	-
Outstanding at December 31	**$**	**147,420**	**137,625**

(b) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2022 and 2021 was based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares is as follows:

(1) Profit attributable to ordinary shareholders of the Company (diluted)

		For the year ended	
		December 31, 2022	December 31, 2021
Profit attributable to ordinary shareholders of the Company (dilutive)	**$**	**453,946**	**445,506**

(2) Weighted-average number of ordinary shares (diluted)

		For the year ended	
		December 31, 2022	December 31, 2021
Weighted-average number of ordinary shares outstanding (basic)	$	147,420	137,625
Effect of employee share bonus		43	28
Weighted-average number of ordinary shares outstanding at December 31(Dilution)	**$**	**147,463**	**137,653**

(17) Revenue from contracts with customers

(a) Details of revenue

For the year ended

(Continued)

		December 31, 2022	December 31, 2021
Primary geographical markets:			
Taiwan	$	872,854	828,734
China		18,332,776	17,768,166
Others		106,951	174,192
	$	**19,312,581**	**18,771,092**
Major products/service lines:			
Digital Communication Solutions and Components	$	16,231,210	16,259,727
Storage Applications Solutions and Components		2,918,265	2,440,179
Analog Electronic Components		163,106	71,186
	$	**19,312,581**	**18,771,092**

(b) Contract balances

		2022.12.31	2021.12.31	2021.1.1
Notes receivable	$	96,295	122,198	218,938
Accounts receivable		3,376,397	3,660,882	2,643,002
Accounts receivable due from related parties		170,783	187,277	82,907
Less: Loss allowance		(52,337)	(56,375)	(97,085)
Total	**$**	**3,591,138**	**3,913,982**	**2,847,762**

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(2).

(Continued)

(18) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors ,and supervisors should be submitted and reported to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to 650 thousand and 600 thousand, and directors' and supervisors' remuneration amounting to 11,000 thousand and 8,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

(Continued)

(19) Non-operating income and expenses:

(a) Interest income

The details of interest income were as follows:

		For the year ended	
		December 31, 2022	December 31, 2021
Interest income	$	7,343	805

(b) Other income

The Company's other income was as follows:

		For the year ended	
		December 31, 2022	December 31, 2021
Rent income	$	-	2,784
Other		5,160	2,951
	$	5,160	5,735

(c) Other gains and losses

The Company's other gains and losses were as follows:

		For the year ended	
		December 31, 2022	December 31, 2021
Foreign exchange gains	$	70,094	17,037
Gain on bargain purchase		-	89,016
Miscellaneous disbursements		(94)	(1,901)
Impairment loss		-	(76,640)
	$	70,000	27,512

(Continued)

(d) Finance costs

Finance costs of the Company are detailed as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest on bank loans	$ (61,910)	(30,782)
Interest expenses on lease liabilities	(239)	(287)
	$ (62,149)	**(31,069)**

(20) Financial instruments

(a) Credit risk

(1) The maximum exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

(2) Concentration of credit risk

The Group’s customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial position of its customers and, if necessary, requires them to provide guarantees or assurances. The Group also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

(3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(b).

(b) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

		Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Balance at December 31, 2022								
Non-derivative financial liabilities								
Short-term borrowings	$	2,238,874	2,263,959	2,075,926	188,033	-	-	-
Short-term notes payables		379,163	380,000	380,000	-	-	-	-
Accounts payable (including related parties)		2,658,834	2,658,834	2,658,834	-	-	-	-
Other payables		62,449	62,449	62,449	-	-	-	-
Long-term borrowings (including current portion)		214,200	236,142	7,705	7,656	29,947	63,735	127,099
Lease liabilities		8,465	8,508	2,836	2,836	2,836	-	-
	$	5,561,985	5,609,892	5,187,750	198,525	32,783	63,735	127,099
December 31, 2021								
Non-derivative financial liabilities								
Short-term borrowings	$	1,395,505	1,399,990	1,399,990	-	-	-	-
Short-term notes payables		558,953	560,000	560,000	-	-	-	-
Accounts payable (including related parties)		2,976,683	2,976,683	2,976,683	-	-	-	-
Other payables		89,884	89,884	89,884	-	-	-	-
Long-term borrowings (including current portion)		226,100	243,166	7,185	7,153	14,207	73,935	140,686
Lease liabilities		2,607	2,645	2,645	-	-	-	-
	$	5,249,732	5,272,368	5,036,387	7,153	14,207	73,935	140,686

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

(Continued)

(c) Currency risk

(1) Exposure of foreign currency risk

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

	2022.12.31			2021.12.31		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
USD	$ 202,220	30.710	6,210,176	217,650	27.680	6,024,552
RMB	1,223	4.408	5,391	1,199	4.344	5,208
Financial liabilities						
Monetary items						
USD	170,316	30.710	5,230,404	170,593	27.680	4,722,014

(2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD, and the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before tax by $49,258 thousand and $65,387 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 70,094 thousand and 17,037 thousand, respectively.

(d) interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Company’s net income will decrease /increase by $28,322 thousand and $21,806 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Company’s variable rate bank deposit.

(21) Financial risk management

(a) Overview

The Company has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Company’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(b) Risk management framework

The Company’s finance management department provides business services for the overall internal department. It monitor and manage financial risks of the Company’s business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Company mitigates these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’s policies

(Continued)

and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Company in accordance with the procedure of the board meetings.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments in debt securities.

(1) Accounts receivable and other receivables

The policy adopted by the Company to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company will rate the major customers using other publicly available financial information and mutual transaction records. The Company continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

(2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by The Company's finance department. Since The Company’s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

(d) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. the Company’s management supervises the banking facilities and ensures compliance with the terms of loan agreements. Bank borrowing is an essential liquidity source for the Company. As of December 31, 2022 and 2021, the Company unused credit line were amounted to $3,806,212 thousand and $1,890,846 thousand, respectively.

(e) Market risk

(Continued)

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

(1) Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company's respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD, HKD and RMB.

(2) Interest rate risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(22) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

The Company's debt-to-equity ratios at December 31, 2022 and 2021were as follows:

		2022.12.31	2021.12.31
Total liabilities	$	5,584,425	5,373,323
Less: Cash and cash equivalents		(1,367,298)	(1,362,671)
Net liabilities	$	4,217,127	4,010,652
Total equity	$	2,659,238	1,895,194
Debt-to-equity ratio		61.33%	67.91%

(23) Investing and financing activities not affecting current cash flow

The reconciliation of liabilities arising from financing activities was as follows:

				Non-Cash changes		
		2022.1.1	Cash flows	Lease modification	Foreign exchange movement	2022.12.31
Short-term notes payables	$	558,953	(179,790)	-	-	379,163
Short-term borrowings		1,395,505	799,618	-	43,751	2,238,874
long-term borrowings		226,100	(11,900)	-	-	214,200
Lease liabilities		2,607	(5,433)	10,818	473	8,465
Total liabilities from financing activities	$	2,183,165	602,495	10,818	44,224	2,840,702

				Non-Cash changes		
		2021.1.1	Cash flows	Lease modification	Foreign exchange movement	2021.12.31
Short-term notes payables	$	439,010	119,943	-	-	558,953
Short-term borrowings		620,730	778,944	-	(4,169)	1,395,505
long-term borrowings		238,000	(11,900)	-	-	226,100
Lease liabilities		9,311	(10,474)	3,962	(192)	2,607
Total liabilities from financing activities	$	1,307,051	876,513	3,962	(4,361)	2,183,165

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The following are the entities that have had transactions with the Company during the periods covered in the financial statements.

Name of related party	Relationship with The Company
G.M.I. Technology (BVI) Co., Ltd. (hereinafter referred to as G.M.I. (BVI))	Subsidiary of the Company
Harken investments Limited (hereinafter referred to as Harken)	Subsidiary of the Company
Vector Electronic Co. Ltd (hereinafter referred to as Vector)	Subsidiary of the Company
G.M.I (Shanghai) Trading Company Limited. (hereinafter referred to as G.M.I (Shanghai))	Subsidiary of the Company
Hong Da Fu Tong Electronics Company Limited (hereinafter referred to as Shenzhen Fu Tong)	Subsidiary of the Company
GW Electronics Company Limited (hereinafter referred to as GW Electronics)	Investee company accounted for using equity method
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as“Realtek Singapore”)	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity

(Continued)

(b) Significant transactions with related parties

(1) Sale revenue

The amounts of significant sales transactions between the Company and related parties were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Other related parties- Realtek	$	2,252	8,453
Other related person- Realtek Singapore		15,899	-
Subsidiary		492,100	746,505
	$	**510,251**	**754,958**

The Company's sales price to sub-subsidiary is based on cost-plus approach. The collection terms to subsidiary are not significantly different from that of the general sales. The product sold to other related party did not sold to other vendors by the Group, so the sales price was not comparable to other vendors. The sales price and payment terms were not significantly different from those of non-related-parties.

(2) Purchases

The amounts of significant purchase by The Company from associates were as follows:

		For the year ended	
		December 31, 2022	**December 31, 2021**
Other related parties- Realtek	$	8,920,736	9,359,337
Other related person- Realtek Singapore		7,051,561	5,692,246
Other related parties - RayMx		128,864	466,492
Other related parties - Actions (HK)		3,893	24,129
	$	**16,105,054**	**15,542,204**

The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment terms were not significantly different from those of non-related-parties.

(3) The expenses incurred by the Company consulting subsidiary for its overseas operations in the years ended December 31, 2022 and 2021 were $75,349

(Continued)

thousand and $118,219 thousand, respectively.

(4) Receivables from related parties

The payables to related parties were as follows:

Account	Relationship	2022.12.31	2021.12.31
Accounts receivable due from related parties	Subsidiary	$ 170,712	149,251
Amounts received in subsequent period	Other related parties	71	38,026
		$ 170,783	**187,277**

Accounts receivables are mainly arising from return of purchases from associates.

(5) Payables

The payables to related parties were as follows:

Account	Relationship	2022.12.31	2021.12.31
Payables to related parties	Realtek	$ 894,388	1,595,934
Payables to related parties	Realtek Singapore	1,357,835	1,227,001
Payables to related parties	RayMx	11,717	-
Payables to related parties	Actions (HK)	562	-
		$ 2,264,502	**2,822,935**

(6) Acquisition of investments accounted for using equity method

The Company participated in the cash capital increase of Unitech Electronics in the year ended December 31, 2021, and acquired 9,559 thousand shares at $200,739 thousand. Please refer to note 6(4) for more details.

(7) Other

In the year ended December 31, 2022, the Company purchased software system from associates amounting to $891 thousand. As of December 31, 2022, the above-mentioned amount had been fully paid.

(Continued)

(c) Key management personnel transactions

Key management personnel compensation includes:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Short-term employee benefits	$	36,946	33,132
Post-employment benefits		298	435
	$	37,244	33,567

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure		2022.12.31	2021.12.31
Time deposit (classified under other financial assets)	Bank loan limit	$	231,773	209,349
Accounts receivable	The unused letters of credit and secured loans		219,193	128,305
Property, plant and equipment	Long-term bank loans		296,684	-
Investment property	Long-term bank loans		-	297,592
		$	747,650	635,246

(9) Significant contingent liabilities and unrecognized commitments

(e) Guarantees provided by the Group's bank to its suppliers for the delivery of goods:

		2022.12.31	2021.12.31
Purchase Guarantee	$	329,615	384,208

(f) The amount of unused outstanding letters of credit were as follows:

		2022.12.31	2021.12.31
Outstanding standby letters of credit	$	2,107,466	2,559,694

(g) The tax payable on imported goods guaranteed by the Group's bank:

		2022.12.31	2021.12.31
Taxes on imported goods guaranteed by banks	$	4,000	7,000

(Continued)

(h) As of December 31, 2022 and 2021, the Company had issued $1,160,065 thousand and $1,160,065 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses due to major disasters: None

(11) Significant Subsequent Events: None

(12) Others:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By functional / By item	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Cost of good sold	Operating expenses	Total	Cost of good sold	Operating expenses	Total
Employee benefits						
Salary	-	96,567	96,567	-	139,882	139,882
Labor and health insurance	-	7,957	7,957	-	7,797	7,797
Pension	-	5,031	5,031	-	5,574	5,574
Remuneration of directors	-	11,904	11,904	-	8,791	8,791
Other employee benefits expense	-	5,488	5,488	-	5,845	5,845
Depreciation	-	10,972	10,972	-	14,953	14,953

The additional information about number of employees and employee benefit expenses for the years ended December 31, 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Number of employees	106	104
Number of Directors who are not concurrently employed	3	3
Average employee benefits expense	$ 1,117	1,575
Average employee salary expense	$ 938	1,385
Average employee salary adjustments	(32.27)%	

The decrease in average remuneration to employees for the year is arising from decreases in the bonus expenses estimated for the year.

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The performance assessment and remuneration of managers and directors by the Company taking into account of usual standard payments of peers to evaluate the reasonableness of relationship among personal performance, operation performance and future risks. The Company complying with Labor Standards Act and relevant regulations to set out various

(Continued)

employee remuneration and benefits and to provide competitive benefits to motivate its employees.

(b) Others

Accounts receivable regarding to legal proceedings:

In January 2017, the Company filed a civil lawsuit to the Shanghai court for the overdue payment of Shanghai Hailong Information Technology Co. (Shanghai Hailong). However, in May 2017, the Shanghai court rejected the lawsuit. In July of the same year, the Company filed a criminal lawsuit to the Shenzhen Public Security Bureau against the majority shareholder of Shanghai Hailong. However, in September of that year, the Shenzhen Public Security Bureau notified the Company that the case cannot be filed. Hence, the Company has now filed a civil lawsuit against Shanghai Hailong to the Shenzhen court, and the court agreed to accept the lawsuit, which was heard on June 21, 2018. On May 22, 2019, the court ordered Shanghai Hailong to pay the Company the amount of $5,804 thousand (US$187 thousand). Shanghai Hailong appealed against the Company again on June 12, 2019, and The Shenzhen Intermediate People's Court ruled in the second instance to maintain the status quo ante. Shanghai Hailong negotiated a settlement with the Company on December 15, 2021. The Company has received $5,804 thousand in June 2022 and the Company recognized allowance for bad debt for uncollected amounts of $18,456 thousand to write off the allowance for losses. For changes in allowance for doubtful debts, please refer to note 6(2).

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(1) Loans to other parties: None

(2) Guarantees and endorsements for other parties:

Number	Maximum amount for guarantees and endorsements Name of investee	Counter-party of guarantee and endorsement Name	Note 2	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of financing to other parties during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
0	The Company	G.M.I (Shanghai)	2	2,659,238	88,160 (RMB20,000*4.408)	88,160 (RMB20,000*4.408)	-	-	2,659,238	Y	-	Y

(Continued)

Note 1: The Company's endorsement and guarantee amount for a single enterprise is limited to 80% of the Company's shareholders' equity, but for a single overseas affiliate, it is limited to 100% of the Company's shareholders' equity.

Note 2: The relationship between the endorser/guarantor and the guaranteed party:

1.Companies with business dealings.
2.Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
3.A company that directly or indirectly holds more than 50% of the voting shares of the company.
4.A company in which the company directly or indirectly holds more than 90% of the voting shares.
5.A company that is mutually insured by a contract between peers or co-founders for the purpose of contracting.
6.A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
7.Interbank companies that are engaged in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

(3) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): None

(4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None

(5) Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None

(6) Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None

(Continued)

(7) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of counter-party Name	Nature of relationship	Transaction details: Purchase/Sale	Transaction details: Total Amount	Transaction details: Percentage of total purchases/sales	Transaction details: Payment terms	Transactions with terms different from others: price	Transactions with terms different from others: Credit terms	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Note
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	8,920,736	46.23%	O/A 45 days	No purchases from other vendors	No material variance	(894,388)	(33.64)%	-
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	7,051,561	36.54%	O/A 45 days	No purchases from other vendors	No material variance	(1,357,835)	(51.07)%	-
The Company	RayMx	Subsidiary of Realtek Semiconductor Co.	Purchase	128,864	0.67%	O/A 45 days	No purchases from other vendors	No material variance	(11,717)	(0.44)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(413,386)	(2.14)%	O/A 60 days	No material variance	No material variance	144,665	4.03%	-

(8) Receivable from related parties exceeding the lower of $100,000 thousand or 20% of The Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Receivables Subsidiary	Name of counter-party	Nature of relationship	Ending balance (note)	Turnover days	Overdue: Total Amount	Overdue: Actions taken	Amounts received in subsequent period (Note 1)	Loss allowance Amount
The Company	G.M.I (Shanghai)	Sub subsidiary	144,665	281.30%	-		144,665	-

(9) Trading in derivative instruments: None

(Continued)

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main operating location/ Registered Country of the Group	Original investment amount		Balance as of December 31			Current period gains or losses of the investee company	Recognized investment gains or losses for the current period	Note
				December 31, 2022	December 31, 2021	shares	Percentage of ownership	Carrying value			
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00%	30,645	(35,328)	(35,328)	
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21%	13,413	(5,997)	(2,052)	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73%	224,079	91,331	11,625	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00%	30,567	(35,328)	(35,328)	
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00%	73	-	-	
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00%	-	-	-	

(Continued)

(c) Information on investments in mainland China:

(1) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows from Taiwan as of January 1, 2020		Accumulated outflow of investment from Taiwan as of December 31, 2022	Current period gains or losses of the investee company	Percentage of ownership	Recognized investment gains or losses for the current period	End of period carrying amount for investment	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (Note 2)	(41,019)	100.00%	(41,019)	5,519	-	-
Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	-	(b)	-	-	-	-	-	100.00%	-	-	-	(Note 3)
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (Note 2)	6,851	100.00%	6,851	24,931	-	-
G.M.I Vector Electronic (Shenzhen) Company	Trading of electronic components and business marketing consulting	-	(b)	-	-	-	- (Note 2)	(600)	- %	(600)	-	-	(Note 4)

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary is to be liquidated by resolution of the Board of Directors on March 28, 2023.

Note 4: The subsidiary was established in 2007 and was approved by the board of directors for liquidation on November 8, 2022 and has been canceled on November 23, 2022.

(2) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	**Investment Amounts Authorized by Investment Commission, MOEA**	**Upper Limit on Investment Authorized by Investment Commission, MOEA**
93,368	629,123	1,595,542

(3) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in"Information on significant transactions".

(d) Major Shareholders

Unit: Shares

Shareholding / Shareholder's name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45%
De-Jia Investment Co., Ltd.	13,848,303	8.51%

Note: The information on major shareholders in this table is based on the last business day of each quarter and is calculated based on the total number of 5% ordinary shares or more of the Company's shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

GMI Technology Inc.

Statement of Cash and Cash Equivalents

Balance on December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Cash on hand	$ 5,784
Bank deposits	Check deposits (HKD833,731.63@3.938;)	3,283
	USD100@30.71)	3
	Demand deposits	395,169
	Foreign currency demand deposits(USD 28,901,129.50@30.71);	888,162
	RMB8,055.45@4.408)	36
	(HKD19,009,856.79*3.938)	74,861
	Subtotal	1,361,514
Total		$ **1,367,298**

Statement of Notes Receivable

Item	Amount
Notes receivable	
World	$ 38,193
Shenzhen C-DATA Technology Co., Ltd.	30,058
YICHEN (SHENZHEN) TECHNOLOGY CO., LTD.	24,096
Other (all less than 5%)	3,948
Subtotal	96,295
Less: Allowance for bad debt	(289)
Total	$ **96,006**

GMI Technology Inc.

Statement of Accounts Receivable

Balance on December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Accounts receivable		
Nanning Fulian Fugui Precision Industry Co., Ltd.	$	381,584
Cambridge Industries Group Ltd.		362,999
Hangzhou Hikvision Digital Technology Co., Ltd.		275,915
New H3C Technologies Co., Ltd.		171,168
SICHUAN JIUZHOU ELECTRONIC TECHNOLOGY CO., LTD.		157,242
Other (all less than 5%)		2,027,489
Subtotal		3,376,397
Less: Allowance for bad debt		(52,048)
Total	**$**	**3,324,349**

Statement of other receivable

Item		Amount
Income tax refund receivable	$	13,492
Other (all less than 5%)		1,458
Total	**$**	**14,950**

GMI Technology Inc.

Statement of Inventories

Balance on December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Costs	Market price	Notes
Merchandise inventory	$ 2,452,967	2,583,419	Market price under their Net realizable value
Less: Allowance for inventory valuation and obsolescence losses	(145,762)		
	$ 2,307,205		

Statement of other financial assets

Item	By item	Amount
Restricted assets - Time deposit	Guarantee for bank borrowings	$ 231,773

Statement of other current assets

Item	Amount
Offset Against Business Tax Payable	$ 54,562
Prepayments	23,039
Other (all less than 5%)	2,591
Total	$ 80,192

GMI Technology Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Increase		Disposal		Equity method	Exchange	Ending balance			Pledge or guarantee
Item	shares	Amount	shares	Amount	shares	Amount (Note 1)	Share of profits/losses of investee	differences adjustment	shares	Percentage	Amount	Object
Equity method												
G.M.I. Technology (BVI) Ltd.	18,277	$ 64,859	-	-	-	-	(35,328)	1,114	18,277	100.00%	30,645	None
GLOBAL MOBILE INTERNET CO., LTD	1,548	14,099	-	-	-	-	(2,052)	1,366	1,548	34.21%	13,413	〃
Unitech Electronics Co., Ltd.	9,559	213,644	-	-		(3,966)	11,625	2,776	9,559	12.73%	224,079	〃
		$ 292,602		-		(3,966)	(25,755)	5,256			268,137	

Note1: Investment under equity method - decreases in Unitech Electronics Co., Ltd. ,for the current period, is arising from cash dividend distribution of $3,966 thousand.

GMI Technology Inc.
Statement of Short-term Borrowings
Balance on December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Type of loan	Bank	Balance at December 31, 2022	Loan period	Range of Interest rate	Collateral or pledge
Credit loans	E.SUN Commercial Bank	$ 168,905	2022/10/17-2023/01/17	5.63%	None
〃	Taiwan Cooperative Bank	51,796	2022/10/25-2023/01/23	5.74%	〃
〃	CHANG HWA BANK	113,627	2022/11/15-2023/02/13	6.25%	〃
〃	Bank SinoPac	78,549	2022/11/15-2023/02/15	6.29%	〃
〃	CHANG HWA BANK	153,550	2022/12/15-2023/03/15	5.91%	〃
〃	E.SUN Commercial Bank	92,130	2022/12/15-2023/03/15	5.97%	〃
〃	Yuanta Commercial Bank	50,000	2022/11/07-2023/01/06	1.58%	〃
〃	Shin Kong Bank Co., Ltd.	40,000	2022/12/02-2023/02/03	1.86%	〃
〃	Shin Kong Bank Co., Ltd.	40,000	2022/12/09-2023/02/09	1.87%	〃
〃	Taishin International Bank	200,000	2022/12/09-2023/02/09	1.89%	〃
〃	Far Eastern International Bank	150,000	2022/12/15-2023/02/13	2%	〃
〃	JihSun International Commercial Bank Co., Ltd.	150,000	2022/12/02-2023/03/02	1.72%	〃
〃	First Commercial Bank	50,000	2022/11/25-2023/03/25	1.74%	〃
〃	CHANG HWA BANK	187,500	2022/08/01-2023/08/01	1.68%	〃
Secured loans	E.SUN Commercial Bank	92,976	2022/12/12-2023/06/09	6.45%	Note 8
〃	E.SUN Commercial Bank	216,945	2022/12/14-2023/01/13	5.28%	〃
〃	CITIC Bank	92,976	2022/12/13-2023/03/13	6.575%	〃
〃	Mega International Commercial Bank	92,976	2022/11/15-2023/02/13	5.8%	〃
〃	Taipei Fubon Bank	154,960	2022/11/10-2023/02/08	5.05%	〃
〃	Mega International Commercial Bank	61,984	2022/12/15-2023/03/15	5.65%	〃
Total		$ 2,238,874			

GMI Technology Inc.

Statement of Accounts Payable

Balance on December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Winbond Electronics Corp.	$ 139,029
AUO Display Plus Corp.	24,230
Other	231,073
Total	**$ 394,332**

Statement of other payables

Item	Amount
Wages and salaries payable	$ 26,604
Remuneration payables to employees, directors, and supervisors	11,650
Import/export (customs) payables	6,729
Other (all less than 5%)	17,466
Total	**$ 62,449**

GMI Technology Inc.

Statement of Long-term Borrowings

Balance on December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Bank	Current portion	Long term borrowings	Loan period	Range of Interest rate	Unused credit lines	Collateral or pledge
Secured loans	E.SUN Commercial Bank	$ 11,900	202,300	2020.10.28~2025.10.26	1.65%	238,000	Note 8

Statement of Operating revenue

For the year ended December 31, 2022

Item	Number (thousands)	Amount
Digital Communication Solutions and Components	363,630	$ 16,231,210
Storage Applications Solutions and Components	71,450	2,918,265
Analog Electronic Components	46,268	163,106
Total		$ 19,312,581

Note: The sales returns and allowances of $442,651 thousand has been deducted from the above amount.

GMI Technology Inc.

Statement of Operating Costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Beginning inventory	$	1,080,386
Add: Purchase for the period, net		20,023,865
Less: Inventories at the end of the period		(2,452,967)
Transfer to operating expenses		(903)
Subtotal		18,650,381
Commissions revenue		(727,906)
Loss for market price decline and obsolete and slow-moving inventories		103,050
Other		239,398
Total	**$**	**18,264,923**

Statement of Operating Expenses

Item		Selling	Administrative	Research and development
Business consultation fees of subsidiary	$	75,349	-	-
Salary and bonus expenses		28,951	63,934	12,586
Import/export (customs) expense		70,949	17,691	-
Service expenses		56,501	4,097	398
Other (all less than 5%)		54,718	47,344	9,936
Total	**$**	**286,468**	**133,066**	**22,920**

Please refer to Note 6(5) for Statement of property, plant and equipment
Please refer to Note 6(5) for Statement of Changes in accumulated depreciation of property, plant and equipment
Please refer to Note 6(6) for Statement of right-for use assets.
Please refer to Note 6(6) for Statement of Changes in accumulated depreciation of right-for use assets.
Please refer to Note 6(7) for the information of investment property.

GMI Technology Inc.

Chairman: Chia-Wen Yeh