PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Professional Computer Technology Limited

Opinion

We have audited the accompanying consolidated balance sheets of Professional Computer Technology Limited and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Evaluation of allowance for inventory valuation losses

Description

Refer to Note 4(12) for accounting policies on inventories, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of inventories. As at December 31, 2022, the Group's total inventories and allowances for inventory valuation losses amounted to NT$807,005 thousand and NT$42,657 thousand, respectively.

The Group is primarily engaged in sales of various semiconductor components. Due to the rapid innovation in certain electronic products, there is a higher risk of incurring inventory valuation losses or obsolescence. The Group measures inventory which has been sold in the ordinary course of business at the lower of cost and net realisable value. The estimation on the net realisable value in inventory valuation may be affected due to the fluctuations of the prices are not as expected as the net realisable value.

The Group uses judgements to determine the net realisable value resulting in a high degree of estimation uncertainty and calculation complexity. Considering the Group's inventory and the allowance for inventory valuation losses are material to its financial statements, therefore, we consider the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtained an understanding on the operations and industry of the Group in order to assess the reasonableness of policies and procedures on allowance for inventory valuation losses.
2. Obtained an understanding on the internal control over valuation of inventory, and participated in physical inventory count at the end of year in order to assess the effectiveness of the controls over

obsolete and damaged inventories.

3. Verified the appropriateness of the system logic in the reports and confirmed the information in the reports is consistent with the relevant policies in order to assess the reasonableness of allowance for inventory valuation losses.

Existence of sales revenue

Description

The Group is primarily engaged in sales of various semiconductor components. Terminal products are mainly used in Bluetooth audio-visual equipment, image processing equipment and USB hubs. The Group's trading counterparties are mostly whom has a long-term business partnership with the Group, throughout Taiwan, Japan and Mainland China. As the sales of products are subject to the terminal market demand and the transaction amount and volume are huge, we consider the existence of sales revenues to be significant to the financial statements. Therefore, we consider the existence of sales revenue of the Group a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Assessed and tested the revenue cycle and performed tests to determine the Group direct revenue process is followed by the internal control procedures.
2. Verified the related industry background information in respect of the significant customers.
3. Sampled transactions of operating revenue, validated orders, sales invoice and receipts from customers, and examined the customers are consistent with the consignees.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Professional Computer Technology Limited as at and for the years ended December 31, 2022 and 2021.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

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of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Fu-Ming, Liao

Liao, Fu-Ming

Chen Ching Chang

Chen, Ching Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2022			December 31, 2021		
				Amount	%		Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$	572,657	22	$	494,965	21
1136	Current financial assets at amortised cost	6(2)		40,104	2		37,518	2
1150	Notes receivable, net	6(4)		5,701	-		12,931	1
1170	Accounts receivable, net	6(4)		731,824	28		790,078	34
1180	Accounts receivable - related parties, net	7(3)		13,249	-		12,502	-
130X	Inventories	6(5)		764,348	29		478,219	20
1470	Other current assets	7(3)		6,154	-		22,160	1
11XX	**Total current assets**			2,134,037	81		1,848,373	79
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		407,385	16		408,369	18
1600	Property, plant and equipment	6(6) and 8		52,793	2		54,155	2
1755	Right-of-use assets	6(7)		4,128	-		6,528	-
1760	Investment property, net	6(8)		18,892	1		19,291	1
1840	Deferred tax assets	6(21)		5,792	-		3,240	-
1900	Other non-current assets	6(10) and 8		10,403	-		9,022	-
15XX	**Total non-current assets**			499,393	19		500,605	21
1XXX	**Total assets**		$	2,633,430	100	$	2,348,978	100

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PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 475,000	18	$ 235,529	10
2130	Contract liabilities - current	6(14)	7,099	-	11,603	-
2150	Notes payable		7,356	-	1,975	-
2170	Accounts payable		463,497	18	365,743	16
2180	Accounts payable - related parties	7(3)	-	-	160,758	7
2200	Other payables		63,458	2	64,849	3
2230	Current income tax liabilities		15,088	1	14,846	1
2280	Current lease liabilities		2,765	-	4,245	-
2300	Other current liabilities		6,365	-	3,950	-
21XX	**Total current liabilities**		1,040,628	39	863,498	37
	Non-current liabilities					
2570	Deferred tax liabilities	6(21)	-	-	579	-
2580	Non-current lease liabilities		1,178	-	2,447	-
2600	Other non-current liabilities	6(10)	20,940	1	25,400	1
25XX	**Total non-current liabilities**		22,118	1	28,426	1
2XXX	**Total liabilities**		1,062,746	40	891,924	38
	Equity					
	Share capital	6(11)				
3110	Ordinary share		721,458	27	721,458	31
	Capital surplus	6(12)				
3200	Capital surplus		361,381	14	361,381	16
	Retained earnings	6(13)				
3310	Legal reserve		98,317	4	81,552	3
3350	Unappropriated earnings		197,705	8	189,560	8
	Other equity interest					
3400	Other equity interest		191,823	7	103,103	4
3XXX	**Total equity**		1,570,684	60	1,457,054	62
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,633,430	100	$ 2,348,978	100

The accompanying notes are an integral part of these consolidated financial statements.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)

	Items	Notes	Year ended December 31 2022 Amount	%	2021 Amount	%
4000	Operating revenue	6(14) and 7(3)	$ 4,606,554	100	$ 4,186,600	100
5000	Operating costs	6(5) and 7(3)	(4,203,214)	(91)	(3,800,728)	(91)
5950	Gross profit		403,340	9	385,872	9
	Operating expenses	6(19)(20)				
6100	Selling expenses		(113,429)	(2)	(108,818)	(2)
6200	General and administrative expenses		(87,911)	(2)	(85,070)	(2)
6300	Research and development expenses		(34,246)	(1)	(33,582)	(1)
6450	Expected credit impairment gain (loss)	12(2)	3,439	-	(95)	-
6000	Total operating expenses		(232,147)	(5)	(227,565)	(5)
6900	Operating profit		171,193	4	158,307	4
	Non-operating income and expenses					
7100	Interest income	6(15)	6,753	-	786	-
7010	Other income	6(16) and 7(3)	32,462	1	37,077	1
7020	Other gains and losses	6(17)	(4,442)	-	(1,278)	-
7050	Finance costs	6(18)	(4,131)	-	(2,598)	-
7000	Total non-operating income and expenses		30,642	1	33,987	1
7900	**Profit before income tax**		201,835	5	192,294	5
7950	Income tax expense	6(21)	(35,106)	(1)	(21,822)	(1)
8200	**Profit for the year**		$ 166,729	4	$ 170,472	4
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(10)	$ 3,090	-	$ 2,102	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(984)	-	(130,211)	(3)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(618)	-	(421)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		89,704	2	(21,179)	-
8300	**Other comprehensive income (loss)**		$ 91,192	2	($ 149,709)	(3)
8500	**Total comprehensive income for the year**		$ 257,921	6	$ 20,763	1
	Profit attributable to:					
8610	Owners of the parent		$ 166,729	4	$ 170,472	4
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 257,921	6	$ 20,763	1
	Earnings per share (in dollars)	6(22)				
9750	Basic earnings per share		$	2.31	$	2.36
9850	Diluted earnings per share		$	2.28	$	2.34

The accompanying notes are an integral part of these consolidated financial statements.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent								
			Capital Surplus			Retained Earnings		Other Equity Interest		
	Notes	Ordinary shares	Share premium	Treasury shares transactions	Gain on disposals of property, plant and equipment	Legal reserve	Unappropriated earnings	Exchange differences on translatlron of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year ended December 31, 2021										
Balance at January 1, 2021		$ 721,458	$ 349,624	$ 11,704	$ 53	$ 72,391	$ 117,645	($ 141,315)	$ 391,306	$ 1,522,866
Total consolidated profit		-	-	-	-	-	170,472	-	-	170,472
Other comprehensive income (loss) for the year		-	-	-	-	-	1,681	(21,179)	(130,211)	(149,709)
Total comprehensive income (loss)		-	-	-	-	-	172,153	(21,179)	(130,211)	20,763
Appropriations and distribution of 2020 retained earnings:	6(13)									
Legal reserve		-	-	-	-	9,161	(9,161)	-	-	-
Cash dividends		-	-	-	-	-	(86,575)	-	-	(86,575)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	-	(4,502)	-	4,502	-
Balance at December 31, 2021		$ 721,458	$ 349,624	$ 11,704	$ 53	$ 81,552	$ 189,560	($ 162,494)	$ 265,597	$ 1,457,054
Year ended December 31, 2022										
Balance at January 1, 2022		$ 721,458	$ 349,624	$ 11,704	$ 53	$ 81,552	$ 189,560	($ 162,494)	$ 265,597	$ 1,457,054
Total consolidated profit		-	-	-	-	-	166,729	-	-	166,729
Other comprehensive income (loss) for the year		-	-	-	-	-	2,472	89,704	(984)	91,192
Total comprehensive income (loss)		-	-	-	-	-	169,201	89,704	(984)	257,921
Appropriations and distribution of 2021 retained earnings:	6(13)									
Legal reserve		-	-	-	-	16,765	(16,765)	-	-	-
Cash dividends		-	-	-	-	-	(144,291)	-	-	(144,291)
Balance at December 31, 2022		$ 721,458	$ 349,624	$ 11,704	$ 53	$ 98,317	$ 197,705	($ 72,790)	$ 264,613	$ 1,570,684

The accompanying notes are an integral part of these consolidated financial statements.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		$ 201,835	$ 192,294
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(8)(19)	6,946	6,912
Amortisation	6(19)	1,942	1,594
Expected credit impairment (gain) loss	12(2)	(3,439)	95
(Gain) loss on lease modification	6(7)(17)	(701)	425
Interest expense	6(18)	4,131	2,598
Interest income	6(15)	(6,753)	(786)
Dividend income	6(16)	(25,585)	(17,220)
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable, net		7,953	(11,725)
Accounts receivable, net		74,944	290
Accounts receivable - related parties, net		(742)	7,047
Other receivables - related parties		6,646	(6,067)
Inventories		(271,833)	(197,587)
Other current assets		9,718	(6,794)
Changes in liabilities relating to operating activities			
Contract liabilities		(4,504)	1,735
Notes payable		5,381	686
Accounts payable		82,367	78,541
Accounts payable - related parties		(173,100)	46,814
Other payables		(1,239)	18,256
Other current liabilities		2,414	(1,814)
Accrued pension liabilities		(722)	(2,688)
Cash (outflow) inflow generated from operations		(84,341)	112,606
Interest received		6,395	791
Dividends received		25,585	17,220
Interest paid		(4,283)	(2,235)
Income tax paid		(26,897)	(14,637)
Net cash (used in) provided by operating activities		(83,541)	113,745
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		-	172
Increase in current financial assets at amortised cost		(43,281)	(37,518)
Decrease in current financial assets at amortised cost		40,695	15,949
Acquisition of property, plant and equipment	6(6)	(1,006)	(1,388)
(Increase) decrease in guarantee deposits paid		(88)	231
Increase in other non-current financial assets		(351)	(332)
Increase in other non-current assets		(2,885)	(833)
Net cash used in investing activities		(6,916)	(23,719)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		1,029,474	235,529
Decrease in short-term borrowings		(790,003)	(10,000)
(Decrease) increase in guarantee deposits received		(648)	816
Return of principal of lease liabilities	6(23)	(4,044)	(4,882)
Distribution of cash dividends	6(13)	(144,291)	(86,575)
Net cash provided by financing activities		90,488	134,888
Effect of exchange rate changes on cash and cash equivalents		77,661	(22,448)
Net increase in cash and cash equivalents		77,692	202,466
Cash and cash equivalents at beginning of year		494,965	292,499
Cash and cash equivalents at end of year		$ 572,657	$ 494,965

The accompanying notes are an integral part of these parent company only financial statements.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Professional Computer Technology Limited (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) upon approval of the Ministry of Economic Affairs in October 1992. In September 2003, the Company's common shares were officially listed on the Taipei Exchange. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in programming, processing, testing and trading of computer and electronic products and parts.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 8, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through other comprehensive income.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Significant inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed 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.

(d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
The Company	Excellence International Holding Corporation (EIHC)	Investment holdings	100	100	
The Company	Asia PCT Group Limited (APG)	Distribution and sales of electronic components	100	100	
EIHC	Silicon Professional Technology Ltd. (SPT-BVI)	Investment holdings	100	100	
EIHC	Silicon Professional Technology Hong Kong Ltd. (SPT-HK)	Distribution and sales of electronic components	100	100	
SPT-BVI	Silicon Professional Tech. (China) Ltd.	Distribution and sales of electronic components	100	100	

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) The operating results and financial position of foreign branches that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;

iii. Accounts with head office and operating capital are translated at historical exchange rate; and

iv. Differences arising from translation of foreign branches' financial statements are shown as' other equity– exchange differences on translation of foreign financial statements' under shareholders' equity.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
(b) Assets held mainly for trading purposes;
(c) Assets that are expected to be realised within twelve months from the balance sheet date;
(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
(a) Liabilities that are expected to be settled within the normal operating cycle;
(b) Liabilities arising mainly from trading activities;
(c) Liabilities that are to be settled within twelve months from the balance sheet date;
(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving average method. The cost of finished goods and work in progress comprises raw materials, other direct costs and related production overheads. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	50 years
Office equipment	3 ~ 5 years
Other equipment	3 ~ 5 years

(14) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and

(c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 55 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(17) Accounts and notes payable

A. Accounts payable are liabilities for purchases of goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(21) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(23) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(24) Revenue recognition

A. Sales of goods

(a) The Group sells a range of relevant products on programming, processing, testing and trading of computer and electronic products and parts. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts or sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts or sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts or sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

Service revenues arise from providing assistance in promoting products and are calculated based on a certain percentage of relevant sales amount. Revenue is recognised at a point in time after the services for providing assistance in product promotions have been provided.

(25) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

A. The Group is primarily responsible for the provision of goods or services;
B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was $764,348.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Petty cash and cash on hand	$ 674	$ 633
Checking accounts and demand deposits	236,141	217,829
Time deposits	335,842	276,503
	$ 572,657	$ 494,965

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Except for cash and cash equivalents pledged to others transferred to “Other non-current assets” as described in Note 8, the Company has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost - current

	December 31, 2022	December 31, 2021
Time deposits with maturity over three months	$ 40,104	$ 37,518

A. The Group has no financial assets at amortised cost pledged to others. The Group transacts with a variety of financial institutions all with high credit quality, so it expects that the probability of counterparty default is remote.

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $40,104 and $37,518, respectively.

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	$ 142,772	$ 142,772
Valuation adjustment	264,613	265,597
	$ 407,385	$ 408,369

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $407,385 and $408,369 as at December 31, 2022 and 2021, respectively.

B. Amounts recognised in other comprehensive loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31,	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive loss	($ 984)	($ 130,211)
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 4,502
Dividend income recognised in profit or loss Held at end of year	$ 25,585	$ 17,220

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 5,761	$ 12,969
Less: Allowance for uncollectible accounts	(60)	(38)
	$ 5,701	$ 12,931
Accounts receivable	$ 733,326	$ 794,762
Less: Allowance for uncollectible accounts	(1,502)	(4,684)
	$ 731,824	$ 790,078

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 593,095	$ 5,761	$ 645,192	$ 12,969
Up to 30 days	137,583	-	145,677	-
31 to 60 days	2,487	-	2,778	-
61 to 90 days	23	-	1,103	-
Over 90 days	138	-	12	-
	$ 733,326	$ 5,761	$ 794,762	$ 12,969

The above ageing analysis was based on past due date.

B. As of December 31, 2022, December 31, 2021, and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to $739,087, $807,731, and $800,092, respectively.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$5,701 and \$12,931, \$731,824 and \$790,078, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Work in progress	\$ 2,856	(\$ 2,856)	\$ -
Finished goods	284	-	284
Merchandise inventory	803,807	(39,801)	764,006
Inventory in transit	58	-	58
	\$ 807,005	(\$ 42,657)	\$ 764,348

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Work in progress	\$ 2,856	(\$ 76)	\$ 2,780
Finished goods	509	-	509
Merchandise inventory	480,331	(7,927)	472,404
Inventory in transit	2,526	-	2,526
	\$ 486,222	(\$ 8,003)	\$ 478,219

The cost of inventories recognised as expense for the year:

	Year ended December 31,	
	2022	2021
Cost of goods sold	\$ 4,169,429	\$ 3,806,801
Loss on decline in market value	33,766	(6,101)
Loss on physical inventory	19	-
Loss on scrapping inventory	-	28
	\$ 4,203,214	\$ 3,800,728

A. The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold as certain obsolete and slow-moving inventories which were previously provided with allowance were subsequently sold.

B. The Group has no inventory pledged to others as collateral.

(6) Property, plant and equipment

	Land	Buildings and structures	Office equipment	Other equipment	Total
At January 1, 2022					
Cost	$ 6,597	$ 75,469	$ 15,919	$ 13,642	$ 111,627
Accumulated depreciation	-	(29,780)	(14,295)	(13,397)	(57,472)
	$ 6,597	$ 45,689	$ 1,624	$ 245	$ 54,155
2022					
Opening net book amount as at January 1	$ 6,597	$ 45,689	$ 1,624	$ 245	$ 54,155
Additions	-	-	1,006	-	1,006
Depreciation charge	-	(1,480)	(705)	(195)	(2,380)
Effect of foreign exchange	-	-	5	7	12
Closing net book amount as at December 31	$ 6,597	$ 44,209	$ 1,930	$ 57	$ 52,793
At December 31, 2022					
Cost	$ 6,597	$ 75,469	$ 8,899	$ 12,743	$ 103,708
Accumulated depreciation	-	(31,260)	(6,969)	(12,686)	(50,915)
	$ 6,597	$ 44,209	$ 1,930	$ 57	$ 52,793

	Land	Buildings and structures	Office equipment	Other equipment	Total
At January 1, 2021					
Cost	$ 13,578	$ 97,769	$ 14,124	$ 13,668	$ 139,139
Accumulated depreciation	-	(37,893)	(13,425)	(13,157)	(64,475)
	$ 13,578	$ 59,876	$ 699	$ 511	$ 74,664
2021					
Opening net book amount as at January 1	$ 13,578	$ 59,876	$ 699	$ 511	$ 74,664
Additions	-	-	1,388	-	1,388
Transfers	(6,981)	(12,641)	-	-	(19,622)
Depreciation charge	-	(1,546)	(460)	(257)	(2,263)
Effect of foreign exchange	-	-	(3)	(9)	(12)
Closing net book amount as at December 31	$ 6,597	$ 45,689	$ 1,624	$ 245	$ 54,155
At December 31, 2021					
Cost	$ 6,597	$ 75,469	$ 15,919	$ 13,642	$ 111,627
Accumulated depreciation	-	(29,780)	(14,295)	(13,397)	(57,472)
	$ 6,597	$ 45,689	$ 1,624	$ 245	$ 54,155

A. Information about the land, buildings and structures that were pledged to others as collateral is provided in Note 8.

B. The Group transferred certain land, buildings and structures to investment property in line with the usage amounting to $19,622 for the year ended December 31, 2021.

(7) Leasing arrangements - lessee

A. The Group leases various assets including business premises. Rental contracts are made for periods of 1~2.5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Buildings	$ 4,128	$ 6,528

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Buildings	$ 4,167	$ 4,318

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $2,532 and $8,476, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows::

	Year ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 326	$ 458
Expense on short-term lease contracts	1,516	2,620
Expense on leases of low-value assets	1,538	-
(Gain) loss on lease modification	(701)	425

E. For the years ended December 31, 2022 and 2021, the Company’s total cash outflow for leases were $7,098 and $7,502, respectively.

(8) Investment property

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 6,981	$ 12,641	$ 19,622
Accumulated depreciation	-	(331)	(331)
	$ 6,981	$ 12,310	$ 19,291
Opening net book amount as at January 1	$ 6,981	$ 12,310	$ 19,291
Depreciation charge	-	(399)	(399)
Closing net book amount as at December 31	$ 6,981	$ 11,911	$ 18,892
At December 31			
Cost	$ 6,981	$ 12,641	$ 19,622
Accumulated depreciation	-	(730)	(730)
	$ 6,981	$ 11,911	$ 18,892

	2021		
	Land	Buildings and structures	Total
At January 1			
Cost	$ -	$ -	$ -
Accumulated depreciation	-	-	-
	$ -	$ -	$ -
Opening net book amount as at January 1	$ -	$ -	$ -
Transfers	6,981	12,641	19,622
Depreciation charge	-	(331)	(331)
Closing net book amount as at December 31	$ 6,981	$ 12,310	$ 19,291
At December 31			
Cost	$ 6,981	$ 12,641	$ 19,622
Accumulated depreciation	-	(331)	(331)
	$ 6,981	$ 12,310	$ 19,291

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31,	
	2022	2021
Rental income from investment property	$ 805	$ 991
Direct operating expenses arising from the investment property that generated rental income during the year	$ 399	$ 331

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was $29,713 and $28,646, respectively, which was valued based on the recent transaction price of real estate properties in the neighboring area by the management and was categorised within Level 3 in the fair value hierarchy.

C. Details of the transfers to investment property for the year ended December 31, 2021 are provided in Note 6(6)B.

D. The Group has no investment property pledged to others as collateral.

(9) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Loans for overseas purchases	$ -	$ 75,529
Short-term loans	475,000	160,000
	$ 475,000	$ 235,529
Interest rate range	1.5%~1.9%	1%~1.1%

Interest expense recognised in profit or loss amounted to $3,805 and $2,140 for the years ended December 31, 2022 and 2021, respectively.

(10) Pensions

A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 45,918	$ 46,937
Fair value of plan assets	(25,731)	(22,913)
Net defined benefit liability	$ 20,187	$ 24,024

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	$ 46,937	($ 22,913)	$ 24,024
Interest expense (income)	324	(160)	164
	47,261	(23,073)	24,188
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,747)	(1,747)
Change in demographic assumptions	6	-	6
Change in financial assumptions	(1,902)	-	(1,902)
Experience adjustments	553	-	553
	(1,343)	(1,747)	(3,090)
Pension fund contribution	-	(911)	(911)
At December 31	$ 45,918	($ 25,731)	$ 20,187

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
At January 1	$ 48,343	($ 21,638)	$ 26,705
Interest expense (income)	380	(65)	315
	48,723	(21,703)	27,020
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(316)	(316)
Change in demographic assumptions	103	-	103
Change in financial assumptions	(1,584)	-	(1,584)
Experience adjustments	(305)	-	(305)
	(1,786)	(316)	(2,102)
Pension fund contribution	-	(894)	(894)
At December 31	$ 46,937	($ 22,913)	$ 24,024

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31,	
	2022	2021
Discount rate	1.25%	0.70%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table and experience.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.1%	Decrease 0.1%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 333)	$ 337	$ 842	($ 822)

	Discount rate		Future salary increases	
	Increase 0.1%	Decrease 0.1%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 388)	$ 393	$ 977	($ 952)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to $1,039.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 1,180
1-5 year(s)	16,381
Over 5 years	32,364
	$ 49,925

B. Defined contribution plans

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with

R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's subsidiaries in Mainland China and Hong Kong contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were $8,311 and $8,184, respectively.

C. The Company contributed pension based on 5% of certain management's salaries and wages monthly and deposited in Hua Nan Commercial Bank since 2004. As of December 31, 2022 and 2021, the deposit balance of pension accounts amounted to $4,744 and $4,414, respectively, and shown as other non-current assets.

(11) Ordinary share

A. As of December 31, 2022, the Company's authorised capital was $1,500,000, consisting of 150,000 thousand shares of ordinary stock, and the paid-in capital was $721,458 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. The number of the Company's ordinary shares outstanding was both 72,146 thousand shares.

(12) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(13) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, and set aside or reverse special reserve in accordance with related laws or the Competent Authority's rule. The remainder, if any, along with the unappropriated earnings of prior years, is appropriated for shareholders' bonus based on the shareholding ratio and shall be proposed by the Board of Directors and approved by the shareholders. Effective from June 9, 2022, in accordance with Article 240 of the Company Act, the Board of Directors is authorised by the Company to resolve the distribution of dividends and bonuses or legal reserve and capital reserve, in whole or in part, in accordance with Article 241 of the Company Act in the form of cash by the resolution adopted by the majority vote at its meeting attended by two-thirds of the total number of directors, which shall also be reported at the shareholders' meeting. The above distribution is not subject to approval by the shareholders.

B. The Company's dividend policy took into consideration the current share capital, financial structure, operating conditions and earnings to increase its capital or distribute cash dividend in order to achieve a balance and stable dividend policy. However, the cash dividend shall not be less than 10% of the total amount of dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. On June 9, 2022 and July 23, 2021, the Company's shareholders resolved to appropriate legal reserve amounting to $16,765 and $9,161, respectively; and appropriate cash dividends amounting to $144,291 and $86,575, respectively, for the years ended December 31, 2021 and 2020.

F. On March 8, 2023, the Company's Board of Directors resolved to appropriate legal reserve amounting to $16,920 and distribute cash from unappropriated retained earnings amounting to $151,506 ($2.1 per share) for the year ended December 31, 2022. The appropriation has not yet been resolved by the shareholders.

(14) Operating revenue

	Year ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 4,606,554	$ 4,186,600

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time. Refer to Note 14 for revenue information classified by the brand types of major products.

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities	$ 7,099	$ 11,603	$ 9,868

Revenue recognised from performance obligations satisfied in previous periods

	Year ended December 31,	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Contract liabilities	$ 11,603	$ 9,868

(15) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank deposits	$ 6,753	$ 786

(16) Other income

	Year ended December 31,	
	2022	2021
Rental income	$ 865	$ 1,213
Dividend income	25,585	17,220
Management revenue	1,571	1,517
Others	4,441	17,127
	$ 32,462	$ 37,077

(17) Other gains and losses

	Year ended December 31,	
	2022	2021
Gain (loss) on lease modifications	$ 701	($ 425)
Foreign exchange losses	(5,143)	(853)
	($ 4,442)	($ 1,278)

(18) Finance costs

	Year ended December 31	
	2022	2021
Interest expense	$ 4,131	$ 2,598

(19) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	$ 182,081	$ 178,279
Depreciation	$ 6,946	$ 6,912
Amortisation	$ 1,942	$ 1,594

(20) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	$ 151,773	$ 149,129
Labour and health insurance fees	10,019	9,262
Pension costs	8,476	8,499
Directors' remuneration	4,945	5,302
Other personnel expenses	6,868	6,087
	$ 182,081	$ 178,279

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees 'compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $16,657 and $16,047, respectively; while directors' and supervisors' remuneration was accrued at $6,246 and $6,018, respectively. The aforementioned amounts were recognised in salary expenses and supervisors' remuneration was shown as other expenses.

   The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 8% and 3% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $16,657 and $6,246, respectively, and the employees' compensation will be distributed in the form of cash.

   Employees' compensation and directors' and supervisors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. The employees' compensation will be distributed in the form of cash.

   Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ 37,558	$ 24,344
Tax on undistributed surplus earnings	330	-
Prior year income tax under (over) estimation	967	(4,786)
Total current tax	38,855	19,558
Deferred tax:		
Origination and (reversal of) provison for temporary differences	(3,749)	2,264
Total deferred tax	(3,749)	2,264
Income tax expense	$ 35,106	$ 21,822

(b) The income tax (charge)/credit relating to components of other comprehensive loss (income) is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Remeasurement of defined benefit obligations	$ 618	$ 421

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate	$ 53,585	$ 50,474
Effect from items disallowed by tax regulation	(19,776)	(26,130)
Tax on undistributed surplus earnings	330	-
Change in assessment of realisation of deferred tax assets	-	2,264
Prior year income tax under (over) estimation	967	(4,786)
Income tax expense	$ 35,106	$ 21,822

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	Year ended December 31, 2022			
	January 1	Recognised in profit or loss	Recognised in other income	December 31
Deferred tax assets:				
-Temporary differences:				
Unused compensated absences	$ 904	$ 79	$ -	$ 983
Remeasurement of pensions	2,336	-	(618)	1,718
Unrealised exchange loss	-	3,091	-	3,091
	3,240	3,170	(618)	5,792
Deferred tax liabilities:				
-Temporary difference				
Unrealised exchange gain	(579)	579	-	-
	$ 2,661	$ 3,749	($ 618)	$ 5,792

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other income	December 31
Deferred tax assets:				
-Temporary differences:				
Unused compensated absences	$ 918	($ 14)	$ -	$ 904
Remeasurement of pensions	2,757	-	(421)	2,336
-Tax losses	2,358	(2,358)	-	-
	6,033	(2,372)	(421)	3,240
Deferred tax liabilities:				
-Temporary difference				
Unrealised exchange gain	(687)	108	-	(579)
	$ 5,346	($ 2,264)	($ 421)	$ 2,661

D. On December 31, 2022, expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

Subsidiary-Silcon Professional Tech. (China) Ltd. (PCT-SZ)

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	Amount filed	$ 31,099	$ 31,099	2023
2019	Amount filed	5,250	5,250	2024
		$ 36,349	$ 36,349	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	Amount filed	$ 20,972	$ 20,972	2022
2018	Amount filed	31,099	31,099	2023
2019	Amount filed	5,250	5,250	2024
		$ 57,321	$ 57,321	

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(22) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 166,729	72,146	$ 2.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 166,729	72,146	
Assumed conversion of all dilutive potential ordinary shares: Employees' compensation	-	887	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 166,729	73,033	$ 2.28

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 170,472	72,146	$ 2.36
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 170,472	72,146	
Assumed conversion of all dilutive potential ordinary shares: Employees' compensation	-	788	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 170,472	72,934	$ 2.34

(23) Changes in liabilities from financing activities

	2022	
	Short-term borrowings	Lease liabilities
At January 1, 2022	$ 235,529	$ 6,692
Changes in cash flow from financing activities	239,471	(4,044)
Others	-	1,295
At December 31, 2022	$ 475,000	$ 3,943

	2021	
	Short-term borrowings	Lease liabilities
At January 1, 2021	$ 10,000	$ 4,527
Changes in cash flow from financing activities	225,529	(4,882)
Others	-	7,047
At December 31, 2021	$ 235,529	$ 6,692

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Insyde Software Corp. (Insyde)	The Company's honorary chairman is the company's chairman
GREENLIANT OPERATIONS, LTD. (GREENLIANT)	The Company's director is the company's representative

Note: After the Company re-elected the directors on June 9, 2022, the representative of GREENLIANT stepped down as director in the Company.

(3) Significant related party transactions

A. Operating revenue

	Year ended December 31,	
	2022	2021
Service revenue:		
Insyde	$ 34,196	$ 46,771

Service revenues arise from providing assistance in promoting products and are calculated based on a certain percentage of relevant sales amount. The collection term is 120 days after monthly billings.

B. Purchases

	Year ended December 31,	
	2022	2021
Purchases of goods:		
GREENLIANT	$ 277,052	$ 442,586

The purchase term is determined in accordance with the agreements, and the payment term is 65 days after the receipt of goods.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
Insyde	$ 13,249	$ 12,502
Other receivables:		
GREENLIANT	$ -	$ 723
Insyde	119	6,042
	$ 119	$ 6,765

Other receivables represent receivables and management revenue paid on behalf of other related parties.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
GREENLIANT	$ -	$ 160,758

E. Other income

	Year ended December 31,	
	2022	2021
Other income:		
Insyde	$ 1,991	$ 16,540
Management fees revenue:		
Insyde	$ 311	$ 257
GREENLIANT	525	1,260
	$ 836	$ 1,517
Dividend income:		
Insyde	$ 25,585	$ 17,220

Other income pertained to the payment about the compensation of termination of agency.

(4) Key management compensation

	Year ended December 31	
	2022	2021
Short-term employee benefits	$ 27,201	$ 26,744
Post-employment benefits	851	833
	$ 28,052	$ 27,577

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Land	$ 6,597	$ 6,597	Guarantee for short-term borrowings and its comprehensive facilities
Buildings and structures	44,209	45,689	Guarantee for short-term borrowings and its comprehensive facilities
Time deposits (shown as "Other non-current assets")	2,467	2,447	Customs duty guarantee and performance guarantee
	$ 53,273	$ 54,733	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) The Company paid USD 10,000 thousand of licensing fee to obtain relevant rights based on the technical contract signed with an American company, Silicon Storage Technology Inc. (SST) in July 2010. Subsequently, a certain percentage of licensing fee shall be paid based on the sales amount when the authorised products are sold to the customers.

(2) The amount of the Group's guarantee notes (promissory note) issued for purchases and short-term borrowings and guarantee for its comprehensive facilities are as follows:

	December 31, 2022	December 31, 2021
Guarantee notes (promissory note)	$ 880,760	$ 850,110

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details are provided in Note 6(13)F.

12. OTHERS

(1) Capital management

The policy of the Board of Directors for capital management is to sustain a healthy capital to maintain the confidence of investors, creditors and market, and support the development of future operations. Capital includes the Company' share capital, capital surplus, retained earnings and non-controlling interest. The Board of Directors controls the return on capital and the dividend distribution of ordinary shares.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 407,385	$ 408,369
Financial assets at amortised cost		
Cash and cash equivalents	$ 572,657	$ 494,965
Financial assets at amortised cost	40,104	37,518
Notes receivable	5,701	12,931
Accounts receivable (including related parties)	745,073	802,580
Other receivables (including related parties)	3,223	12,173
Guarantee deposits paid	1,462	1,374
Other financial assets	2,467	2,447
	$ 1,370,687	$ 1,363,988

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 475,000	$ 235,529
Notes payable	7,356	1,975
Accounts payable (including related parties)	463,497	526,501
Other payables	63,458	64,849
Guarantee deposits received	506	1,154
	$ 1,009,817	$ 830,008
Lease liability	$ 3,943	$ 6,692

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a general management department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arise when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022				
	Foreign currency amount (in thousands)		Exchange rate		Book value
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	28,750	30.71	$	882,923
USD:RMB		901	6.97		27,674
Financial liabilities					
Monetary items					
USD:NTD		26,880	30.71		825,493
USD:RMB		900	6.97		27,647

	December 31, 2021				
	Foreign currency amount (in thousands)		Exchange rate		Book value
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	22,887	27.68	$	633,519
USD:RMB		1,070	6.37		29,618
Financial liabilities					
Monetary items					
USD:NTD		23,915	27.68		661,969
USD:RMB		398	6.37		11,017

iv. Refer to the following table for the details of unrealised exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group:

	Year ended December 31, 2022		
	Exchange gain (loss)		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	-	($ 12,235)
USD:RMB	338	4.42	1,495
Financial liabilities			
Monetary items			
USD:NTD	-	-	(6,018)
USD:RMB	101	4.42	446

	Year ended December 31, 2021		
	Exchange gain (loss)		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	-	$ 2,298
USD:RMB	(102)	4.34	(443)
Financial liabilities			
Monetary items			
USD:NTD	-	-	(2,840)
USD:RMB	(211)	4.34	(916)

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 8,829	$ -
USD:RMB	1%	277	-
Financial liabilities			
Monetary items			
USD:NTD	1%	8,255	-
USD:RMB	1%	276	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 6,335	$ -
USD:RMB	1%	296	-
Financial liabilities			
Monetary items			
USD:NTD	1%	6,620	-
USD:RMB	1%	110	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2022 and 2021 would have decreased/increased by $4,074 and $4,084, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good credit rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate expected credit loss.

vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the loss rate methodology is as follows:

	Groups of customers' credit rating				
At December 31, 2022	P1/N1	P2/N2	P3/N3	T1/T2 (Note)	Total
Expected loss rate	0.025%~ 100.00%	0.025%~ 4.959%	0.025%~ 0.116%	0.116%	
Total book value	$ 540,695	$ 144,397	$ 53,004	($ 4,770)	$ 733,326
Loss allowance	$ -	$ 1,313	$ 187	$ 2	$ 1,502

Note: Due to sales returns, the total book value is negative.

	Groups of customers' credit rating				
At December 31, 2021	P1/N1	P2/N2	P3/N3	T1/T2	Total
Expected loss rate	0.02%~ 19.59%	0.02%~ 100%	0.02%~ 0.09%	0.02%~ 0.09%	
Total book value	$ 466,447	$ 258,141	$ 70,053	$ 121	$ 794,762
Loss allowance	$ -	$ 2,581	$ 2,102	$ 1	$ 4,684

Note: Scoring the customers' credit rating based on the operation conditions and financial structure of their companies, and classifying customers' ratings with the types of their companies:

P1/N1: Customers who do not belong to T1/T2 and with good credit quality.

P2/N2: Customers who do not belong to T1/T2 and with fair credit quality.

P3/N3: Customers who do not belong to T1/T2 and with poor credit quality.

T1/T2: First time customers or those with infrequent transactions.

viii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and notes receivable are as follows:

	2022		
	Accounts receivable	Notes receivable	Total
At January 1	$ 4,684	$ 38	$ 4,722
(Reversal of) provision for impairment loss	(3,461)	22	(3,439)
Effect of foreign exchange	279	-	279
At December 31	$ 1,502	$ 60	$ 1,562

	2021		
	Accounts receivable	Notes receivable	Total
At January 1	$ 4,715	$ 9	$ 4,724
Provision for impairment	66	29	95
Effect of foreign exchange	(97)	-	(97)
At December 31	$ 4,684	$ 38	$ 4,722

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:
December 31, 2022

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years
Short-term borrowings	$ 431,221	$ 45,299	$ -
Notes payable	7,356	-	-
Accounts payable (including related parties)	363,636	99,861	-
Lease liability	1,200	1,699	1,119
Other payables	63,458	-	-

Non-derivative financial liabilities:
December 31, 2021

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years
Short-term borrowings	$ 235,908	$ -	$ -
Notes payable	1,975	-	-
Accounts payable (including related parties)	473,877	52,624	-
Lease liability	1,154	3,462	2,486
Other payables	64,849	-	-

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Floating rate:		
Expiring within one year	$ 625,000	$ 714,471

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, notes payable, accounts payable (including related parties) and other payables are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 407,385	$ -	$ -	$ 407,385

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 408,369	$ -	$ -	$ 408,369

D. For the instruments that the Group used market quoted prices as their fair values (that is, Level 1), the Group uses the closing price of the listed shares as market quoted prices by characteristics.

E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 1.

13. SUPPLEMENTARY DISCLOSURES

(The transactions with consolidated subsidiaries have been written off when preparing consolidated financial statements. The information listed below is for reference.)

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries): Refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China), except for current profit (loss) for the year ended December 31, 2022 is translated using the average exchange rate for each month in 2022, the remaining amount is translated using the spot rate on December 31, 2022: Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

B. Significant transactions, price, payment term, and unrealised gains or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area: Significant transactions for the year ended December 31, 2022, either directly or indirectly through a third area, with investee companies in the Mainland Area are provided in Note 1(10).

(4) Major shareholders information

Major shareholders information: Refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group has four reportable segments. As described below, these segments are the Group's strategic operation units. Each strategic operation unit provides different products and services, and is managed separately due to different product types, manufacturing processes, resource uses, customer types, distribution method and business activities. The Group's Chief Operating Decision-Maker at least each quarter reviews the internal management report of each strategic operation unit. The operating business of each reportable segment of the Group is summarised as follows:

A. Own brand: Includes purchase of raw materials, OEM and sales.

B. Agent brand: Includes purchase and sales of merchandises.

C. Channels: Includes logistics services.

D. Other segments: Includes investment business and sales of other products.

Aforementioned operating segments are disclosed in line with the quantitative thresholds that complies with IFRS 8, if the segment does not exceed the quantitative thresholds, then consolidated report as 'other segments'.

(2) Measurement of segment information

The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4. The consolidated company's segment profit (loss) is measured with the operating profit (loss), which is used as a basis in assessing the performance of the operating segments.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows. However, the measured amount of segment assets and segment liabilities is not provided to the chief operating decision-maker for managing segment, so they are not disclosed.

	Year ended December 31, 2022					
	Own brand	Agent brand	Channels	All other segments	Adjustment and elimination	Total
Revenue from external customers	$ 243	$ 3,837,593	$ 768,718	$ -	$ -	$ 4,606,554
Inter-segment revenue	-	623,958	1,364,920	-	(1,988,878)	-
	$ 243	$ 4,461,551	$ 2,133,638	$ -	($ 1,988,878)	$ 4,606,554
Segment income (loss)	($ 10,037)	$ 163,634	$ 17,698	($ 102)	$ -	$ 171,193
Segment income (loss), including:						
Depreciation and amortisation	$ 265	$ 8,623	$ -	$ -	$ -	$ 8,888

	Year ended December 31, 2021					
	Own brand	Agent brand	Channels	All other segments	Adjustment and elimination	Total
Revenue from external customers	$ 535	$ 3,805,744	$ 380,321	$ -	$ -	$ 4,186,600
Inter-segment revenue	-	489,957	1,067,903	-	(1,557,860)	-
	$ 535	$ 4,295,701	$ 1,448,224	$ -	($ 1,557,860)	$ 4,186,600
Segment income (loss)	($ 9,747)	$ 150,313	$ 17,825	($ 84)	$ -	$ 158,307
Segment income (loss), including:						
Depreciation and amortisation	$ 269	$ 8,239	$ -	$ -	$ -	$ 8,508

(4) Reconciliation for segment income (loss)

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of the income/(loss) before tax from continuing operations in current year is provided as follows:

	Year ended December 31,	
	2022	2021
Reportable segments income/(loss)	$ 171,193	$ 158,307
Other gains and losses	30,642	33,987
Profit from continuing operations before tax	$ 201,835	$ 192,294

(5) Information on products and services

Details of revenue are as follows:

	Year ended December 31,	
	2022	2021
DisplayLink	$ 1,221,543	$ 1,238,117
Image processor-SONIX	786,267	675,729
Greenliant	842,282	476,829
MCHP	655,232	548,122
Gigadevice	323,295	264,769
SSL	160,997	108,919
Genesys	127,155	-
Airoha	84,336	285,928
Flash memory-SST	69,118	77,904
Chrontel	64,411	61,902
Service revenue	34,597	54,129
Others	237,321	321,628
	$ 4,606,554	$ 801,491

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31							
	2022				2021			
	Revenue		Non-current assets		Revenue		Non-current assets	
Taiwan	$	662,979	$	71,334	$	560,990	$	72,901
Mainland China		2,773,477		4,479		3,046,808		7,073
Thailand		407,356		-		142,125		-
Germany		166,945		-		92,480		-
Japan		264,253		-		85,406		-
America		153,032		-		76,406		-
Others		178,512		-		182,385		-
	$	4,606,554	$	75,813	$	4,186,600	$	79,974

(7) Major customer information

Major customer information of the Company for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31					
	2022			2021		
	Revenue		Segment	Revenue		Segment
Customer A	$	401,455	Agent brand	$	100,512	Agent brand
Customer B		289,795	Agent brand		299,689	Agent brand
Customer C		270,039	Agent brand		195,063	Agent brand

Professional Computer Technology Limited and Subsidiary

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
1	Excellence International Holding Corporation	Professional Computer Technology Limited	Other receivables due from related parties	Yes	$ 138,195	$ 138,195	$ 138,195	-	2	$ -	Capital needs	$ -	None	$ -	$ 624,346	$ 624,346	Note 9
1	Excellence International Holding Corporation	Asia PCT Group Limited	Other receivables due from related parties	Yes	138,195	-	-	-	2	$ -	Capital needs	-	None	-	624,346	624,346	Note 9

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2022.

Note 4: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company’s “Procedures for Provision of Loans”, and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9: Ceiling on total loans granted and the limit on loans granted to a single party provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company, shall not exceed 100% of the borrower’s stockholders’ equity.

Professional Computer Technology Limited and Subsidiary

Provision of endorsements and guarantees to others

Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Relationship with the Endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	Professional Computer Technology Limited	Asia PCT Group Limited	4	$ 314,137	$ 250,000	$ 250,000	$ 16,344	$ -	15.92	$ 785,342	Y	N	N	Note 8
0	Professional Computer Technology Limited	Silicon Professional Tech. (China) Ltd.	4	314,137	5,000	5,000	-	-	0.32	785,342	Y	N	Y	Note 8

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: Limit on endorsements and guarantees provided by the subsidiaries whose voting rights are 100% owned directly and indirectly by the Company shall not exceed 50% of the Company's net assets; limit on endorsements/guarantees to a single party shall not exceed 20% of the Company's latest net assets.

Professional Computer Technology Limited and Subsidiary

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Professional Computer Technology Limited	Ordinary shares of Insyde Software Corp.	The Company's honorary chairman is the company's chairman	Non-current financial assets at fair value through other comprehensive income	4,920,111	$ 407,385	12.93	$ 407,385	

Professional Computer Technology Limited and Subsidiary

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Professional Computer Technology Limited	Silicon Professional Technology Hong Kong Ltd.	Sub-subsidiary	Purchases	$ 421,244	13	Agreed conditions	Agreed conditions	Agreed conditions	($ 336,274)	63	
Silicon Professional Technology Hong Kong Ltd.	Greenliant Operations, Ltd.	The Company's director is the company's representative (Note)	Purchases	277,052	18	Agreed conditions	Agreed conditions	Agreed conditions	-	-	
Asia PCT Group Limited	Professional Computer Technology Limited	Parent company	Purchases	439,997	33	Agreed conditions	Agreed conditions	Agreed conditions	(85,713)	33	
Asia PCT Group Limited	Silicon Professional Technology Hong Kong Ltd.	Same ultimate parent company	Purchases	399,155	30	Agreed conditions	Agreed conditions	Agreed conditions	(148,740)	57	

Note: After the Company re-elected the directors on June 9, 2022, the representative of GREENLIANT stepped down as the director in the Company.

Professional Computer Technology Limited and Subsidiary

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Silicon Professional Technology Hong Kong Ltd.	Professional Computer Technology Limited	Parent company	$ 336,274	1.33	$ -	-	$ 95,595	$ -
Silicon Professional Technology Hong Kong Ltd.	Asia PCT Group Limited	Same ultimate parent company	148,740	4.04	-	-	28,250	-
Professional Computer Technology Limited	Asia PCT Group Limited	Subsidiary	85,713	8.76	-	-	59,440	-
Excellence International Holding Corporation	Professional Computer Technology Limited	Parent company	138,195	-	-	-	-	-

Professional Computer Technology Limited and Subsidiary

Significant inter-company transactions during the reporting period

Year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Professional Computer Technology Limited	Silicon Professional Technology Hong Kong Ltd.	1	Purchases	$ 421,244	Agreed conditions	9
0	Professional Computer Technology Limited	Silicon Professional Technology Hong Kong Ltd.	1	Accounts payable	336,274	Agreed conditions	13
0	Professional Computer Technology Limited	Asia PCT Group Limited	1	Other payables	72,660	Agreed conditions	3
0	Professional Computer Technology Limited	Asia PCT Group Limited	1	Sales revenue	439,997	Agreed conditions	10
0	Professional Computer Technology Limited	Asia PCT Group Limited	1	Purchases	65,266	Agreed conditions	1
0	Professional Computer Technology Limited	Asia PCT Group Limited	1	Accounts payable	39,711	Agreed conditions	2
0	Professional Computer Technology Limited	Silicon Professional Tech. (China) Ltd.	1	Sales revenue	93,239	Agreed conditions	2
0	Professional Computer Technology Limited	Silicon Professional Tech. (China) Ltd.	1	Accounts receivable	27,647	Agreed conditions	1
1	Excellence International Holding Corporation	Professional Computer Technology Limited	2	Other receivable	138,195	Note 5	5
2	Asia PCT Group Limited	Professional Computer Technology Limited	2	Accounts payable	85,713	Agreed conditions	3
2	Asia PCT Group Limited	Silicon Professional Technology Hong Kong Ltd.	3	Purchases	399,155	Agreed conditions	9
2	Asia PCT Group Limited	Silicon Professional Technology Hong Kong Ltd.	3	Accounts payable	148,740	Agreed conditions	6

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Only related party transactions in excess of $20,000 are disclosed. Corresponding transactions from the other side are not disclosed.

Note 5: For loans between related parties, the collection and payment of the transaction terms are based on the financial condition.

Professional Computer Technology Limited and Subsidiary

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Professional Computer Technology Limited	Excellence International Holding Corporation	British Virgin Islands	Investment business	$ 304,887	$ 304,887	9,928	100	$ 624,346	$ 12,636	$ 12,636	
Professional Computer Technology Limited	Asia PCT Group Limited	Hong Kong	Trading of general electronic components	15,355	15,355	500,000	100	207,664	76,328	76,328	
Excellence International Holding Corporation	Silicon Professional Technology Ltd.	British Virgin Islands	Investment business	350,401	350,401	11,410	100	93,826	(1,163)	(1,163)	
Excellence International Holding Corporation	Silicon Professional Technology Hong Kong Ltd.	Hong Kong	Trading of general electronic components	307,190	307,190	78,022,940	100	390,079	13,796	13,796	

Professional Computer Technology Limited and Subsidiary

Information on investments in Mainland China

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net loss of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment loss recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Silicon Professional Asia Corp. SH Ltd.	Trading of general electronic components	$ -	2	$ 173,819	$ -	$ -	$ 173,819	$ -	-	$ -	$ -	$ -	Note 3, Note 6
Silicon Professional Tech. (China) Ltd.	Trading of general electronic components	168,643	2	184,260	-	-	184,260	(1,440)	100	(1,440)	74,891	-	Note 4

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: The investment loss was calculated based on the financial statements that were audit by R.O.C. parent company's CPA, and inter-company transactions between companies within the Company were eliminated when preparing the consolidated financial statements.

Note 3: The Company increased capital in Silicon Professional Asia Corp. SH Ltd. in the amount of USD 5,660 thousand through the investee company, Excellence International Holding Corporation and its subsidiary, Silicon Professional Technology Ltd.

Note 4: The Company invested Silicon Professional Tech. (China) Ltd. in the amount of USD 6,000 thousand through the investee company, Excellence International Holding Corporation and its subsidiary, Silicon Professional Technology Ltd.

Note 5: The accounts of the Company are expressed in New Taiwan dollars. Foreign currencies are translated into New Taiwan dollars at the exchange rate on reporting date.

Note 6: Silicon Professional Asia Corp. SH Ltd. was liquidated in November 2018.

Note 7: The retirement of the Company's indirect investment in Mainland China, Silicon Professional Asia Corp. SH Ltd. has been approved by Investment Commission, Ministry of Economic Affairs on September 1, 2021 amounting to USD 5,660 thousand. the Company will submit an application to Investment Commission, Ministry of Economic Affairs for deducting the accumulated amount of remittance from Taiwan to Mainland China when the consideration arising from transfer of equity interests is remitted back from the investment in the third area, Excellence International Holding Corp. (BVI).

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Professional Computer Technology Limited	$ 358,079	$ 358,079	$ 942,411

Professional Computer Technology Limited and Subsidiary
Major shareholders information
December 31, 2022

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Fu, Chiang Sung	8,867,265	12.29%

註: (1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.
The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.