Stock Code:4562

YING HAN Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for Year 2022 and 2021 and
Independent Auditors' Report

Address: No.50, Keji 1st Rd., Annan Dist., Tainan City 709405, Taiwan
Telephone: +886-6-384-318

Consolidated Financial Statements Disclaimer

The entities that are required to be included in the consolidated financial statements of YING HAN Technology Co., Ltd. as of and for the year 2022 (January 1, 2022 - December 31, 2022) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, all information required to be disclosed in the consolidated financial statements has been included. Consequently, YING HAN Technology Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

Company:YING HAN Technology Co., Ltd.

Chairman: HU PING KUN

March 14,2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
YING HAN Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of YING HAN Technology Co., Ltd. And Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021 and it's 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2022, is stated as follows:

<u>The revenue authenticity of specific customer</u>

The Company is dedicated in designing, manufacturing, installing and sales of parts for automatic machinery such as intelligent pipe bender, forming machine, vertical working machine. The Company's major revenue is from the sales of machinery. The machinery is small in quantity but has higher unit price. The revenue for specific customers has significant impact on the Company's Operating Revenue which is shown on the customer sales report of machineries for year 2022 and 2021. In consequence, we listed the authenticity of the revenue

of specific customers for the Company as a key audit matter.
Our audit procedures based on the key audit matter found above includes:

1. Understand and test the internal control systems of operating procedures related to sales cycle and evaluate the effectiveness of the rationale behind the set up and implementation.
2. Sampling the year sales transaction report of specific customers, review the sales orders, customs declarations, invoices, and shipment or loading certificates with customer’s signature. And tally the payment afterwards or notices to verify the revenue authenticity.

Other Matter

We have also audited the parent company only financial statements of the Company Limited as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the 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 Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
Taipei, Taiwan Republic of China

Auditor WU CHANG JUN	Auditor LIAO HUNG JU
No.Financial-Supervisory-Securities-Auditing-1110348898	No.Financial-Supervisory-Securities-Auditing-0990031652

14 March 2023

<u>*Notice to Readers*</u>

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

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

YING HAN Technology Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

		December 31, 2022		December 31, 2021	
Code	Assets	Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	$ 265,115	11	$ 338,883	12
1136	Current Financial assets carried at amortized cost (Note 4, 7 and 29)	-	-	250,739	9
1150	Notes receivable（Note 4, 8 and 21）	107,694	4	78,651	3
1170	Accounts receivable (Note 4, 8 and 21)	189,762	8	243,581	9
1180	Receivables from related parties（Note 4, 8, 21 and 28）	44,281	2	48,949	2
1200	Other receivables（Note 4 and 8）	4,073	-	6,062	-
1210	Receivables from related parties（Note 4, 8 and 28）	115	-	-	-
1220	Tax assets (Note 23)	1,329	-	3,328	-
130X	Inventories (Note 4 and 9)	820,034	33	824,022	29
1410	Prepayments (Note 28)	67,681	3	19,636	1
1479	Other current assets	3,316	-	3,951	-
11XX	Total current assets	1,503,400	61	1,817,802	65
	NONCURRENT ASSETS				
1600	Property, plant and equipment (note 4,11 and 29)	804,531	33	832,867	29
1755	Right-of-use assets (Note 4 and 12)	83,640	3	81,382	3
1760	Investment properties (Note 4, 13 and 29)	18,694	1	19,241	1
1805	Goodwill (Note 14 and 25)	5,333	-	-	-
1821	Other intangible assets (Note 4 and 15)	350	-	424	-
1840	Deferred income tax assets (Note 4 and 23)	27,487	1	24,540	1
1915	Prepayment for equipment	-	-	2,932	-
1931	Long term Notes receivable (Note 8 and 21)	7,773	-	7,211	-
1942	Long term Receivables from related parties（Note 8, 21 and 28）	15,917	1	19,298	1
1920	Refundable deposits (Note 4)	6,026	-	4,049	-
1990	Other noncurrent assets	400	-	400	-
15XX	Total noncurrent assets	970,151	39	992,344	35
1XXX	Total Assets	$ 2,473,551	100	$ 2,810,146	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 16 and 29)	$ 360,000	15	$ 564,000	20
2110	Short-term notes and bills payable (Note 16)	82,058	3	145,428	5
2130	Current contracts liabilities (Note 21)	84,567	4	66,418	3
2150	Notes payable	-	-	1	-
2170	Accounts payable	108,863	5	132,768	5
2180	Accounts payable from related parties (Note 28)	3,458	-	4,344	-
2219	Other payables (Note 17)	70,730	3	65,605	2
2220	Other payables from related parties (Note 28)	4,752	-	5,270	-
2230	Current tax liabilities (Note 23)	72	-	1,582	-
2250	Current Provision for Liabilities (Note 4 and 18)	4,003	-	2,879	-
2280	Current Lease liabilities (Note 4, 12 and 28)	8,605	-	8,065	-
2320	Long-term loans due within one year (Note 16 and 29)	82,902	3	74,275	3
2399	Other current liabilities	3,336	-	6,486	-
21XX	Total current liabilities	813,346	33	1,077,121	38
	NONCURRENT LIABILITIES				
2540	Long-term bank loans (Note 16 and 29)	414,270	17	496,135	18
2570	Deferred income tax liabilities	3,275	-	-	-
2580	Non-current Lease liability (Note 4, 12 and 28)	75,657	3	73,521	3
2640	Non-current Net defined benefit liability (Note 4 and 19)	10,840	-	14,832	-
2645	Guarantee deposits (Note 28)	25,104	1	25,104	1
25XX	Total noncurrent liabilities	529,146	21	609,592	22
2XXX	Total liabilities	1,342,492	54	1,686,713	60
	Equity attributable to owners (Note 20)				
3110	Common stock	875,460	35	875,460	31
3200	Capital reserve	347,593	14	347,593	12
	Accumulated deficits				
3310	Legal reserve	86,606	3	86,606	3
3320	Special reserve	16,373	1	16,373	1
3350	Accumulated deficit	(206,732)	(8)	(197,774)	(7)
3300	Total accumulated deficit	(103,753)	(4)	(94,795)	(3)
3400	Other interests	(2,601)	-	(11,370)	-
31XX	Total of owners' equity	1,116,699	45	1,116,888	40
36XX	Non-controlling interest	14,360	1	6,545	-
3XXX	Total equity	1,131,059	46	1,123,433	40
	Total liabilities and equity	$ 2,473,551	100	$ 2,810,146	100

The appended notes are parts of this consolidated financial statements.

Chairman: Manager: Chief Accounting Supervisor:

YING HAN Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

*The net loss per share is New Taiwan Dollars

Code		Year 2022 Amount	%	Year 2021 Amount	%
4100	Operating revenues (Note 4, 21 and 28)	$ 762,235	100	$ 823,592	100
5110	Operating costs (Note 9, 22 and 28)	526,333	69	619,080	75
5900	Operating margin	235,902	31	204,512	25
	Operating expenses (Note 8, 22 and 28)				
6100	Sales and marketing expenses	156,059	21	165,518	20
6200	General and administrative expenses	86,507	11	78,227	10
6300	Research expenses	50,708	7	53,160	6
6450	Expected credit impairment losses(Rotation benefits)	8,095	1	2,832	-
6000	Total of operating expenses	301,369	40	299,737	36
6500	Other non-operating income and expenses (Note 22)	15	-	1,775	-
6900	Operating Loss	(65,452)	(9)	(93,450)	(11)
	Non-operating revenue and expenses (Note 4, 22 and 28)				
7100	Interest income	4,159	1	2,763	-
7010	Other income	17,333	2	34,740	4
7020	Other gains and losses	48,001	6	(56,424)	(7)
7050	Finance costs	(19,858)	(2)	(19,917)	(2)
7000	Total of Non-operating revenue and expenses	49,635	7	(38,838)	(5)
7900	Loss before tax	(15,817)	(2)	(132,288)	(16)
7950	Income tax expense (or Benefit) (Note 4 and 23)	(1,753)	-	4,183	1

(Continue on the next page)

(Continued)

Code		Year 2022 Amount	Year 2022 %	Year 2021 Amount	Year 2021 %
8200	Current year loss	(14,064)	(2)	(136,471)	(17)
	Other comprehensive income				
	Items not classified to profit or loss:				
8311	Remeasurements of the net defined benefit (Note 19)	3,367	1	(1,004)	-
8360	Items may be classified to profit or loss:				
8361	Exchange Differences on Translation of Foreign Financial Statements	11,378	1	6,112	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss. (Note 20)	(2,192)	-	(1,425)	-
		9,186	1	4,687	1
8300	Other comprehensive income (Net of tax)	12,553	2	3,683	1
8500	Total of Other comprehensive income	($ 1,511)	-	($ 132,788)	(16)
	Net losses belongs to:				
8610	Owners	($ 12,325)	(2)	($ 136,400)	(17)
8620	Non-controlling interests	(1,739)	-	(71)	-
8600		($ 14,064)	(2)	($ 136,471)	(17)
	Comprehensive profit and loss belongs to:				
8710	Owners	($ 189)	-	($ 131,705)	(16)
8720	Non-controlling interests	(1,322)	-	(1,083)	-
8700		($ 1,511)	-	($ 132,788)	(16)
	Net loss per share (Note 24)				
9750	Basic	($ 0.14)		($ 2.01)	
9850	Dilution	(0.14)		(2.01)	

The appended notes are parts of this consolidated financial statements.

Chairman: Manager: Chief Accounting Supervisor:

YING HAN Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

		Equity attributable to owners								
		Stock		Accumulated loss			Other Equity Interest			
Code		Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Accumulated Deficits	Exchange Differences on Translation of Foreign Financial Statements	Total	Non-controlling Interest	Total Equity
A1	Balance as of January 1, 2021	$ 675,460	$ 248,555	$ 86,606	$ 16,373	($ 60,370)	($ 17,069)	$ 949,555	$ 7,628	$ 957,183
D1	Net Loss of Year 2021	-	-	-	-	(136,400)	-	(136,400)	(71)	(136,471)
D3	Other Comprehensive Income of Year 2021 (net of tax)	-	-	-	-	(1,004)	5,699	4,695	(1,012)	3,683
D5	Total comprehensive income of Year 2021	-	-	-	-	(137,404)	5,699	(131,705)	(1,083)	(132,788)
E1	Capital increase (Note 20)	200,000	98,500	-	-	-	-	298,500	-	298,500
N1	Employee stock options (Note 20)	-	538	-	-	-	-	538	-	538
Z1	Balance as of December 31, 2021	875,460	347,593	86,606	16,373	(197,774)	(11,370)	1,116,888	6,545	1,123,433
D1	Net Loss of Year 2022	-	-	-	-	(12,325)	-	(12,325)	(1,739)	(14,064)
D3	Other Comprehensive Income of Year 2022 (net of tax)	-	-	-	-	3,367	8,769	12,136	417	12,553
D5	Total comprehensive income of Year 2022	-	-	-	-	(8,958)	8,769	(189)	(1,322)	(1,511)
O1	Non-controlling interest (Note 10 and 20)	-	-	-	-	-	-	-	9,137	9,137
Z1	Balance as of December 31, 2022	$ 875,460	$ 347,593	$ 86,606	$ 16,373	($ 206,732)	($ 2,601)	$ 1,116,699	$ 14,360	$ 1,131,059

The appended notes are parts of this consolidated financial statements.

Chairman: Manager: Chief Accounting Supervisor:

YING HAN Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code		Year 2022	Year 2021
	Operating Cash Flow		
A10000	Net loss before tax	($ 15,817)	($ 132,288)
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	50,253	49,382
A20200	Amortization	74	94
A29900	Expected Credit Losses	8,095	2,832
A20900	Finance costs	19,858	19,917
A21100	Profit from lease modification	(45)	(1,707)
A21200	Interest income from bank deposits	(4,159)	(2,763)
A21900	Employee compensation payable	-	538
A22500	Loss from disposal of fixed assets	30	(38)
A23700	Inventory Valuation and Obsolescence Losses	507	6,955
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(29,883)	(1,002)
A31150	Accounts receivable	46,170	(86,538)
A31160	Accounts receivable from related parties	8,049	87,457
A31180	Other receivables	1,989	(1,177)
A31190	Other receivable from related parties	(115)	-
A31200	Inventory	3,360	24,503
A31230	Prepayments	(47,785)	(2,987)
A31240	Other current assets	649	(1,764)
A32130	Notes payable	(1)	(48)
A32150	Accounts payable	(23,905)	25,559
A32160	Other payables from related parties	(886)	1,480
A32180	Other payables	4,896	(2,996)
A32190	Other payables from related parties	(518)	1,284
A32200	Liability reserve	1,124	(1,574)
A32125	Contracts liabilities	18,149	3,247
A32230	Other current liabilities	(4,268)	2,988
A32240	Liability – defined benefit liability	(3,992)	(387)
A33000	Operating cash flow	31,829	(9,033)
A33100	Interest chargeable	4,159	2,763
A33300	Interest payment	(19,599)	(20,241)

(Continue on the next page)

(Continued)

Code		Year 2022	Year 2021
AC0500	Rebate of income tax	1,995	2,138
AAAA	Net cash inflow from operating activities	18,384	(24,373)
	Cash Flows from Investing Activities		
B00050	Financial assets measured at amortized cost are assets	250,739	10,875
B02200	Net cash outflow from subsidiaries	(654)	-
B02700	Purchase of property, plant and equipment	(8,508)	(108,566)
B02800	Gain on disposal of property, plant and equipment	-	38
B03700	Increase of refundable deposit	(1,934)	(1,596)
B03800	Decrease of refundable deposit	-	2,845
B04500	Intangible assets	-	(85)
B06700	Increase of other non-current assets	-	(400)
B07100	Increase of prepayments for equipment	-	(1,569)
BBBB	Net cash inflow from investment activities	239,643	(98,458)
	Cash Flows from Financing Activities		
C00100	Increase of short-term borrowings	852,000	1,269,000
C00200	Decrease of short-term borrowings	(1,056,000)	(1,454,500)
C00500	Increase of short term Notes receivable	871,600	675,500
C00600	Decrease of short term Notes receivable	(935,000)	(650,000)
C01600	Borrowing of long-term loan	-	131,580
C01700	Repayment of long-term loan	(75,944)	(78,962)
C04020	Payments of lease liabilities	(9,569)	(10,103)
C04600	Capital increase	-	298,500
CCCC	Net Cash Flows from Financing Activities	(352,913)	181,015
DDDD	Effect of exchange rate changes on cash and cash	21,118	1,734
EEEE	Net increase (decrease) in cash and cash equivalents	(73,768)	59,918
E00100	Cash and cash equivalents at the beginning of year	338,883	278,965
E00200	Cash and cash equivalents at the end of year	$ 265,115	$ 338,883

The appended notes are parts of this consolidated financial statements.

Chairman: Manager: Chief Accounting Supervisor:

YING HAN Technology Co., Ltd.
Notes to the Consolidated Financial Statements
January 1 – December 31, 2022 & 2021
(Unit: Thousands of New Taiwan Dollars. Unless otherwise stated.)

(1) Company History

Founded in January 2008, YING HAN Technology Co., Ltd. (The 'Company') is a leading and well organized manufacturer in Taiwan, specialized in designing, manufacturing, installing and sales of parts for automatic machinery such as tube & pipe bender, forming machine.

The Company was approved to issue stocks in August 2015 and was allowed to trade on the Taiwan Stock Exchange (TWSE) in November of the same year. In August 2017, the Company was listed on Taiwan Stock Exchange.

The use of currency in this Consolidated Financial Statements is New Taiwan Dollars.

(2) Date and Procedures of Authorization of Financial Statements for Issuance

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 14, 2023.

(3) Newly Issued or Revised Standards and Interpretations

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

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the Company.

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

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

Note 1: This amendment is applicable to annual reporting periods after January 1, 2023.

Note 2:This amendment is applicable to changes in accounting estimates and policies that occurred during annual reporting periods after January 1, 2023.

Note 3:This amendment is applicable to transactions occurred after January 1, 2022. Except for the recognition of deferred income tax on temporary differences in lease and decommissioning obligations on January 1, 2022.

The rest of the revised standards and interpretations did not have a significant effect on the financial condition and financial performance of the Company as of the release date of this consolidated financial statements.

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 'Liabilities to lease with leaseback'	January 1, 2024 (Note 2)
Amendments to IAS 17 "Insurance Contract"	January 1, 2023
Amendments to IAS 17	January 1, 2023
Amendments to IAS 17 "Application of IFRS 17 and IFRS 9- Comparison"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Liabilities with Covenants"	January 1, 2024

Note 1: The above new, revised or amended standards and interpretations is applicable to annual reporting periods mentioned above. Unless otherwise stated.

Note 2: The seller and lessee shall apply the amendments of IFRS 16 retrospectively to the sale and leaseback transactions signed after the date of initial application of IFRS 16.

As of the release date of this consolidated financial statements, the Company continues to evaluate the impact on its financial condition and financial performance from the initial adoption of the standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

(4) Summary Explanation of Significant Accounting Policies

1. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC with the effective dates (collectively, "Taiwan-IFRSs").

2. Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Financial assets can be categorized into 3 levels based on the degree of observability and importance of the input value:

1) Level 1:Refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that are available at the measurement date.
2) Level 2:Refers to observable inputs other than quoted prices at level 1, either directly (that is, prices) or indirectly (that is, derived from prices) for the asset or liability.
3) Level 3:An unobservable assets or liabilities.

3. Classification of Current and Noncurrent Assets and Liabilities

Current assets are:

1) Assets held for trading purposes;

2) Assets expected to be converted to cash, sold or consumed within one year from the end of the reporting period;

3) Cash and cash equivalents (but excluding those that subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date)

Current liabilities are:

1) Liabilities incurred for trading purposes;

2) Liabilities expected to be settled within one year from the end of the reporting period;

3) Liabilities for which settlement cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

4. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company its subsidiaries. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 10 and Schedules 3 and 4.

5. Foreign Currencies

In the preparation of the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

6. Inventories

Inventories include raw materials, work in progress and finished goods, etc. Inventories are stated at the lower of cost or net realizable value. The comparison of cost to net realizable value is done on an individual basis. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are adjusted to approximate weighted-average cost at the end of the reporting period.

7. Property, Plant and Equipment

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

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other identical categories of property, plant and equipment, commences when the assets are available for their intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

8. Investment properties

Investment properties is real estate held to earn rentals or for capital appreciation or both. Investment properties also includes land that has not yet been determined for future use.

Owned investment properties is initially measured at cost (including transaction costs), and subsequently measured at the cost minus accumulated depreciation and accumulated impairment losses.

9. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

10. Intangible Assets

(1) Acquired Separately

Other separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method. The company shall review the estimated useful life, residual value and amortization method at least at the end of each year, and postpone the impact of changes in applicable accounting estimates.

(2) Derecognition

When an intangible asset is derecognized, the difference between the net disposal price and the value of the asset is recognized in profit or loss for the year.

11. Impairment of Property, Plant, Equipment, Right-of-use assets, Investment properties and Intangible Assets

At each balance sheet date, the Company reviews the carrying amounts of property, plant, equipment, right-of-use assets, investment properties and intangible assets and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets with undetermined useful lives and not available for use, impairment tests are conducted at least annually and when there is evidence of impairment.

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

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

12. Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Company becomes a party to the contractual terms of the instrument.

If the financial assets and financial liabilities are not recognized by fair values of financial instruments initially, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss and included in the originally recognized amounts of the financial asset and financial liability.

(1) Financial Assets

Customary transactions of financial assets are recognized and derecognized by transaction date.

1) Type of measurement

The types of financial assets held by the consolidated company are financial assets measured at amortized cost.

<u>Financial assets measured at amortized cost.</u>

Financial assets invested by the consolidated company should be categorized as financial assets measured at amortized cost if both of the below conditions are met:

A. Held under an operating model whose purpose is to hold financial assets for the purpose of receiving contractual cash flows; and
B. The interest is based on the cash flow on the date agreed in the contract, the principal paid to complete the relevant cash flow, and the principal amount circulated overseas.

Financial assets measured at amortized cost (including cash and cash equivalents, notes receivable and accounts (including related parties) measured at amortized cost, other receivables and deposits) after original recognition is measured at the amortized cost of the gross carrying amount determined by the effective interest method less any impairment losses, and any foreign exchange gains or losses are recognized in profit or loss.

Interest income from bank deposits is calculated by multiplying the effective interest rate and the total amount if the financial asset except for the below 2 situations:

A. Purchased or initial impairment financial assets is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.

B. Non-purchased or initial impairment financial assets becomes impairment financial assets shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the reporting period following the credit-impairment.

Impairment financial assets means the issuer or debtor had encountered significant financial difficulties, defaulted or the debtor is likely having a bankruptcy or other financial difficulties that will make the active market disappear.
Cash equivalents included deposit and repurchase bonds with high liquidity that is convertible into cash within 3-month and has lower risk of value change. It's to satisfy the short-term cash commitments.

2) Impairment financial assets

The consolidated company evaluates the impairment loss of financial assets (including notes receivable and accounts) measured at amortized cost based on expected credit losses on each balance sheet date.

Notes and accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the loss will be recognized as the 12-month expected credit loss. If there has been a significant increase, it will be recognized as the expected credit loss during the duration Allow for losses.

Expected credit loss is calculated average credit losses weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the duration.

For the purpose of internal risk control, the consolidated company will regard the below situation as defaulted in financial assets without considering the collateral held:

A. The internal or external indication showing the debtor is unlikely to pay back the debt.
B. Overdue exceeds the days of credit terms without reasonable and supportable information that shows a delayed payment is more appropriate.

Impairment losses on all financial assets are achieved by reducing their carrying amounts through the use of an allowance account.

3) Derecognition of financial assets

A consolidated company derecognized a financial asset only when the contractual rights to the cash flows from the financial asset have lapsed, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity.

When a financial asset is measured at amortized cost as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an investment in a debt instrument at fair value through other comprehensive profit or loss is derecognized as a whole, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive profit or loss is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is derecognized as a whole, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

(2) Financial Liabilities

1) Measurement
All financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

13. Preparation for financial liabilities

The amount recognized as a liability reserve is the best estimate of the expenditure required to settle the obligation on the balance sheet date, considering the risks and uncertainties of the obligation. The liability provision is measured at the discounted value of the estimated cash flows of the settlement obligation.

<u>Warranty</u>

The warranty obligation to ensure that the product is compatible to the agreed specifications is recognized when the relevant product is recognized as revenue based on the management's best estimate of the expenditure required to settle the obligations of the consolidated company.

14. Revenue Recognition

The Company recognizes revenue when performance obligations are satisfied. The performance obligations are satisfied when customers obtain control of the promised goods.

<u>Revenue from sale of goods</u>

Revenue from sale of goods is recognized when the Company automatic machinery such as intelligent pipe bender, forming machine, vertical working machine are delivered to designated place or the installation certificate is obtained. The customer has the right to set the price and is responsible for the resales of it. In the meanwhile, customer should bear the risk of obsolete goods. The company recognized the revenue from sale of goods at that point of time. Advance payment is recognized as contract liabilities before shipment or installation certificates are obtained.

15. Leases

The consolidated company assesses whether the contract is (or contains) a lease on the contract inception date.

1. The Company as lessor

   When the term of the lease is transferred to the lessee substantially all the risks and rewards of ownership of the asset, it’s categorized as finance lease. All the other leases are categorized as operating leases.

   Under operating leases, lease payments after deducting lease incentives are recognized as income on a straight-line basis over the relevant lease period. The original direct cost incurred in obtaining the operating lease is added to the book amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

2. The Company as lessee

   Except for payments for low-value asset leases and short-term leases (leases of machinery and equipment and others) which are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

   Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the consolidated balance sheets.

   Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

   Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or a rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee’s incremental borrowing rates.

   Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, or a change in the assessment of an option to purchase an underlying asset, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The company has negotiated with the leaser on the rental with regards to Covid-19 situation. The rental before June 30, 2021, has been adjust and reduced. The negotiation has no significant impact on the other part of the contract. The company chooses to adopt a practical expedient approach to deal with the rent negotiation of the factory building and office lease contract that meets the conditions. It does not evaluate whether the negotiation is a lease modification but recognizes the reduction of the lease payment in profit or loss when the concession event or situation occurs (other income and expense), and correspondingly reduce the lease liability.

16. Borrowing Costs

Borrowing costs is the cost to directly obtain, construct or produce the destinated assets. It’s considered part of the cost of the assets until the use or sale of the item has been performed.

Investment income earned on the temporary investment of specific borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized as profit or loss in the year in which they are incurred.

17. Government Grants

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

Government grants related to revenue are recognized in other income on a systematic basis over the period in which they are intended to compensate for the associated costs that are recognized as an expense by the combined company.

Government grants that are receivables as compensation for expenses already incurred are deducted from incurred expenses in the period in which they become receivables.

18. Employee Benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

2) Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculations.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan.

19. Share-based payment arrangements

<u>Employee Stock Options</u>

Employee stock options are recognized as expenses on a straight-line basis during the vesting period based on the fair value of the equity instrument on the grant date and the best estimated quantity expected to be acquired, and the capital reserve - employee stock options is adjusted at the same time. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact from such revision is recognized in profit or loss so that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

20. Taxation

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

1) Current tax

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

3. Current and deferred tax for the year

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

(5) Critical accounting judgements and key sources of estimation and uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

There were no significant accounting judgments, estimates, or assumptions made in the accounting policies adopted by the Company.

(6) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 2,187	$ 2,398
Cheque and Deposit	164,566	308,685
Cash equivalents (investment with initial due date within 3 month)		
Fixed deposit	82,917	-
Repurchase agreements collateralized by bonds	15,445	27,800
	$ 265,115	$ 338,883

The interest rate range of cash equivalent on the balance sheet date is as follows:

	December 31, 2022	December 31, 2021
Fixed deposit	3.20% ~ 3.75%	-
Repurchase agreements collateralized by bonds	4%	0.2% ~ 0.3%

(7) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Current		
Pledged time deposit	$ -	$ 250,739

1. As of December 31, 2011, the annual interest rate of pledged time deposits ranged from 0.15% to 0.22%.

2. For information on the pledge of financial assets measured at amortized cost, please refer to Note 29.

(8) Notes receivable, accounts receivable (including related parties), other receivables (including related parties), long-term notes receivable and long-term receivables - related parties

	December 31, 2022	December 31, 2021
Notes receivable		
Arising from operating activities	$ 108,725	$ 79,404
Less: Allowance to reduce	1,031	753
	$ 107,694	$ 78,651
Accounts receivable (including related parties)		
Carried at amortized cost		
Total carrying amount	$ 247,921	$ 299,117
Less: Allowance to reduce	13,521	5,833
Less: Unrealized Interest Income	357	754
	$ 234,043	$ 292,530
Other receivables (including related parties)	$ 4,188	$ 6,062
Long-term notes receivable	$ 7,773	$ 7,211
Long-term receivables - related parties		
Total carrying amount	$ 16,267	$ 19,795
Less: Unrealized Interest Income	350	497
	$ 15,917	$ 19,298

Notes and accounts receivable measured at amortized cost

The consolidated company set the credit term based on the financial condition, market region, and trading experience of each client. To management the risk, the consolidated company has assigned a dedicated team to be responsible for the determination and examination of credit term of each client and to ensure all the note receivable have been managed properly. Additionally, on the balance sheet date, the consolidated company will review the recoverable number of receivables one by one to ensure that unrecoverable receivables have been set aside for appropriate derogation losses. Hence the management of the consolidated company believes that the credit risk of consolidated company has been eased significantly.

The consolidated company recognizes the allowance loss of accounts receivable according to the expected credit loss during the existence period. The expected credit loss during the duration is calculated using the provision matrix, which considers the customer’s past default record and current financial situation. Because the credit loss historical experience of the consolidated company shows that there is no significant difference in the loss pattern of different customer groups, the provision matrix does not further distinguish the customer group, the expected credit loss rate is determined only by the number of days overdue accounts receivable.

If there is evidence that shows the counterparty is facing severe financial difficulties and the consolidated company cannot reasonably expect the recoverable amount, for example, the counterparty is undergoing liquidation, the consolidated company will directly write off the relevant accounts receivable, but it will continue with the activities. The amount is recognized in profit or loss.

The consolidated company measures the allowance loss of accounts receivable based on the reserve matrix as follows:

Notes receivable as of December 31, 2022

	Not Overdue	Overdue 0~180 days	Overdue 181 ~ 270 days	Overdue 271 ~ 450 days	Overdue 451 days and above	Total
Expected credit losses ratio	0%	100%	100%	100%	100%	
Total carrying amount	$ 107,694	$ 499	$ -	$ -	$ 532	$ 108,725
Allowance to reduce (Expected credit losses during the duration)	-	(499)	-	-	(532)	(1,031)
Amortized cost	$ 107,694	$ -	$ -	$ -	$ -	$ 107,694

Accounts receivable as of December 31, 2022

	0~120 days	121~210 days	211~300 days	301~485 days	485 days and above	Individual recognition	Total
Expected credit losses ratio	0% ~ 1%	5% ~ 36%	25% ~ 61%	50% ~ 88%	100%		
Total carrying amount	$ 54,502	$ 475	$ 223	$ 1,492	$ 6,758	$ 184,114	$ 247,564
Allowance to reduce (Expected credit losses during the duration)	(142)	(50)	(104)	(1,292)	(6,758)	(5,175)	(13,521)
Amortized cost	$ 54,360	$ 425	$ 119	$ 200	$ -	$ 178,939	$ 234,043

Notes receivable as of December 31, 2021

	Note Overdue	Overdue 0~180 days	Overdue 181 ~ 270 days	Overdue 271 ~ 450 days	Overdue 451 days and above	Total
Expected credit losses ratio	0%	100%	100%	100%	100%	
Total carrying amount	$ 78,651	$ -	$ -	$ -	$ 753	$ 79,404
Allowance to reduce (Expected credit losses during the duration)	-	-	-	-	(753)	(753)
Amortized cost	$ 78,651	$ -	$ -	$ -	$ -	$ 78,651

Accounts receivable as of December 31, 2021

	0~120 days	121~210 days	211~300 days	301~485 days	485 days and above	Individual recognition	Total
Expected credit losses ratio	0%	5%	25%	50%	100%		
Total carrying amount	$ 70,036	$ 368	$ 15	$ 1,293	$ 5,164	$ 221,487	$ 298,363
Allowance to reduce (Expected credit losses during the duration)	-	(18)	(4)	(647)	(5,164)	-	(5,833)
Amortized cost	$ 70,036	$ 350	$ 11	$ 646	$ -	$ 221,487	$ 292,530

Changes in the provision for losses on receivables are as follows:

Year 2022

	Notes receivable	Account receivable	Total
Balance at the start of year	$ 753	$ 5,833	$ 6,586
Add: Impairment loss provision for the year	442	7,653	8,095
Foreign currency exchange difference	(164)	35	(129)
Balance at the end of year	$ 1,031	$ 13,521	$ 14,552

Year 2021

	Notes receivable	Account receivable	Total
Balance at the start of the year	$ 1,388	$ 2,945	$ 4,333
Add: Provision (reversal) impairment losses for the year	(60)	2,892	2,832
Foreign currency exchange difference	(575)	(4)	(579)
Balance at the end of year	$ 753	$ 5,833	$ 6,586

Other receivables have not been provisioned for bad debts because past experience shows that the probability of recovery is extremely high.

(9) Inventories

	December 31, 2022	December 31, 2021
Finished product	$ 94,712	$ 64,109
WIP- Work in process	510,480	534,923
Raw material	214,842	224,990
	$ 820,034	$ 824,022

The cost of goods sold related to inventories in 2022 and 2021 was Malaysia Ying Han NT $526,333,000 and NT $619,080,000 respectively, and the cost of goods sold, including the inventory price loss, was NT $507,000 and NT $6,955,000 respectively.

(10) Subsidiaries

Subsidiaries included in the consolidated financial report

The entities preparing this consolidated financial report are as follows:

			Stock Ratio (%)		
Name of Investment Company	Name of Subsidiaries	Nature of Business	Year 2022 31 December	Year 2021 31 December	Remarks
YING HAN Technology Co., Ltd.	YING HAN TECHNOLOGY Sp. Z o.o. (Poland)	Trading of machinery equipment and parts	100	100	
	YING HANG TEKNOLOJI LTD. STI (Turkey)	Trading of machinery equipment and parts	100	100	
	YING HAN TECHNOLOGY Limited (Russia)	Trading of machinery equipment and parts	100	100	
	HANNSA PRECISION SDN. BHD. (Malaysia)	Trading of machinery equipment and parts	100	100	
	YLM INDUSTRIAL CO., LTD. (Thailand)	Trading of machinery equipment and parts	46	46	
	YING HAN Technology Co., Ltd. (Vietnam)	Trading of machinery equipment and parts	100	100	
	YING HAN Technology Co., Ltd. (Tianjin)	Trading of machinery equipment and parts	100	100	
	YING HAN Technology Co., Ltd. (Shanghai)	Trading of machinery equipment and parts	100	100	

(Continue on the next page)

(Continued)

Name of Investment Company	Name of Subsidiaries	Nature of Business	Stock Ratio (%) Year 2022 31 December	Year 2021 31 December	Remarks
	YLM TUBE SOLUTIONS AND SERVICE P. LTD.(India)	Trading of machinery equipment and parts	99.99	99.99	
	PT. YING LIN MACHINE AND SERVICE(Indonesia)	Trading of machinery equipment and parts	99	99	
	Rdata System Co., Ltd(Original funding Company)	UAV- Unmanned Aerial Vehicle system testing and sales	55	-	Note 1
	YING HAN TECHNOLOGY (USA), INC.(USA)	Trading of machinery equipment and parts	100	-	Note 2

Note 1: NT $8,250,000 was agreed by the board of directors of the consolidated company on April 1, 2022, with a 55% shareholding of the non-affiliated company. The transfer of the joint venture to the joint venture was approved for the difference of NT $5,333,000, please refer to notes 14 and 25.

Note 2: YING HAN TECHNOLOGY (USA), INC. was set by the board of directors on March 1, 2022 with the investment amount of NT$1,500,000.

(11) Property, plant and equipment

	Land	Building	Machinery	Vehicles	Equipment	Lease	Other Equipment	Property in built	Total
Cost									
Balance as of January 1, 2022	$ 499,064	$ 354,220	$ 87,286	$ 24,859	$ 73,821	$ 8,844	$ 63,650	$ 2,772	$1,114,516
Occurred by merging	-	-	520	-	-	-	-	-	520
Addition	-	5,253	50	-	1,547	-	1,498	3,092	11,440
Loss	-	-	(189)	-	(202)	-	-	-	(391)
Re-classified	-	3,806	-	-	-	-	1	(3,807)	-
Net foreign exchange difference	-	1,098	155	107	23	63	63	(1,467)	42
Balance as of December 31, 2022	$ 499,064	$ 364,377	$ 87,822	$ 24,966	$ 75,189	$ 8,907	$ 65,212	$ 590	$1,126,127
Accumulated depreciation and reduction									
Balance as of January 1, 2022	$ -	$ 118,273	$ 69,827	$ 21,619	$ 11,206	$ 8,717	$ 52,007	$ -	$ 281,649
Occurred by merging	-	-	325	-	-	-	-	-	325
Fee of depreciation	-	21,643	7,046	1,169	4,710	91	5,015	-	39,674
Loss	-	-	(179)	-	(182)	-	-	-	(361)
Net foreign exchange difference	-	27	68	82	34	61	37	-	309
Balance as of December 31, 2022	$ -	$ 139,943	$ 77,087	$ 22,870	$ 15,768	$ 8,869	$ 57,059	$ -	$ 321,596
Net as of December 31, 2022	$ 499,064	$ 224,434	$ 10,735	$ 2,096	$ 59,421	$ 38	$ 8,153	$ 590	$ 804,531
Cost									
Balance as of January 1, 2021	$ 499,064	$ 278,060	$ 87,378	$ 25,129	$ 11,777	$ 8,885	$ 60,259	$ 8	$ 970,560
Addition	-	38,983	-	1,052	62,256	-	3,506	2,769	108,566
Loss	-	-	-	(830)	-	-	(88)	-	(918)
Re-classified	-	37,177	-	-	-	-	-	-	37,177
Net foreign exchange difference	-	-	(92)	(492)	(212)	(41)	(27)	(5)	(869)
Balance as of December 31, 2022	$ 499,064	$ 354,220	$ 87,286	$ 24,859	$ 73,821	$ 8,844	$ 63,650	$ 2,772	$1,114,516
Accumulated depreciation and reduction									
Balance as of January 1, 2021	$ -	$ 97,709	$ 59,838	$ 21,068	$ 10,166	$ 8,477	$ 46,585	$ -	$ 243,843
Fee of depreciation	-	20,555	10,028	1,838	1,165	274	5,524	-	39,384
Loss	-	-	-	(830)	-	-	(88)	-	(918)
Net foreign exchange difference	-	9	(39)	(457)	(125)	(34)	(14)	-	(660)
Balance as of December 31, 2021	$ -	$ 118,273	$ 69,827	$ 21,619	$ 11,206	$ 8,717	$ 52,007	$ -	$ 281,649
1 Net as of December 31, 2021	$ 499,064	$ 235,947	$ 17,459	$ 3,240	$ 62,615	$ 127	$ 11,643	$ 2,772	$ 832,867

Part of the warehouses and extended shelters of the consolidated company's factory buildings have been listed as impairment losses of NT $3,638,000 in 2015.

Depreciation expense is provided on a straight-line basis over the following useful years:

Building	
Main warehouse	20~50 years
Renovation	10~15 years
Machinery	3~8 years
Vehicles	2~8 years
Equipment	3~15 years
Lease	5~10 years
Other equipment	2~10 years

Please refer to Note 29 for the amount of property, plant and equipment pledged by the consolidated company as a loan guarantee.

(12) Lease

1. Right to use

	December 31, 2022	December 31, 2021
Carrying amount		
Building	$ 79,988	$ 81,382
Vehicles	3,652	-
	$ 83,640	$ 81,382

	Year 2022	Year 2021
Addition	$ 11,136	$ 283
Depreciation		
Building	$ 8,989	$ 8,795
Vehicles	1,043	656
	$ 10,032	$ 9,451

2. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount		
Current	$ 8,605	$ 8,065
Non-current	$ 75,657	$ 73,521

The discount rate range for the lease liability is as follows:

	December 31, 2022	December 31, 2021
Building and vehicles	1.30% ~ 1.41%	1.41%

3. Important lease activities and terms

If the consolidated company leases official vehicles, the term is for a period of 3 years. These rental agreements do not have terms of renewal or right of purchase.

The consolidated company also leases buildings as warehouse, and the lease period is 3 to 19 years. When the lease period ends, the consolidated company has no preferential right to purchase the leased building, and it is agreed that the consolidated company shall not sublease or transfer all or part of the leased object without the consent of the lessor.

In 2021, due to the severe impact of Covid-19 on the market economy, the consolidate company had negotiated with the lessor. The monthly rental of Tianjin Ying Han has been reduced since January, 2021 without any conditions; the monthly rental of India Ying Han has been reduced as well since March 2021. The consolidated company recognized the impact of the aforementioned rental concessions as NT $1,737,000 (accounted for other income and expenses).

4. Other lease information

	Year 2022	Year 2021
Short-term Lease	$ 4,071	$ 7,201
Total cash outflows from leases	$ 14,854	$ 17,304

The consolidated company chooses to apply the recognition exemption to the factory buildings and official vehicles that qualify for short-term leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

(13) Investment Property

	Building
Cost	
Balance as of January 1, 2022, and December 31, 2022.	$ 22,251
Accumulated Depreciation	
Balance as of January 1, 2022	$ 3,010
Depreciation	547
Balance as of December 31, 2022	$ 3,557
Net as of December 31, 2022	$ 18,694

(Continue on the next page)

(Continued)

	Building
Cost	
Balance as of January 1, 2022, and December 31, 2021	$ 22,251
Accumulated Depreciation	
Balance as of January 1, 2021	$ 2,463
Depreciation	547
Balance as of December 31, 2021	$ 3,010
Net as of December 31, 2021	$ 19,241

The lease for investment property is 5 years. The lessee does not have the preferential purchase right of investment real estate at the end of the lease period.

The total lease payments to be received in the future for leasing investment property under operating leases are as follows:

	December 31, 2022	December 31, 2021
1st Year	$ 1,800	$ 1,800
2nd Year	1,800	1,800
3rf Year	-	1,800
	$ 3,600	$ 5,400

Investment properties are depreciated on a straight-line basis over a useful life of 41 years.

The fair value of the investment real estate on December 31, 2022 and 2021 was approximately NT $40,875,000 and NT $60,495,000 respectively. The fair value was evaluated by the management of the consolidated company with reference to the transactions in the neighboring housing market.

Please refer to Note 29 for the amount of investment real estate set as loan guarantee.

(14) Goodwill - December 31, 2022

	Amount
Cost	
Balance as of the start of year	$ -
Acquired due to merging	5,333
Balance as of the end of year	$ 5,333

The consolidated company acquired the original company in April, 2022 and recognized the goodwill of NT$5,333,000 for the difference between the transfer consideration and the fair value. Please refer to Notes 10 and 25.

(15) Other intangible assets

	Patent	Software	Total
Cost			
Balance as of January 1, 2022, and December 31, 2022	$ 2,610	$ 6,815	$ 9,425
Accumulated depreciation			
Balance as of January 1, 2022	$ 2,262	$ 6,739	$ 9,001
Depreciation	45	29	74
Balance as of December 31, 2022	$ 2,307	$ 6,768	$ 9,075
Net as of December 31, 2022	$ 303	$ 47	$ 350
Cost			
Balance as of January 1, 2021	$ 2,610	$ 6,730	$ 9,340
Acquired solely	-	85	85
Balance as of December 31, 2021	$ 2,610	$ 6,815	$ 9,425
Accumulated depreciation			
Balance as of January 1, 2021	$ 2,216	$ 6,691	$ 8,907
Depreciation	46	48	94
Balance as of December 31, 2021	$ 2,262	$ 6,739	$ 9,001
Net as of December 31, 2021	$ 348	$ 76	$ 424

Amortization charges are calculated on a straight-line basis based on the number of useful years listed below:

Patent	5~14 years
Software	3 years

Other intangible assets of the consolidated company are not mortgaged.

(16) Borrowings

(1) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured Loan(Note 29)		
Borrowings	$ -	$ 474,000
Unsecured Loan		
Bank credit loan	360,000	90,000
	$ 360,000	$ 564,000
Annual interest rate on secured loans	-	1.0% ~ 1.3%
Annual interest rate on unsecured loans	1.7982% ~ 2.1038%	0.7366% ~ 1.3%

(2) Short-term notes payable

	December 31, 2022	December 31, 2021
Commercial paper payable		
IBFC	$ 32,100	$ 95,500
MEGA BILLS	50,000	50,000
	82,100	145,500
Less: Discount	42	72
	$ 82,058	$ 145,428
The refinancing rate	2.038% ~ 2.408%	1.288% ~ 1.838%

(3) Long-term borrowings

	December 31, 2022	December 31, 2021
Secured Loan(Note 29)		
Borrowings	$ 458,114	$ 570,410
Unsecured Loan		
Bank credit loan	39,058	-
Total	497,172	570,410
Less: Due in 1 year	82,902	74,275
	$ 414,270	$ 496,135
Annual interest rate on secured loans	1.845% ~ 4.3%	1.22% ~ 4.3%
Annual interest rate on unsecured loans	2.84%	-

(17) Others payable

	December 31, 2022	December 31, 2021
Salaries	$ 31,824	$ 32,208
Incentive bonus	7,069	2,345
Leave payment	5,989	5,341
Labor health insurance	3,054	3,339
Pension	2,255	2,423
Professional service fees	1,925	1,325
Others	18,614	18,624
	$ 70,730	$ 65,605

(18) Liability provision- Current

	December 31, 2022	December 31, 2021
Warranty liability reserve	$ 4,003	$ 2,879

Warranty liability reserve is the current value of the best estimate of future economic benefit outflows caused by warranty obligations by the management of the consolidated company in accordance with the sales contract. This estimate is based on historical warranty experience.

(19) Retirement Benefit

1. Defined contribution plans

The consolidated Company have made monthly contributions of 6% of each employee's monthly salary to employees' pension accounts based on the R.O.C. Labor Pension Act ("the Act").

The employees of the consolidated company's local subsidiary in China are members of the retirement benefit plan operated by the local Chinese government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan. The consolidated Company's obligation is only to contribute a specified amount in order to fund the plan.

2. Defined benefit plans

The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds, which are administered by the Labor Pension Fund Supervisory and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

Defined benefit plans loans listed in the consolidated balance sheet are listed as follows:

	December 31, 2022	December 31, 2021
Defined benefit obligation	$ 13,326	$ 17,399
Plan assets at fair value	(2,486)	(2,567)
Net defined benefit liability	$ 10,840	$ 14,832

The changes of net defined benefit liability are as follow:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liability
Balance as of January 1, 2021,	$ 16,426	($ 2,211)	$ 14,215
Interest expense	87	-	87
Recognized in profit or loss	87	-	87
Remeasurement			
Return on planned assets (In addition to the amount included in net interest)	15	(38)	(23)
Actuarial interest - experience adjustment	397	-	397
Actuarial benefits - changes in financial assumptions	630	-	630
Relating to components of other comprehensive income	1,042	(38)	1,004
Contributions by employer	-	(474)	(474)
Benefit Payment	(156)	156	-
Balance as of December 31, 2021	17,399	(2,567)	14,832
Interest expense	91	-	91
Recognized in profit or loss	91	-	91
Remeasurement			
Return on planned assets (In addition to the amount included in net interest)	17	(206)	(189)
Actuarial interest - experience adjustment	(893)	-	(893)
Actuarial benefits - changes in financial assumptions	(2,285)	-	(2,285)
Relating to components of other comprehensive income	(3,161)	(206)	(3,367)
Contributions by employer	-	(716)	(716)
Benefit Payment	(1,003)	1,003	-
Balance as of December 31, 2022	$ 13,326	($ 2,486)	$ 10,840

The company is exposed to the following risks due to the pension system of the "Labor Standards Act":

1) Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and entrusted operation methods, but the planned assets of the merged company may be allocated The amount is calculated based on the local bank's 2-year fixed deposit interest rate.

2) Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined benefit obligations, but the debt investment return on project assets will also increase accordingly, and the impact of the two on net defined benefit liabilities will have a partial offset effect.

3) Salary risk: The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the confirmed benefit obligations of the consolidated company is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.75%	0.625%
Expected rate of salary increases	3%	3%

If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase 0.25%	($ 451)	($ 618)
Decrease 0.25%	$ 470	$ 646
Expected rate of salary increases		
Increase 0.25%	$ 456	$ 621
Decrease 0.25%	($ 440)	($ 597)

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not be able to reflect the actual changes in the present value of the defined benefit obligations.

	December 31, 2022	December 31, 2021
Expected amount allocated within 1 year	$ 1,200	$ 474
Determining the weighted average of benefit obligations		
Duration	13.87 years	13.94years

(20) Equity

1. Capital Stock

Common stock

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Issued and paid shares (in thousands)	87,546	87,546
Issued capital	$ 875,460	$ 875,460

On October 13, 2021, the company's board of directors decided to increase capital by cash and issue 20,000,000 new shares, with a denomination of $10 per share, and issued at NT $15 per share. After the increment, the paid-in share capital was NT $875,460,000. In addition, the portion reserved for employees to subscribe has been recognized as a salary expense of NT $538,000 based on the fair value of the stock options, and at the same time listed as capital reserve-employee stock options. The above-mentioned cash capital increase case was approved by the Securities and Futures Bureau of the Financial Regulatory Commission on November 22, 2021, and declared effective, and on December 27, 2021, the chairman set the capital increase base date as December 27, 2021. Change registration has been completed on January 17, 2022

2. Capital reserve

	December 31, 2022	December 31, 2021
Can be used to make up for losses, distribute cash or allocate capital (Note)		
Additional paid-in capital	$ 347,203	$ 347,203
Lapsed employee stock options	390	390
	$ 347,593	$ 347,593

Note: This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash dividends or transfer capital when the company has no losses.

3. Retained earnings and dividend policy

According to the Company’s Articles of Incorporation, if the Company's annual final accounts have surplus, after paying all taxes and contributions in accordance with the law and making up for previous years' losses, 10% should be allocated as the legal surplus reserve. However, this is not applicable when the total amount of paid-in capital is reached or it is listed or reversed according to the laws and regulations of the competent authority; if there is still a balance, no less than 10% should be allocated as shareholder dividends. The board of directors will submit to the shareholders' meeting for a resolution on the distribution of shareholder dividends and bonuses together with the previous surplus. Please refer to Note 22 (8) Employee Remuneration and Director Remuneration for the distribution policy of employees, directors and supervisors' remuneration after the revision of the Articles of Incorporation.

According to the Company's Articles of Incorporation, cash dividends shall not be less than 10% of the total dividends distributed in the current year. However, it can be adjusted depends on whether the company has improved its financial structure or major capital expenditure plans in the current year. The ratio of cash dividend distribution can be increased or decreased by the resolution of the shareholders' meeting.

Legal reserve can be used to make up losses. When the Company has no losses, the portion of the legal reserve which exceeding 25% of the total paid-in share capital may be allocated to share capital and distributed in cash.

The Company withdraw and reverse the special reserve according Financial-Supervisory-Securities-Auditing-1010012865, 1010047490 and 1030006415 and IFRSs- Questions and Answers about the Application of Special Reserve.

The company held regular shareholders' meetings on June 14, 2022, and August 26, 2021, and passed resolutions to make up for losses in 2021 and 2020, respectively.

The 2022 loss surplus plan is yet to be resolved at the shareholders' meeting expected to be held in June 2023.

4. Others

Exchange differences arising on translation of foreign operations.

	Year 2022	Year 2021
Balance as of the beginning of the year	($ 11,370)	($ 17,069)
Occurred in the current year		
Exchange differences arising on translation of foreign operations.	10,961	7,124
Income tax arising on translation of foreign operations.	(2,192)	(1,425)
Balance as of the end of the year	($ 2,601)	($ 11,370)

5. Non-controlling interests

	Year 2022	Year 2021
Balance as of the beginning of the year	$ 6,545	$ 7,628
Share attributable to non-controlling interests		
Net loss of the year	(1,739)	(71)
Exchange differences arising on translation of foreign operations	417	(1,012)
Increase of non-controlling interest	9,137	-
Balance as of the end of the year	$ 14,360	$ 6,545

(21) Income

The Company and Subsidiaries are selling a single machinery and parts and the sales department is the same operation unit. The contract revenue breakdown is as below:

	Year 2022	Year 2021
Contract revenue		
Sales of goods	$ 762,235	$ 823,592

1. Description of customer contract

Sales of goods

The Company recognized its revenue and accounts receivable when the automatic machinery such as intelligent pipe bender, forming machine, vertical working machine has been delivered or loading certificates with customer’s signature. The consolidated company set the credit term based on the financial condition, market region, and trading experience of each customer. Most of the contracts are regards as accounts receivable when the commodity is transferred and there is an unconditional right to receive the consideration amount. These accounts receivable usually have a short collection period and do not have a significant financial component; only some contracts charge part of the consideration from the customer before transferring the goods, and the Company needs to undertake the obligation to transfer the goods later, so it is recognized as contract liabilities.

2. Contract balance

	2022 December 31	2021 December 31	2021 January 1
Notes receivable(Note 8)	$ 107,694	$ 78,651	$ 81,250
Accounts receivable (Note 8)	$ 189,762	$ 243,581	$ 159,931
Accounts receivable from related parties(Note 8)	44,281	48,949	110,590
	$ 234,043	$ 292,530	$ 270,521
Long-term notes receivable(Note 8)	$ 7,773	$ 7,211	$ 2,975
Long-term accounts receivable from related parties(Note 8)	$ 15,917	$ 19,298	$ 45,114
Contract Liabilities－Current			
Sales of goods	$ 84,567	$ 66,418	$ 63,171

(22) Net loss before tax

1. Other income and net loss

	Year 2022	Year 2021
Loss (gain) from disposal of property, plant and equipment	($ 30)	$ 38
Lease modification benefit(Note 12)	45	1,707
Rent Concession(Note 12)	-	30
	$ 15	$ 1,775

2. Interest income from bank deposits

	Year 2022	Year 2021
Bank Deposit	$ 3,157	$ 1,062
Long-term accounts receivables	993	1,693
Others	9	8
	$ 4,159	$ 2,763

3. Other income

	Year 2022	Year 2021
Solar Power Revenue	$ 12,559	$ 5,395
Lease(Note 28)	1,820	1,800
Subsidies(Note 30)	785	24,552
Others	2,169	2,993
	$ 17,333	$ 34,740

4. Other benefit and loss

	Year 2022	Year 2021
Net foreign currency exchange (Loss)	$ 48,047	($ 56,352)
Other	(46)	(72)
	$ 48,001	($ 56,424)

5. Financial costs

	Year 2022	Year 2021
Interest on borrowings from bank	$ 18,541	$ 18,838
Interest on lease liabilities	1,214	1,184
Less: Interest capitalization	(3)	(248)
	19,752	19,774
Other financial costs	106	143
	$ 19,858	$ 19,917

Information on interest capitalization:

	Year 2022	Year 2021
Amount	$ 3	$ 248
Interest rate	1.3%	1.26%

6. Depreciation and amortization

	Year 2022	Year 2021
Depreciation classified by function		
Operation cost	$ 34,333	$ 38,149
Operation expense	15,920	11,233
	$ 50,253	$ 49,382
Depreciation classified by function		
Operation cost	$ 74	$ 94

7. Employee benefit

	Year 2022	Year 2021
Short-term employee benefit		
Salary	$ 222,940	$ 228,369
Labor health insurance	27,419	28,377
Others	4,152	3,741
	254,511	260,487
Post-employment benefits(Note 19)		
Defined contribution plan	12,601	11,173
Defined benefit plans	91	87
	12,692	11,260
Total	$ 267,203	$ 271,747
Classified by function		
Operation cost	$ 101,546	$ 105,550
Operation expense	165,657	166,197
	$ 267,203	$ 271,747

8. Employee and directors’ bonus stock

The company allocates employee remuneration and director remuneration at a rate of 1% to 5% and no more than 5% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year. The company's 2022 and 2021 years were net losses before tax, so the employee remuneration and director's remuneration were not estimated.

For information on employee remuneration and director remuneration for resolutions of the company's board of directors, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

9. Foreign currency exchange gains and losses

	Year 2022	Year 2021
Total gain	$ 480,886	$ 16,881
Total loss	(432,839)	(73,233)
Net loss/gain	$ 48,047	($ 56,352)

10. Impairment losses on non-financial assets

	Year 2022	Year 2021
Inventories(Included in the operation costs)	$ 507	$ 6,955

(23) Income Tax

1. Income tax expense (income) recognized in profit or loss

The main components of income tax expenses (benefits) are as follows:

	Year 2022	Year 2021
Current Income Tax		
Occurred at current year	$ 39	$ 524
Undistributed retained earnings	72	-
	111	524
Deferred Income Tax		
Occurred at current year	(1,864)	3,659
Income tax expense recognized in profit or loss	($ 1,753)	$ 4,183

The adjustment of accounting income and income tax (benefit) is as follows:

	Year 2022	Year 2021
Net loss before tax	($ 15,817)	($ 132,288)
Net loss before tax Income tax benefit calculated at statutory tax rate	($ 3,240)	($ 26,024)
Tax-free income	-	(4,911)
Non-deductible expenses	-	12
Unrecognized loss deductions and deductible temporary differences	1,415	35,106
Income tax on unappropriated earnings	72	-
Income tax relating to components of other comprehensive income	($ 1,753)	$ 4,183

2. Income tax recognized in other comprehensive profit or loss

	Year 2022	Year 2021
Deferred Income Tax		
Occurred at current year		
Conversion of foreign operating units	($ 2,192)	($ 1,425)

3. Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets		
Tax refund receivable	$ 1,329	$ 3,328
Current income tax liabilities		
Income tax payable	$ 72	$ 1,582

4. Changes in deferred tax assets and liabilities are as follows:

Year 2022

Deferred tax assets	Balance as of the beginning of year	Recognized in profit or loss	Deferred tax income (expense) recognized in OCI	Balance as of the end of year
Temporary differences				
Uncollectible accounts	$ -	$ 803	$ -	$ 803
Inventory depreciation and sluggish loss	9,186	(216)	-	8,970
Leave Payable	1,068	130	-	1,198
Unrealized sales benefit	4,502	4,684	-	9,186
Unrealized exchange loss	1,358	(1,358)	-	-
Liabilities provision	517	222	-	739
Conversion of foreign operating units	2,842	-	(2,192)	650
Others	5,067	874	-	5,941
	$ 24,540	$ 5,139	($ 2,192)	$ 27,487
Deferred tax liabilities				
Temporary differences				
Unrealized exchange loss	$ -	$ 3,275	$ -	$ 3,275

Year 2021

Deferred tax assets	Balance as of the beginning of year	Recognized in profit or loss	Deferred tax income (expense) recognized in OCI	Balance as of the end of year
Temporary differences				
Uncollectible accounts	$ 8,926	$ 260	$ -	$ 9,186
Inventory depreciation and sluggish loss	1,021	47	-	1,068
Unrealized sales benefit	3,326	1,176	-	4,502
Unrealized exchange loss	3,476	(2,118)	-	1,358
Liabilities provision	662	(145)	-	517
Conversion of foreign operating units	4,267	-	(1,425)	2,842
Others	7,946	(2,879)	-	5,067
	$ 29,624	($ 3,659)	($ 1,425)	$ 24,540

5. Deductible temporary differences and unused loss deduction amounts not recognized in the balance sheet as deferred tax assets

	December 31, 2022	December 31, 2021
Loss deductions		
Due year 2029	$ -	$ 17,709
Due year 2030	110,513	151,439
Due year 2031	116,568	116,957
	$ 227,081	$ 286,105

(Continue on the next page)

(Continued)

	December 31, 2022	December 31, 2021
Deductible temporary differences		
Net defined benefit liability	$ 16,667	$ 17,292
Impairment loss on property, plant and equipment	2,255	2,453
	$ 18,922	$ 19,745

6. Information about unused loss deductions and tax exemptions

The information as pf December 31, 2022 is as follow:

Balance not yet deducted	Final deduction year
$ 110,513	2030
116,568	2031
$ 227,081	

7. Income tax verification

The year 2020 income tax declaration of the Company and Subsidiaries has been approved by the tax collection agency.

(24) Net loss per share

The loss and weighted average number of common stocks used to calculate the net loss per share are as follows:

Net loss of the year

	Year 2022	Year 2021
Net loss attributable to owners of the company	($ 12,325)	($ 136,400)

Number of shares

Unit: Thousands

	Year 2022	Year 2021
Weighted average number of common stocks used to calculate diluted net loss per share	87,546	67,820

If the consolidated company can choose to issue employee remuneration in stock or cash, when calculating the diluted net loss per share, it is assumed that the employee remuneration will be issued in the form of stock, and when the potential ordinary shares have a dilutive effect, it will be included in the weighted average number of outstanding shares. Calculate diluted net loss per share. When calculating the diluted net loss per share before deciding on the number of shares issued for employee compensation in the next year, the dilution effect of these potential common stock will also continue to be considered.

(25) Company merger and acquisition

1. Acquisition of a subsidiary

Acquired company	Nature of business	Acquired date	With voting rights ownership interest/ Acquisition ratio (%)	Transfer Pricing
Rdata System Co., Ltd	Unmanned aerial system related business	April 1, 2022	55	$ 8,250

2. Assets acquired, and liabilities assumed on acquisition date

	Rdata System Co., Ltd
Current assets	
Cash	$ 7,596
Inventories	1,313
Accounts receivable	39
Prepayment	274
Non-current assets	
Property, plant and equipment	195
Refundable deposits	286
Current liabilities	
Accounts payable	(184)
Others payable	(733)
Tax liabilities	(575)
Other current liabilities	(201)
Non-current liabilities	
Bank loans	(2,706)
	$ 5,304

3. Non-controlling interest

The non-controlling interest (45% ownership interest) of Rdata System Co., Ltd. is measured by the proportionate share of the recognized amount of the acquiree's identifiable net assets on the acquisition date.

4. Goodwill arising from acquisitions

	Rdata System Co., Ltd
Transfer Pricing	$ 8,250
Add: Non-controlling interest(45% ownership interest in Original Capital Rdata System Co., Ltd)	2,387
Less: Fair value of identifiable net assets acquired	(5,304)
Goodwill arising from acquisitions	$ 5,333

The goodwill arising from the acquisition of Rdata System Co., Ltd. is due to the fact that the merger cost includes a control premium.

5. Net cash outflow from acquisition of subsidiaries

	Rdata System Co., Ltd
Consideration paid	($ 8,250)
Less: Cash	7,596
	($ 654)

6. Effect of business acquisition on operating results
The operating results from the invested company Since the acquisition date are as follows:

	April 1, 2022 to December 31, 2022
	Rdata System Co., Ltd
Operation Income	$ 6,253
Net loss for the period	($ 981)

7. If such a business acquisition occurs on the start date of the accounting year to which the acquisition date falls, the operating income and net profit of the consolidated company are as follows:

	January 1, 2022 to December 31, 2022
Operation Income	$ 762,263
Net loss for the period	($ 14,777)

These amounts cannot reflect the actual income and operating results of the consolidated company if the business acquisition is completed on the beginning date of the acquisition year, and should not be used to predict future operating results.

(26) Capital Risk Management

The capital management of the consolidated company is to optimize the balance of debt and equity to make effective use of capital and ensure the smooth operation of each company. The overall strategy of the consolidated company has not changed. The capital structure of the consolidated company is composed of net debt and equity and does not need to comply with other external capital requirements. The management of the consolidated company re-examines the capital structure on a quarterly basis, including consideration of the cost of various types of capital and related risks. According to the recommendations of the management, the consolidated company will pay dividends or repay liabilities, and invest in financial products to increase the company's income and management capital structure.

(27) Financial instruments

1. Fair value information - financial instruments not measured at fair value

   Financial instruments of the consolidated company that are not measured at fair value, such as cash and cash equivalents, financial assets measured at amortized cost-current, net receivables, other receivables, deposits, long-term and short-term loans The book amounts of , payables, other payables and deposits are reasonable approximations of fair values.

2. Type of financial instruments

	December 31, 2022	December 31, 2021
Financial Assets		
Financial assets measured at amortized cost (Note 1)	$ 640,756	$ 997,423
Financial Liabilities		
Financial assets measured at amortized cost (Note 2)	1,152,137	1,512,930

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost - current, notes receivable and accounts (including related parties), other receivables (including related parties), deposits and long-term notes receivable and long-term receivables - related parties and other financial assets measured at cost after amortization.

Note 2: The balance includes short-term loans, short-term bills payable, bills payable and accounts (including related parties), other payables (including related parties), long-term loans (including long-term loans due within one year) and deposits, etc. Financial liabilities are measured at amortized cost.

3. Objectives and policies on financial risks

The main financial instruments of the consolidated company include equity investment, accounts receivable and notes, loans, accounts payable and notes, etc. The financial management of the consolidated company provides services for each business unit, supervises, and manages the financial risks related to the operation of the consolidated company according to the level of risk. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

a. Foreign currency risk

The consolidated company engages sales activities in foreign currency thus exposing the consolidated company to risk of exchange rate fluctuations.

Please refer to Note 31 for the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency of the consolidated company on the balance sheet date.

<u>Sensitivity Analysis</u>

The consolidated company is mainly affected by fluctuations in foreign exchange rates such as the U.S. dollar and the Chinese Yuan. The table below details the sensitivity analysis of the consolidated company when the exchange rates of the consolidated company's foreign currencies to NT change. When the relevant foreign currencies appreciate by 1%, the impact on the profit and loss of the consolidated company is as follows:

	US Dollar	
	Year 2022	Year 2021
Profit and loss	$ 4,055	$ 5,288

	EURO	
	Year 2022	Year 2021
Profit and loss	$ 124	$ 110

	Chinese Yuan	
	Year 2022	Year 2021
Profit and loss	$ 582	$ 662

The above-mentioned exchange rate impact is mainly due to the foreign currency-denominated cash and equivalent cash, receivables and payables of the consolidated company that are still in circulation on the balance sheet date and have not undergone cash flow hedging.

The decline in exchange rate sensitivity of the consolidated company in the current period is mainly due to the decrease in net assets in US dollars.

b. Interest Rate Risk

Because individuals within the consolidated company borrow funds at floating rates, risks arise. The consolidated company manages interest rate risk by maintaining an appropriate mixture of fixed and floating interest rates.

The carrying amounts of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial Assets	$ 98,362	$ 278,539
Financial Liabilities	166,320	227,014
Cash flow interest rate risk		
Financial Assets	164,566	308,685
Financial Liabilities	857,172	1,134,410

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis method assumes that the amount of liabilities outstanding on the balance sheet date is all outstanding during the reporting period. The rate of change used when reporting interest rates internally to key management within the Group is a 1% increase or decrease in interest rates and represents management's assessment of the range of reasonably possible changes in interest rates.

If the interest rate increases by 1%, and all other variables remain unchanged, the combined company’s net loss before tax in 2022 and 2021 will increase by NT $6,926,000 and NT $8,257,000 respectively, mainly due to the change in interest rates of deposits and loans of the consolidated company.

The sensitivity of the consolidated company to interest rates decreased in the current period, mainly due to the reduction of debt instruments with variable interest rates.

2) Credit risk

Credit risk refers to the risk that the counterparty defaults in contractual obligations and causes financial losses to the Group. As of the balance sheet date, the largest credit risk exposure of the consolidated company that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

The policy adopted by the consolidated company is to conduct transactions with reputable objects. The consolidated company uses other publicly available financial information and mutual transaction records to evaluate major customers. The consolidated company continues to monitor the credit risk and the credit evaluation of the counterparty, and controls the credit risk through the annual credit limit of the counterparty.

3) Liquidity risk

The consolidated company manages and maintains sufficient cash and equivalent cash to support the group's operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

The operating capital of the consolidated company and the amount of bank financing obtained are sufficient to meet future operating needs, so there is no liquidity risk due to inability to raise funds to fulfill contractual obligations

a. Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the Company may be required to repay. Therefore, the bank loans that the company can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived based on the yield curve on the balance sheet date.

	Within a year	More than a year
December 31, 2022		
No interest liabilities	$ 187,803	$ 25,104
Lease liability	9,110	76,584
Floating Rate Instrument – Bank Loans 1.7982% ~ 4.3%	453,452	436,167
Fixed Rate Instruments - Short-Term Notes Payable 2.038% ~ 2.408%	82,100	-
	$ 732,465	$ 537,855

Further information on the lease liability maturity analysis is as follows:

	Less than a year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years
Lease liabilities	$ 9,110	$ 24,645	$ 28,075	$ 23,864	$ -

	Within a year	More than a year
December 31, 2021		
No interest liabilities	$ 207,988	$ 25,104
Lease liability	8,989	80,804
Floating Rate Instrument – Bank Loans 0.7366% ~ 4.3%	706,299	518,825
Fixed Rate Instruments - Short-Term Notes Payable 1.288% ~ 1.838%	145,500	-
	$ 1,068,776	$ 624,733

Further information on the lease liability maturity analysis is as follows:

	Less than a year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years
Lease liability	$ 8,989	$ 24,085	$ 27,668	$ 27,668	$ 1,383

b. Financing amount

	December 31, 2022	December 31, 2021
Unsecured Bank Overdraft Facility		
-Amount used	$ 399,333	$ 90,000
-Amount unused	90,000	150,000
	$ 489,333	$ 240,000
Secured Bank Overdraft Facility		
-Amount used	$ 469,685	$ 1,049,297
-Amount unused	-	-
	$ 469,685	$ 1,049,297

(28) Related party transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (related persons of the Company) are all eliminated upon consolidation, so they are not disclosed in this note. The transactions between the merged company and other related parties are as follows:

1. Name of the related part and relationship

Name of the related party	Relationship
YLM USA, Inc(YLM USA)	Other related party(The chairman of the Company is the immediate family to this related party's person in charge)
Ying Lin Machine Industrial Co., Ltd.(Ying Lin)	Investors with Significant Influence
Lian Yang (TIAN JIN) Machine Co.,Ltd.(Lian Yang)	Other related party(The chairman of the Company is the second degree family to this related party's person in charge)
Tian Jin Jing Feng Machine Co.,Ltd (Jing Feng)	Other related party(The spouse of the chairman of the Company is the chairman of to this related party's person in charge)
TM Technology, Inc.(TM)	Other related party(The chairman of the Company is also the chairman of this related party's person in charge)
Long-Sing Construction Co., Ltd. (Long-Sing)	Other related party(The chairman of the Company is the immediate family to this related party's person in charge)
Kaixing Energy Co., Ltd.(Kaixing)	Other related party(TM Technology 100% holds this related party)

2. Operating Revenue

Item	Category	Year 2022	Year 2021
Sales Revenue	Other related party		
	YLM USA	$ 54,628	$ 28,365
	Investors with Significant Influence	-	2
		$ 54,628	$ 28,367

The sales price of the parts and machinery is negotiated by both parties due to the nature of the product is customization.

The consolidated company set the credit term based on the financial condition, market region, and trading experience of each client.

3. Inventory

Category	Year 2022	Year 2021
Investors with Significant Influence		
Ying Lin	$ 4,180	$ 2,249
Other related party		
YLM USA	953	9,991
Lian Yang	2,210	3,457
	$ 7,343	$ 15,697

The price of equipment, machines and spare parts and credit terms set for the replated parties is the same as non-related party.

4. Receivables from related parties

Item	Category	December 31 2022	December 31 2021
Account receivable	Other related party		
	YLM USA	$ 44,281	$ 48,949
Long-term accounts receivable	Other related party		
	YLM USA	$ 15,917	$ 19,298
Other accounts receivable	Other related party	$ 115	$ -

There is no guarantee for the outstanding receivables from related parties. The amount receivable from related parties in 2022 and 2021 has not been provisioned for loss.

5. Accounts payable – related party

Item	Category	December 31 2022	December 31 2021
Accounts Payable	Investors with Significant Influence		
	Ying Lin	$ 3,254	$ 4,344
	Other related party	204	-
Others Payable		$ 3,458	$ 4,344
	Other related party		
	Jing Feng	$ -	$ 3,425
	YLM USA	4,752	1,845
		$ 4,752	$ 5,270

6. Prepayment

Category	December 31 2022	December 31 2021
Other related party	$ 481	$ -

7. Guarantee deposit

Item	Category	December 31 2022	December 31 2021
Guarantee deposit	Other related party		
	YLM USA	$ 25,104	$ 25,104

8. Lease Agreement

Item	Category	December 31 2022	December 31 2021
Lease Liabilities	Investors with Significant Influence		
	Ying Lin	$ 1,561	$ 4,665
	Other related party		
	Jing Feng	78,397	75,820
		$ 79,958	$ 80,485

Item	Category	Year 111	Year 2021
Interest	Investors with Significant Influence	$ 16	$ 65
	Other related party	1,152	1,107
		$ 1,168	$ 1,172

9. Rental Agreement

The consolidated company is leased to other related parties under an operating lease with a lease period of 1 to 5 years. The rental income recognized in 2022 and 2021 is NT$ 1,820,000 and NT $1,800,000 respectively.

10. Others

In year 2022 and 2021, the consolidated company recognized the processing fees and business-related expenses of investors with significant influence as NT $5,832,000 and NT $8,397,000 respectively; the business-related expenses recognized as other related party were NT $11,097,000 and NT $8,221,000 respectively; The other income listed in Other related party is NT $301,000 and NT $0 respectively.

11. Salary of management

The total amount paid to chairman and management is as follows:

	Year 2022	Year 2021
Short-term employee benefit	$ 11,805	$ 9,896
Post-employment benefits	296	302
	$ 12,101	$ 10,198

The remuneration of directors and other management personnel is determined by the remuneration committee in accordance with individual performance and market trends.

(29) Pledged assets

The following assets were provided as collateral for financing borrowings:

	December 31, 2022	December 31, 2021
Land	$ 499,064	$ 499,064
Building	223,672	235,947
Investment property	18,694	19,241
Pledged certificate of deposit (financial assets measured at cost after amortization - current)	-	250,739
	$ 741,430	$ 1,004,991

(30) Other Matter

The consolidated company was affected by the global pandemic Covid-19 and the reduction in orders resulted in a sharp drop in operating income in 2020. In response to the impact of the pandemic, the consolidated company has applied to the government subsidy for salary and working capital at a total of NT $24,552,000 in 2021 (see Note 22). As of the release date after the approval of this consolidated financial report, the consolidated company is still continuously assessing the economic impact of the pandemic on the pandemic.

(31) Foreign currency with significant impact and liabilities

The following information is summarized and expressed in terms of foreign currencies other than the individual functional currencies of the consolidated companies. The disclosed exchange rates refer to the exchange rates converted from these foreign currencies to the functional currencies. Information on foreign currency financial assets with significant impact is as follows:

Unit: Thousands

December 31, 2022

Foreign Currency Assets	Foreign Currency	Exchange Rate	Amount
Monetary item			
USD	$ 14,412	30.71 (USD:TWD)	$ 442,653
EUR	506	32.72 (EUR:TWD)	16,561
CNY	14,286	4.408 (CNY:TWD)	62,974
JPY	1,918	0.2201 (JYP:TWD)	422
Foreign Currency Liability			
Monetary item			
USD	1,210	30.71 (USD:TWD)	37,143
EUR	127	32.72 (EUR:TWD)	4,143
CNY	1,088	4.408 (CNY:TWD)	4,796

December 31, 2021

Foreign Currency Assets	Foreign Currency	Exchange Rate	Amount
Monetary item			
USD	$ 23,203	27.68 (USD:TWD)	$ 642,231
EUR	469	31.32 (EUR:TWD)	14,699
CNY	15,978	4.344 (CNY:TWD)	69,408
JPY	2,198	0.2405 (JYP:TWD)	529

(Continue on the next page)

(Continued)

Foreign Currency Assets	Foreign Currency	Exchange Rate	Amount
Monetary item			
USD	$ 4,104	27.68 (USD:TWD)	$ 113,404
EUR	118	31.32 (EUR:TWD)	3,706
CNY	729	4.344 (CNY:TWD)	3,166

Foreign currency exchange profits and losses with significant impact (realized and unrealized) are as follows:

	Year 2022		Year 2021	
Monetary item	Functional currency Exchange currency	Net Losses and Profits	Functional currency Exchange currency	Net Losses and Profits
TWD	1(TWD:TWD)	$ 70,783	1(TWD:TWD)	($ 22,015)
CNY	4.4218(CNY:TWD)	107	4.3413(CNY:TWD)	(26)
PLN	6.6877(PLN:TWD)	(4,008)	7.2574(PLN:TWD)	(1,809)
TRY	1.8131(TRY:TWD)	(18,441)	2.2329(TRY:TWD)	(31,311)
THB	0.8555(THB:TWD)	45	0.8823(THB:TWD)	(1,178)
Others		(439)		(13)
		$ 48,047		($ 56,352)

(32) Other disclosures

1) Major transactions

1. Lending funds to others(Schedule I)
2. Endorsement for others(Schedule II)
3. Securities held at the end of the period(N/A)
4. Accumulated buying or selling of the same securities amounted to NT $300 million or more than 20% of the paid-in capital. (N/A)
5. The amount of property acquired is NT$300 million or more than 20% of the paid-in capital. (N/A)
6. The amount of disposing of property is NT$300 million or more than 20% of the paid-in capital. (N/A)
7. The amount of goods purchased and sold with related parties reaches NT$100 million or more than 20% of the paid-in capital. (N/A)
8. Receivables from related parties amount to NT$100 million or more than 20% of the paid-in capital. (N/A)
9. Engage in derivative transactions. (N/A)
10. Others: The business relationship between the parent company and the subsidiaries, and the status and amount of important transactions. (Schedule XI)

2) Reinvestment Business (Schedule III)

3) Mainland Investment Information:

1. The name of the mainland invested company, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book amount at the end of the period, repatriated investment profit and loss, and investment quota in the mainland. (Schedule IX)
2. The following major transactions, prices, payment terms, and unrealized profits and losses with mainland invested companies directly or indirectly via third regions. (Schedule V)

<1> The purchase amount and percentage and the ending balance and percentage of related payables.
<2> The sales amount and percentage and the closing balance and percentage of related receivables.
<3> The amount of assets transactions and the amount of profits and losses arising therefrom.
<4> Ending balance of bill endorsement or guarantee and its purpose.
<5> Maximum balance of financing, ending balance, interest rate range and total interest of the current period.
<6> Other transactions that have a significant impact on the current profit and loss or financial status, such as the provision or receipt of labor services, etc.

4) Corporate shareholders: The name, amount, and ratio of the shareholding. (Schedule VII)

(33) Segment Information

The operating decision makers of the consolidated company focus on the financial information of the plant for allocating resources and evaluating departmental performance. Each plant uses similar processes to produce similar products and sells them through a unified sales method of the group. Consolidated companies are aggregated into a single operating segment report. In addition, the departmental information provided by the consolidated company to the operating decision-makers for review is based on the same basis as the consolidated financial report. The departmental income, operating results, and assets and liabilities that should be reported in year 2022 and 2021. Please refer to the merger of year 2022 and 2021 balance sheet and consolidated statement of comprehensive income for more information.

1. Regional Information

The consolidated company has two main operating and production plant in Taiwan and China. Other region is for sales only.

The operating income of the consolidated company from external customers according to the region of operation and the information of non-current assets are listed as follows:

	Income from external customer		Non-current Assets	
	Year 2022	Year 2021	2022 December 31	2021 December 31
Taiwan	$ 462,184	$ 458,165	$ 744,413	$ 777,168
China	104,512	224,932	162,420	158,847
Turkey	85,989	68,183	-	78
Poland	50,759	55,500	23	32
Others	58,791	16,812	5,692	1,121
	$ 762,235	$ 823,592	$ 912,548	$ 937,246

Non-current assets exclude financial instruments, goodwill and deferred tax assets.

2. Main customer information

The consolidated company has no revenue from a single customer accounted for more than 10% of the total revenue of the merged company in year 2022. The information of year 2021 is listed as follows:

	Year 2021	
	Amount	%
Company H	$ 99,581	12

YING HAN Technology Co., Ltd. and Subsidiaries
Funds Lent to Others
January 1 to December 31, 2022

Schedule I

Units: Thousands of New Taiwan Dollars

No. (Note 1)	Company that lent funds	Company lent funds to	Business Objective	If It's Related Party	Highest Balance of the period	Balance at the end of the period (Note4)	Actual spending amount	Ratio (%)	Fund loan nature(Note3)	Business dealings amount	Reasons for short-term financing	Allowance and debt amount	Collateral		Individual fund loan and limit	Loan and total limit
													Item	Value		
0	YING HAN Technology Co., Ltd.	YING HAN TECHNOLOGY LIMITED(Russia)	Other accounts payable	Yes	$ 5,974	$ 3,674	$ 1,863	-	1	$ 3,674	Business dealings	$ -	-	$ -	$ 3,674 (Note2)	$ 446,680 (Note2)
		Ying Han Teknoloji Ltd. Ylm Industrial Co., Ltd.(Vietnam)	Other accounts payable	Yes	6,556	2,022	1,084	-	1	2,022	Business dealings	-	-	-	2,022 (Note2)	446,680 (Note2)
		HANNSA PRECISION SDN. BHD.(Malaysia Ying Han)	Other accounts payable	Yes	6,724	571	-	-	1	571	Business dealings	-	-	-	571 (Note2)	446,680 (Note2)
		YING HAN TEKNOLOJI LTD. STI(Turkey Ying Han)	Other accounts payable	Yes	58,565	58,565	43,798	-	1	58,565	Business dealings	-	-	-	58,565 (Note2)	446,680 (Note2)
		YING HAN TECHNOLOGY SP. ZO. O. (Poland Ying Han)	Other accounts payable	Yes	30,293	30,293	4,175	-	1	30,293	Business dealings	-	-	-	30,293 (Note2)	446,680 (Note2)
		YLM TUBE SOLUTIONS AND SERVICE P. LTD(India Ying Han)	Other accounts payable	Yes	1,315	502	-	-	1	502	Business dealings	-	-	-	502 (Note2)	446,680 (Note2)
		PT.YING LIN MACHINE AND SERVICE(Indonesia Ying Han)	Other accounts payable	Yes	952	952	-	-	1	952	Business dealings	-	-	-	952 (Note2)	446,680 (Note2)
		YLM INDUSTRIAL CO., LTD. (Thailand Ying Han)	Other accounts payable	Yes	30,659	22,666	-	-	1	22,666	Business dealings	-	-	-	22,666 (Note2)	446,680 (Note2)
		Tianjin Yinghan Technology Co., Ltd.	Other accounts payable	Yes	28,450	23,905	10,240	-	1	23,905	Business dealings	-	-	-	23,905 (Note2)	446,680 (Note2)
		Shanghai Yingheng Machinery Technology Co., Ltd.	Other accounts payable	Yes	62,578	62,578	26,191	-	1	62,578	Business dealings	-	-	-	62,578 (Note2)	446,680 (Note2)

Note 1: Number 0 in the number column refers to the issuer. Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.
Note 2: (1) The total amount of the company's funds lent to others shall not exceed 40% of the company's net value at the end of the period.
(2) The limit of the company's capital loan to individual companies or firms is limited to the lower of the business transaction amount and 10% of the company's net value at the end of the period.
Note 3: (1) Business dealings.
(2) There is a need for short-term financing.
Note 4: It is the amount approved by the board of directors for the loan.

YING HAN Technology Co., Ltd. and Subsidiaries

Endorsement for Others

January 1 to December 31, 2022

Schedule II

Units: Thousands of New Taiwan Dollars except for remarks

No. (Note1)	Endorsement guarantor company name	Guaranteed by the endorsement		Quota for a single enterprise endorsement guarantee (Note3)	The highest endorsement in this period guaranteed balance(Note4)	End of term endorsement guaranteed balance(Note4)	Actual spending amount	Guarantee Amount secured by property Endorsement	Cumulative Endorsement Guarantee The amount accounted for the most recent Financial Statement Net Worth ratio of(%)	Endorsement guarantee maximum limit(Note3)	Parent company Subsidiary endorsement guarantee	Subsidiary pair Parent company endorsement guarantee	Mainland China endorsement guarantee
		Name of the company	Relationship (Note2)										
0	The Company	Tianjin Yinghan Technology Co., Ltd.	(2)	$ 223,340	$ 176,320 (RMB 40,000,000)	$ 176,320 (RMB 40,000,000)	$ -	$ -	15.79	$ 558,350	Y	N	Y

Note1: The description of the number column is as follows:
(1) 0 for the issuer.
(2) Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note2: (1) Companies with business deals.
(2) A company in which the company directly and indirectly holds more than 50% of the voting shares.
(3) Inter-companies in which the company directly and indirectly holds 90% of the voting shares.

Note3: The company's endorsement guarantee limit for a single enterprise is 20% of the company's net value at the end of the period, but for subsidiaries that hold more than 50% of the company's shares, it is limited to no more than 50% of the company's net value at the end of the period.

Note4: The relevant amount is converted based on the exchange rate at the end of the period when one RMB equals NT$4.4080.

YING HAN Technology Co., Ltd. And Subsidiaries

Invested Company Related Information

January 1 to December 31, 2022

Schedule III

Unit: Share, Thousands of New Taiwan Dollars
(Except for foreign currency)

Name of Company	Name of Invested Company	Location	Main business items	Beginning investment amount		Balance at the end of period			Loss and profit of invested company	Loss and profit recognized in this period	Note
				The end of period	The end of last period	Share	Ratio (%)	Booking Amount		(Note1)	
The Company	YING HAN TECHNOLOGY Sp. Z O.O.(Poland Ying Han)	Poland	Trading of machinery equipment and parts	$ 6,466	$ 6,466	500	100	($ 26,552)	($ 5,957)	($ 4,263)	Note2
	YING HAN TEKNOLOJI LTD. STI.(Turkey Ying Han)	Turkey	Trading of machinery equipment and parts	21,006	21,006	-	100	(43,369)	(26,334)	(26,334)	
	YING HAN TECHNOLOGY(Russia Ying Han)	Russia	Trading of machinery equipment and parts	6,253	6,253	-	100	(1,491)	875	875	
	HANNSA PRECISION SDN. BHD.(Malaysia Ying Han)	Malaysia	Trading of machinery equipment and parts	161	161	400,000	100	2,313	85	85	
	YLM INDUSTRIAL CO., LTD.(Thailand Ying Han)	Thailand	Trading of machinery equipment and parts	4,477	4,477	23,000	46	2,884	(2,410)	(1,502)	Note3
	Ying Han Teknoloji Ltd. Ylm Industrial Co., Ltd.	Vietnam	Trading of machinery equipment and parts	6,142 (USD 200,000)	6,142 (USD 200,000)	-	100	(978)	(212)	(538)	Note4
	YLM TUBE SOLUTIONS AND SERVICE P. LTD.(India Ying Han)	India	Trading of machinery equipment and parts	2,194 (USD 71,434)	2,194 (USD 71,434)	369,999	99.99	2,062	180	180	
	PT. YING LIN MACHINE AND SERVICE(Indonesia Ying Han)	Indonesia	Trading of machinery equipment and parts	3,344 (USD 108,900)	3,344 (USD 108,900)	108,900	99	3,015	446	446	
	Rdata System Co., Ltd	Taiwan	UAV- Unmanned Aerial Vehicle system testing and sales	16,500	-	1,100,000	55	15,960	(981)	(540)	
	YING HAN TECHNOLOGY(USA), INC.(USA Ying Han)	USA	Trading of machinery equipment and parts	46,065 (USD 1,500,000)	-	60,000	100	46,047	(18)	(18)	

Note1: It is only necessary to list the profit and loss amount of each subsidiary recognized by the company as a direct transfer investment and each investee company that adopts the equity method, and the rest is not required.

Note2: The investment profit and loss recognized in the current period includes the current loss of NT $5,957,000 plus the unrealized gross sales loss of NT $32,000 in downstream transactions, minus the realized gross sales profit of NT $1,662,000.

Note3: The investment gains and losses recognized in the current period include the current loss of NT $1,109,000 plus the unrealized sales gross profit of NT $926,000 in downstream transactions, minus the realized sales gross profit of NT $533,000.

Note4: The investment profit and loss recognized in the current period includes the loss of NT $212,000in the current period plus the unrealized gross profit of sales of NT $510,000 in downstream transactions, minus the realized gross profit of NT $184,000 in sales.

Note5: Please refer to schedule IX for relevant information on investee companies in mainland China.

YING HAN Technology Co., Ltd. And Subsidiaries

Mainland Investment Information

January 1 to December 31, 2022

Schedule IV

Units: Thousands of New Taiwan Dollars except for remarks

Invested Company in Mainland	Main Business Items	Paid-in capital (Note4)	Investment method (Note1)	Beginning of period Accumulated Remittance from Taiwan Amount(Note4)	Remittance or withdrawal of investment amount in the current period: Export	Remittance or withdrawal of investment amount in the current period: Import	The end of period Accumulated Remittance from Taiwan Amount(Note4)	Loss and profit of invested company this period	The company directly or indirect investment Shareholding %	Recognized in this period Loss and profit of investment (Note2)	Investment at the end of period Booking Value	As of this period Repatriated investment income	Note
Tianjin Yinghan Technology Co., Ltd.	Manufacturing of machinery equipment and parts	$ 175,047 (USD 5,700,000)	(1)	$ 175,047 (USD 5,700,000)	$ -	$ -	$ 175,047 (USD 5,700,000)	($ 17,373)	100	($ 23,260) (2)B.	$ 150,838	$ -	Note3
Shanghai Yingheng Machinery Technology Co., Ltd.	Trading of machinery equipment and parts	113,627 (USD 3,700,000)	(1)	113,627 (USD 3,700,000)	-	-	113,627 (USD 3,700,000)	(14,394)	100	(14,394) (2)B.	89,912	-	-

Accumulated remittances from Taiwan at the end of the current period Amount of investment in mainland China (Note4)	The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs (Note4)	According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs Investment limit for mainland China (Note5)
$ 288,674 (USD 9,400,000)	$ 288,674 (USD 9,400,000)	$ 670,019

Note1: Investment methods are divided into the following three types, just classify by the category:
(1) Directly engage investment in Mainland.
(2) Reinvest in mainland China through a company in a third area (please specify the investment company in the third area).
(3) Other methods.

Note2: Investment profit and loss column recognized in the current period:
(1) If it is under preparation and there is no investment profit or loss, it should be noted.
(2) The recognition basis of investment profit and loss is divided into the following three types, which should be noted.
A. Financial statements audited by an international accounting firm that has cooperative relations with accounting firms in the Republic of China.
B. Financial statements audited by certified accountants of the parent company in Taiwan.
C. Other.

Note3: The investment gains and losses recognized in the current period include the current loss of NT$17,373,000 plus the unrealized gross profit of NT$9,044,000 from the downstream transaction, minus the realized gross profit of NT$3,157,000 from the downstream transaction.

Note4: The relevant amount is converted based on the exchange rate at the end of the period, when one U.S. dollar equals NT$30.71.

Note5: The company's NT$1,116,699,000× 60% = NT$670,019,000.

YING HAN Technology Co., Ltd. And Subsidiaries

Major transactions with mainland investee companies directly or indirectly through the third region, as well as their prices, payment terms, unrealized gains and losses, and other relevant information

January 1 to December 31, 2022

Schedule V

Unit: Thousands of New Taiwan Dollars

The company that imports (sells) goods	Trading partners	Relationship	Trading Status				Circumstances and reasons why the transaction amount is different from the general transaction		Notes receivable (payable), accounts		Note
			Import (selling) goods	Amount	Accounted for total sales Ratio(%)	Credit terms	Unit Price	Credit period	Balance	Total receivables (payable) notes, Account ratio Ratio(%)	
The Company	Tianjin Yinghan Technology Co., Ltd.	Subsidiary(Holding 100% share)	Sales	($ 39,052)	5	To set individually	Fairly	To set individually	$ 34,233	10	
	Ying Han Teknoloji Ltd.	Subsidiary(Holding 100% share)	Sales	(36,861)	5	To set individually	Fairly	To set individually	28,413	8	

YING HAN Technology Co., Ltd. And Subsidiaries

Business relationship and important transactions between the parent company and the subsidiary companies

January 1 to December 31, 2022

Schedule VI

Unit: Thousands of New Taiwan Dollars

No.	Name of trader	Business Dealing Company	Relationship (Note)	Business Dealing Status			
				Subject	Amount	Dealing Conditions	Total consolidated revenue or ratio of total assets (%)
0	YING HAN Technology Co., Ltd.	Tianjin Yinghan Technology Co., Ltd.	1.	Sales revenue	$ 39,052	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	5
			1.	Accounts Receivable	34,233	-	1
		Ying Han Teknoloji Ltd.	1.	Sales revenue	36,861	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	5
			1.	Accounts Receivable	28,413	-	1
		Vietnam Ying Han Teknoloji Ltd. Ylm Industrial Co., Ltd.	1.	Sales revenue	4,789	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	1
			1.	Accounts Receivable	2,633	-	-
			1.	Other Receivable	2,774	-	-
			1.	Operating Costs	2,134	-	-
		YING HAN TECHNOLOGY Sp. Z O. O.(Poland Ying Han)	1.	Sales revenue	31,260	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	4
			1.	Accounts Receivable	26,202	-	1
			1.	Other Receivable	737	-	-
			1.	Operating Costs	2,845	-	-
		YING HAN TEKNOLOJI LTD. STI.(Turkey Ying Han)	1.	Sales revenue	80,996	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	11
			1.	Accounts Receivable	64,496	-	3
			1.	Other Receivable	645	-	-
		YING HAN TECHNOLOGY LIMITED(Russia Ying Han)	1.	Sales revenue	389	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	-
			1.	Accounts Receivable	203	-	-
			1.	Operating Costs	1,956	-	-
		YLM INDUSTRIAL CO., LTD.(Thailand Ying Han)	1.	Sales revenue	17,551	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	2
			1.	Accounts Receivable	7,116	-	-
		YLM TUBE SOLUTIONS AND SERVICE P. LTD.(India Ying Han)	1.	Sales revenue	115	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	-
			1.	Other Receivable	415	-	-
			1.	Operating Costs	4,801	-	1

(Continue on the next page)

(Continued)

No.	Name of trader	Business Dealing Company	Relationship (Note)	Business Dealing Status			
				Subject	Subject	Subject	Total consolidated revenue or ratio of total assets (%)
		PT. YING LIN MACHINE AND SERVICE(Indonesia Ying Han)	1.	Sales revenue	$ 903	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	-
			1.	Accounts Receivable	384	-	-
			1.	Other Receivable	184	-	-
			1.	Operating Costs	1,245	-	-
		HANNSA PRECISION SDN. BHD.(Malaysia Ying Han)	1.	Sales revenue	4,941	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	1
			1.	Accounts Receivable	1,110	-	-
			1.	Other Receivable	154	-	-
			1.	Operating Costs	1,778	-	-
1	Tianjin Yinghan Technology Co., Ltd.	Ying Han Teknoloji Ltd.	3.	Sales revenue	9,789	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	1
			3.	Accounts Receivable	635	-	-
2	Ying Han Teknoloji Ltd.	Tianjin Yinghan Technology Co., Ltd.	3.	Sales revenue	1,034	Pricing is based on the price agreed by both parties, and the credit terms are individually determined	-
			3.	Accounts Receivable	8,760	-	-

Note: There are the following three types of relationship with the trader, and the types of marking are as follows:
1. Parent company to subsidiary company.
2. Subsidiary to parent company.
3. Subsidiary to Subsidiary.

YING HAN Technology Co., Ltd.
Main Shareholder's information
December 31, 2022

Schedule VII

Name of the main shareholder	Share	
	Number of shares held	Percentage %
YING LIN INVESTMENT CO., LTD	14,678,838	16.76%
XIAO,CAI-YUN INVESTMENT CO., LTD	6,270,000	7.16%
HU CHUN CHIA	5,649,600	6.45%
HU BO XIANG	5,112,600	5.83%

Note 1: The main shareholder information in this table is calculated by CHEP on the last business day at the end of the quarter, and the shareholders hold more than 5% of the company's ordinary shares that have been delivered without physical registration. The capital recorded in the company's consolidated financial report and the actual number of shares delivered without physical registration may be different or different due to the different basis of preparation and calculation.

Note 2: If the above-mentioned information is that the shareholder transfers the holdings to the trust, it is disclosed by the individual account of the trustor who opened the trust account opened by the trustee. As for insider equity declarations for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus the shares they have delivered to the trust and have the right to use the trust property, etc. For information on insider equity declarations, please refer to public information Observatory.