Stock Code：1617

JUNG SHING WIRE CO., LTD.

Annual Report
2022

Company website: http://www.jswire.com.tw/
Market Observation Post System (MOPS) website:
http://mops.twse.com.tw
Published on May 5th, 2023.

1. Company Spokesperson and Acting Spokesperson：

(1) Spokesperson

Name: Xue Tiande

Title: Associate Manager of Finance Department

Tel：(06)2705211 #216

E-mail：frank@nt1.jswire.com.tw

(2) Acting Spokesperson

Name: Huang Weimin

Title: Deputy General Manager

Tel：(06)2705211 #228

E-mail：leo@nt1.jswire.com.tw

2. Addresses and telephone numbers of the head office, branch offices, and factories:

(1) Head Office Address: No. 231, Section 3, Zhongzheng Road, Rende District, Tainan City

Tel：(06)2705211(representative number)

(2) Yongkang Factory Address: No. 51, Huangong Road, Yongkang Industrial Zone, Yongkang District, Tainan City

Tel：(06)2328181(representative number)

(3) Address of Taipei Office: 13F-3, No. 181, Fuxing North Road, Taipei City

Tel：(02)2717-2717(representative number)

3. Name, address and telephone number of the stock transfer institution:

Name: Stock Agency Department of Chinatrust Commercial Bank

Address: 3rd Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City 100

Website：www.ctbcbank.com.tw

Tel：(02)6636-5566

4. Certified accountant for the latest annual financial report：

Name of accountant: Su Yanda, Yang Boren

Firm name：KPMG Taiwan

Address: Floor 68, No. 7, Section 5, Xinyi Road, Taipei 11049 (Taipei 101 Building)

Website：www.kpmg.com.tw

Tel：(02)8101-6666

5. The name of the trading venue where overseas securities are listed and traded and the method for inquiring information on such overseas securities: Not applicable.

6.Company website: http://www.jswire.com.tw

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I. Report to Shareholders

1. Consolidated business report for 2022：

(1) Operating results:：

The net operating loss for 2022 is NT$42,579,000, with a net loss rate of 1.19%. Compared with the net operating profit of NT$269,359,000 for 2021, the net profit rate is 5.83%. Therefore, the net operating loss increased by NT$311,938,000. The net profit before tax in 2022 is NT$64,528,000, and the net profit margin is 1.80%. Compared with the net profit before tax in 2021, it is NT$254,545,000, and the net profit margin is 5.51%. The net profit before tax decreased by NT$190,017,000. Net profit per share after tax in 2022 is NT$0.33.

Analysis of consolidated financial income and expenditure: Unit: NT$1,000

Item	2022 performance		2021 performance		Comparison of previous year's performance	
(Consolidated statement)	Amount	%	Amount	%	Amount	%
Net operating income	3,581,378	100.00	4,619,634	100.00	(1,038,256)	(22.47)
Operating cost	3,329,477	92.97	4,063,671	87.97	(734,194)	(18.07)
Operating profit	251,901	7.03	555,963	12.03	(304,062)	(54.69)
Operating expenses	294,480	8.22	286,604	6.20	7,876	2.75
Operating profit (loss)	(42,579)	(1.19)	269,359	5.83	(311,938)	(115.81)
Non-operating income and expenses	107,107	2.99	(14,814)	(0.32)	121,921	(823.01)
Net profit (loss) before tax	64,528	1.80	254,545	5.51	(190,017)	(74.65)
Income tax	23,869	0.67	48,679	1.05	(24,810)	(50.97)
Net profit (loss) for the period	40,659	1.14	205,866	4.46	(165,207)	(80.25)
Other comprehensive income (net after tax)	37,986	1.06	1,286	0.03	36,700	(2,853.81)
Total comprehensive profit and loss for the period	78,645	2.20	207,152	4.48	(128,507)	(62.04)
Earnings (loss) per share (NT$)	0.33		1.45			

Profitability Analysis：

Item		Ratio
Return on assets		1.53%
Return on shareholders' equity		2.00%
Ratio of paid-in capital	Business interests	-2.70%
	Net profit before tax	4.09%
Net yield		1.14%
Earnings per share after tax (NT$)		0.33

(2) Budget implementation report：

There are no public financial forecasts for 2022, not applicable.

(3) R&D and its development status：

Committed to the promotion of the development and application of metal materials and organic/inorganic materials, including energy-saving and environmental protection products and related products for the electric vehicle industry as the focus of development.

2. Summary of business plan for the year (2023)

(1) Business policy：

A.Spiritual slogan: "Vitality and Efficiency, Brilliant Fifty".

B.Action policy: activate human resource benefits, strengthen competitive advantages, integrate group resources, accelerate diversified development, and enhance company value.

(2) Expected sales volume and basis：

According to the Company's production capacity and future market estimates, it is expected that the magnet wire sales volume of the entire group will reach approximately 8,900 metric tons in 2023.

3. Important production and marketing policies and the Company's future development strategy：

1. To develop special magnet wires for new uses based on organic materials, inorganic materials and composite materials.
2. Based on products and marketing methods of high added-value products, to concentrate on expanding sales in the target market.
3. To establish equipment and production systems for special products to ensure that the quality system can reduce losses and improve benefits.
4. To use special products and new products as the production orientation, and enrich the data content for sales promotion.
5. To increase profit and revenue channels, and control the intellectual property rights of the Company to become a unique commodity or service provider in the market.

4. The impact of the external environment

In 2022, due to the influence of many factors such as the Ukrainian-Russian war, the Covid-19 epidemic, rising prices and the interest rate hike by the FED, both performance and profits declined. Entering 2023, the world is still under pressure from the continuation of the Ukrainian-Russian war, the resurgence of the Covid-19 epidemic, inflation and interest rate hikes. This, together with the geopolitical tensions caused by the US-China rivalry and other evil events, will not only disrupt the global supply chain, make the economic growth prospects dim, and may also fall into a bad recession. At this time, we need to have a firm and unshakable ambition, and make all preparations, and when the economy recovers, we will go upwind and meet the new business opportunities that come one after another. Promoting self-improvement projects, continuously increasing revenue and reducing expenditure, strengthening risk control, implementing lean production, and pursuing stable quality are all goals we must accomplish. This year is also the first year of carbon neutrality. In the future, we can fulfill our corporate social responsibilities for customer’s order requirements, production cost reduction, and global climate change. It is also necessary to keep up with the pace of international emission reduction and strive for green business opportunities with unlimited potentials. Just like the Company’s image slogan "OUR WIRE, YOUR FUTURE", sustainable products create the cornerstone of common development.

Chairman: Wang Dongze

Manager: Qiu Shouji

Accounting supervisor: Xue Tiande

II. Company Profile

1. Establishment date: July 17, 1971.

2. History of the Company：

1. The Company was founded on July 17, 1971 by Mr. Wang Huoshi and other seven shareholders, with a paid-in capital of NT$7 million at the time of establishment. Due to business needs, after several capital increases, the paid-in capital at the end of April 2005 was NT$1,134,818,000.

2. The Company provides high-quality magnet wires to meet the high-quality and high-precision needs of the electronic and electrical industries. At the beginning of its establishment, it obtained a technical cooperation with Japan's "Totoku Electric Co., Ltd." After years of hard work, it successfully transferred the technology, and developed its own process and equipment improvement, which made the product quality better and the turnover increased year by year. Over the years, it has won the praise of manufacturers with excellent export performance and excellent tax payment for many times.

3. 1979: In response to the vigorous development of Taiwan's electronics industry and the expansion of business areas, the Company started a joint venture with "Totoku Electric Co., Ltd." (the original technology provider) to increase the production of TV parts such as deflection yokes and flyback transformers. At the same time, it also invested in STOLT CONTAINER TERMINAL CO., LTD. of Taiwan.

4. 1981: Magnet wire products were approved by the Bureau of Commodity Inspection as Quality Control Class A.

5. 1983: Magnet wire products won the CNS Mark of the Central Bureau of Standards of the Ministry of Economic Affairs.
   The black and white deflection yokes were recognized by UL of the United States.

6. 1984: Magnet wire was recognized by UL of the United States.

7. 1986: The color deflection yoke was recognized by UL of the United States.
   In view of the increasing output of color TV sets in Taiwan and the increasingly stringent requirements of customers on quality and price, the Company decided to develop a "color TV yoke integrated production line" in order to improve the technical level and reduce production costs, and to increase production of degaussing coils and stranded wires.

8. 1987: The ultra-fine wire magnet wire was successfully developed and started production.

9. 1989: The wiring assembly was recognized by CSA of Canada.
   Invested in Totoku (Maylasia) Co.

10. 1991: "Thermo-hardening type self-melting magnet wire" product was approved by the Central Bureau of Standards as a commodity using the Totoku trademark.

11. 1992: The wiring assembly was recognized by UL of the United States.

12. 1993: Approved by the competent authority as a public offering company.
Completed R&D and installed secondary catalyst pollution prevention equipment.

13. 1994: Purchased a total of 2,497 pings (1 ping = 36 square feet) of factory land in Yongkang Industrial Zone, Tainan City for factory expansion.
The development of low-radiation S/S DY was completed and put into production.

14. 1995: Obtained the construction permit of Yongkang factory and started to build the factory.

15. 1996: The Company’s electrical appliance department was moved to its Yongkang Plant, while the wire business department was still located in the Rende Plant, and production equipment was expanded. Established British Virgin Islands "Jung Shing International Co., Ltd.", and invested in "Dongguan Jung Shing Electronics Co., Ltd."

16.1997: Accepted the joint evaluation by the Tainan County Government Environmental Protection Bureau and academia as an excellent factory for pollution prevention and control.
The wire business department obtained the ISO9002 international quality assurance certification from the Commodity Inspection Bureau of the Ministry of Economic Affairs and the Electrical and Electronic Products Development Association of the Republic of China.

17. 1998: The Company's stock was listed on the OTC.
The wire product EXCEL-LITZ won the best function award from CED.
The electrical appliance business department obtained the ISO9002 international quality assurance certification from the Commodity Inspection Bureau of the Ministry of Economic Affairs.
Established " Dongguan Jung Shing Wire Co., Ltd."
Established " Jung Shing Investment Development Co., Ltd."
Established "XING HE TECHNOLOGY CO., LTD." in Samoa.

18. 1999: Introduced ISO14000 environmental management system.
The Taichung Processing Export Zone approved the Company to establish a Taichung branch to take charge of the trade business.
Invested in the establishment of "Jung Shing Electronics (Suzhou) Co., Ltd."
Introduced European SAMP 8mm wire drawing machine.
Established " Centre Star Trading Co., Ltd." in the British Virgin Islands.

19. 2000: The electric business department was renamed the electronic business department.
The stock was converted to listing and was approved by the Securities and Futures Bureau of the Financial Supervision and Administration Commission.
Passed the ISO-14001 evaluation by the Commodity Inspection Bureau of the Ministry of Economic Affairs and was awarded a certificate.
The Board of Directors passed a resolution to issue guaranteed corporate bonds of NT$200 million to supplement the Company's working capital.

20. 2001: Invested in the establishment of Jung Shing Wire (Suzhou) Co., Ltd.
Under a strategic alliance with NEOFLEX Technology Co., Ltd., and a joint venture to sell flexible printed circuit boards (FPC) in Suzhou, mainland China.
Signed a TPM project counseling contract with the non-profit incorporated foundation Corporate Synergy Development Center to implement the elimination of losses and waste, and to enhance the Company's operations, improve performance, and establish a good workplace.
Capital increased to NT$955,661,000.

21. 2002: Signed a contract with Kun Shan University of Science and Technology to jointly develop new optical fiber products.
Established "Jung Shing Optoelectronics Technology Co., Ltd."
Established LONGSUN TECHNOLOGIES CO., LTD.
The Securities and Futures Commission approved a cash capital increase, issued 7,812,500 shares at a premium of NT$12.8 per share, and raised NT$100 million.
The Company implemented treasury shares, canceled 464,000 shares, and the paid-in capital after cancellation is NT$1,076,929,000.
Held the 30th anniversary thanksgiving banquet and new product introduction.

22. 2003: Accepted the equity of NEOFLEX Technology Co., Ltd. to reinvest in Jung Shing Electronics (Suzhou) Co., Ltd.
The surplus capital was increased by NT$32,307,820, and the capital was increased to NT$1,109,236,430.

23. 2004: Obtained the patent certificate of "laser outer diameter controller system detection device".
In March, the resolution of the Board of Directors approved the issuance of the first guaranteed convertible corporate bond of NT$400 million, which was listed for trading on June 23, 2004. By the end of December, a total of 2,558,139 shares of convertible corporate bonds had been converted (registration changed), and the paid-in capital was changed to NT$1,134,817,820.

24. 2005: The Company converted corporate bonds, and the conversion price was reset to NT$11.7 according to the relevant issuance and conversion methods. (It was originally NT$12.9).
Tainan County’s SME Honorary Instructors Association visited the factory.
In July, cash capital increase of NT$15,000,000 was made to the subsidiary LONGSUN TECHNOLOGIES CO., LTD., and its total investment increased to NT$9,000,000.
Awarded the National Top 1,000 Manufacturing and Outstanding Enterprises in Tainan County in 2005.
Awarded the "Organizational Learning Award" by the Small and Medium Enterprise Division of the Ministry of Economic Affairs for the fifth time.
In November, the Taichung branch was withdrawn due to the Company's organizational adjustment.

25. 2006: In January, the cash capital increase of NT$10,000,000 was made to the subsidiary Jung Shing Optoelectronics Technology Co., Ltd.The total investment amount increased to NT$60,000,000.
In February, the Company converted corporate bonds, and the conversion price was reset to NT$10.3 (originally NT$11.70) on February 27 in accordance with the issuance and conversion procedures.
In April, President Koizumi and Director Furukawa of Japan’s Totoku Electric visited the factory and participated in the meeting of the Board of Directors.
In May, the Company sold NT$15,000,000 of shares to its subsidiary Jung Shing Optoelectronics Technology Co., Ltd., reducing the total investment to NT$45,000,000. Added NT$15,000,000 in cash to the subsidiary LONGSUN TECHNOLOGIES CO., LTD., and the total investment increased to NT$64,000,000.
Awarded the Tainan County Labor-Management Harmony Excellent Manufacturer Award.
In June, the balance of convertible corporate bonds was NT$255,600,000.
In August, Mauritius Lixing International Co., Ltd. was invested and established.

26. 2007: In January, the capital increase of NT$19,410,000 was made to the subsidiary Jung Shing Optoelectronics Technology Co., Ltd., and the paid-in share capital was NT$80,000,000. Increased the capital of NT$20,000,000 to the subsidiary LONGSUN TECHNOLOGIES Co., Ltd., and the paid-in share capital reached NT$85,000,000.
In June, the 2007 general meeting of shareholders was held and directors and supervisors were re-elected, and a board meeting was held to elect the chairman and vice-chairman of the Board of Directors.
In September, the surplus was transferred to capital increase of NT$34,044,540. The capital amounted to NT$1,168,862,360.
In October, the new share capital of convertible corporate bonds converted into ordinary shares was NT$6,019,360, and the capital amounted to NT$1,174,881,720.
In December, received the Organizational Learning Award for the seventh time.
In December, won the TTQS Benchmarking Enterprise Award.

27. 2008: In January, LONGSUN TECHNOLOGIES Co., Ltd. reduced its capital by NT$60,000,000, and its paid-in share capital reached NT$25,000,000.
In March, Jung Shing Optoelectronics Technology Co., Ltd. reduced its capital by NT$78,000,000 and increased its capital by NT$30,000,000. The paid-in share capital reached NT$32,000,000.
In August, NT$20,000,000 was added to LONGSUN TECHNOLOGIES Co., Ltd., and the paid-in share capital reached NT$45,000,000.
In September, the surplus was transferred to capital increase of NT$11,748,820, and the capital amounted to NT$1,186,630,540.
In November, NT$10,000,000 was added to Jung Shing Optoelectronics Technology Co., Ltd., and the paid-in share capital reached NT$42,000,000.
In December, awarded the 2008 Benchmarking Enterprise Award by the Vocational Training Bureau of the Labor Council for assisting enterprises in improving human resources.
Completed the implementation of treasury stocks, and 555,000 shares were repurchased, with an average of NT$5.04 per share, an implementation ratio of 55.5%, accounting for 0.47% of the share capital.

28. 2009: In March, NT$20,000,000 was added to Jung Shing Optoelectronics Technology Co., Ltd., and the paid-in share capital reached NT$62,000,000.
In April, NT$5,550,000 of treasury stocks were canceled, and the paid-in share capital was reduced to NT$1,181,080,540.
In November, LONGSUN TECHNOLOGIES Co., Ltd. reduced its capital by NT$35,000,000, and its paid-in share capital was NT$10,000,000.
In December, Jung Shing Optoelectronics Technology Co., Ltd. reduced its capital by NT$60,000,000 and increased its capital by NT$15,000,000. The paid-in share capital was NT$17,000,000.
In December, Jung Shing Optoelectronics Technology Co., Ltd. closed its business, and handled liquidation.

29. 2010: In January, LONGSUN TECHNOLOGIES Co., Ltd. increased its capital by NT$20,000,000, and its paid-in share capital was NT$30,000,000.
In February, Suzhou Electronics was merged into Suzhou Electric Wire.
In April, awarded the 2009 Excellent Institution of Harmonious Labor Relations in Tainan County.
In June, exchanged shares with Totoku Electric. Totoku Electric holds 100% of Totoku Electric (Hong Kong), and Jung Shin holds 100% of XING HE TECHNOLOGY CO., LTD.
Held the 2010 shareholders' regular meeting and re-election of directors and supervisors.
In September, Jung Shing's NT$400 million domestic second guaranteed convertible corporate bond was listed on the OTC.
In December, as of the end of December, 603 corporate bonds have been converted, an increase of 5,110,139 shares, and its share capital has reached 123,218,193 shares.

30. 2011: In March, accumulated to the end of March, the conversion face value of corporate bonds was NT$260,300,000, calculated based on the conversion price of NT$11.8 per share, an increase of 22,059,174 shares, and the share capital reached 140,167,228 shares.
In May, obtained the patent right of "Structure Improvement of Enameled Wire with Heat Dissipation".
In June, Totoku Electric resigned two seats of its directors.
The 2011 shareholders' regular meeting was held in June.
From March 11, 2011 to June 10, 2011, the corporate bonds were converted with a face value of NT$200,000. Based on the conversion price of NT$11.8 per share, 16,949 ordinary shares were added, and the share capital reached 140,184,177 shares.
In July, the major shareholder Totoku Wire transferred 30,506,042 shares to Nissho Furukawa Magnetic Wire Co., Ltd.
In August, from 2011.06.11 to 2011.08.19, the par value of corporate bond conversion was NT$1,200,000. If calculated based on the conversion price of NT$11.8 per share, 101,694 ordinary shares were added, and the share capital reached 140,285,871 shares.
In September, the court approved the liquidation of the subsidiary Jung Shing Optoelectronics Technology Co., Ltd.
In December, from 2011.08.20 to 2011.12.08, the par value of corporate bond conversion was NT$8,500,000. Based on the conversion price of NT$11.4 per share, 745,611 ordinary shares were added, and the share capital reached 141,031,482 shares.
Originally held a 20% stake in Totoku Electric (Malaysia) Co., Ltd., and sold 10% of the stake to Totoku Electric Co., Ltd. this month.

31. 2012: In January, Consultant Uehara Seisaku was promoted to deputy general manager.
Participated in the 2012 ELECRAMA in Mumbai, India.
In February, Mr. Yoshida Masao, president of Furukawa Electric Co., Ltd. and others visited the Company.
In March, the Remuneration Committee held its first meeting.
In May, sold 10% equity of Totoku (Malaysia) Co., Ltd. to Totoku Electric Co., Ltd.
In May, the share capital was 144,233,235 shares (including the conversion of corporate bonds).
In June, the 2012 shareholders' regular meeting was held.Furukawa Electric Co., Ltd. (represented by Sano Bunichi) and Caiyu Co., Ltd. (represented by Hong Guoming) were elected by the by-election at the meeting.
In December, the 40th anniversary factory celebration was held.

32. 2013: In January, Dongguan Jung Shing Electric Wire Co., Ltd. won the advanced enterprise of energy saving in Tangxia Town in 2012.
In April, Mr. Yoshida Masao, president of Furukawa Electric Co., Ltd. and others visited the Company.
More than 10% shareholder Totoku Electric Co., Ltd. sold its 11,641,513 shares of Jung Shing Electric Wire Co., Ltd.
In May, Kenji Kawada, chairman of FURUKAWA ELECTRIC COPPER FOIL Co., Ltd., and others visited the Company.
Subsidiary LONGSUN TECHNOLOGIES Co., Ltd. handled a capital reduction of NT$25,000,000 and an additional capital increase of NT$25,000,000. After the capital increase, the paid-in capital was NT$30,000,000.
In June, the 2013 shareholders' regular meeting was held, and the re-election of directors and supervisors was carried out during the meeting. Immediately after the meeting, a board meeting was held to re-elect the chairman and vice chairman. Wang Dongxian was re-elected as chairman and Sano Fumiichi as vice chairman. Seiki Uehara resigned as deputy general manager.
Through Jung Shing International Co., Ltd., an investment enterprise in the third region, the Company invested in Dongguan Jung Shing Wire Co., Ltd. in mainland China, and the capital increase was US$5,383,000.

33. 2014： In February, Mr. Yoshida Masao, president of Furukawa Electric Co., Ltd. and others visited the Company.
President Yoshida Masao has visited for three consecutive years. Chairman Wang Dongxian of Jung Shing Electric Wire specially designated February 13th of each year as "FURUKAWA DAY" of Jung Shing Electric to commemorate the close exchanges between the two companies.
In April, Jung Shing Electric Co., Ltd. cooperated with Japan's Furukawa Electric Group to fully expand flat wires.
In May, the subsidiary Bigstar Investment Ltd. moved to Room C, 16th Floor, Communication Center, 21 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
In June, the 2014 regular meeting of shareholders was held.
In August, awarded the Environmental Sustainability Award by "SGS Taiwan Inspection Technology Co., Ltd."
In November, the subsidiary XING HE TECHNOLOGY CO., LTD. completed the liquidation and dissolution procedures.

34. 2015: In February, President Yoshida Masao of Furukawa Electric Co., Ltd., expressed his love and concern for Jung Shing Wire, and visited the Company for four consecutive years.
In August, the Company repurchased 1,000,000 ordinary shares issued by the Company. The purpose is to transfer shares to employees, so as to motivate and enhance the solidarity of employees.
In November, the Board of Directors approved the promotion of Mr. Wang Dongze as the general manager. (Effective date January, 1, 2016.)
In December, the subsidiary Jung Shing Investment Development Co., Ltd. completed the liquidation and dissolution procedures.

35. 2016: In June, the 2015 regular meeting of shareholders was held.
The chairman and vice chairman were re-elected. Wang Dongxian was re-elected as chairman, and Tanaka Shuichi as vice chairman.
In July, Consultant Hidenohara Harada was promoted to deputy general manager.

36. 2017: In April, received the Tainan Labor-Capital Harmony Contribution Award.
In April, received the award of Excellent Institution for Labor-Management Harmony from the Tainan City Government.
In June, the regular meeting of shareholders was held.

37. 2018: In June, the regular meeting of shareholders was held.

38. 2019: In February, Center Star Trading Ltd., a subsidiary overseas trading company, ceased operations due to no business needs. On February 27, 2019, it was approved by the Investment Commission, MOEA to complete all registrations.

In June, the regular meeting of shareholders and the meeting of Board of Directors were held.

Mr. Wang Dongze served as the chairman, Director Shigeyuki Hasegawa, representative of Furukawa Electric Co., Ltd., is the vice chairman.

In August, the Board of Directors approved the Vietnam investment plan (US$5.8 million).

In November, the Board of Directors approved Jung Shing International's cash capital increase of US$5.7 million and the progress report of Vietnam's investment and factory establishment.

Awarded by the Ministry of Labor for three consecutive years for "signing a group agreement and creating a win-win situation for labor and capital".

Organized overseas trips for employees.

Applied for the Ministry of Economic Affairs A+ plan (integrated)-The heat conduction insulation wire and process technology plan for high torque density motor modules was reviewed and approved.

39. 2020: In January, the application for overseas capital repatriation investment project was approved by the Ministry of Economic Affairs to establish Jung Shing Electric Wire (Vietnam) Co., Ltd. in Gonghe Industrial Zone, Haiyang Province, Vietnam.

In February, President Kobayashi, Director Hasegawa, and Secretary Ikeda of Furukawa Electric visited the Company.

In June, regular shareholders meeting and board meeting were held.

In July, established JUNG SHING TECHNOLOGIES COMPANY LIMITED.

In October, a public welfare movie appreciation was held, and the Group’s employees were invited to watch the "Origianl Face", a documentary film of Master Sheng Yen.

40. 2021: In June, Jung Shing Electric Wire (Vietnam) obtained its construction permit, investment certificate, and business license.

In July, Jung Shing Wire (Suzhou) signed a land acquisition contract and a factory relocation agreement.

In September, JUNG SHING TECHNOLOGIES COMPANY LIMITED. obtained the factory registration certificate issued by the Economic Development Bureau of Tainan City.

In November, the Board of Directors approved the third issuance of unsecured convertible corporate bonds in Taiwan, with a face value of NT$100,000 each, 2,000 bonds issued, and a total issuance amount of NT$200,000,000.

In November, the Board of Directors approved the issuance of 13,500,000 ordinary shares for cash capital increase. The face value of each share is NT$10, and the issue price of each share is tentatively set at NT$15 (adjusted according to actual conditions). The total amount of funds raised is expected to be NT$202,500,000.

In November, the Board of Directors approved the establishment of the "Tainan Private Jung Shing Wire Social Welfare and Charity Foundation".

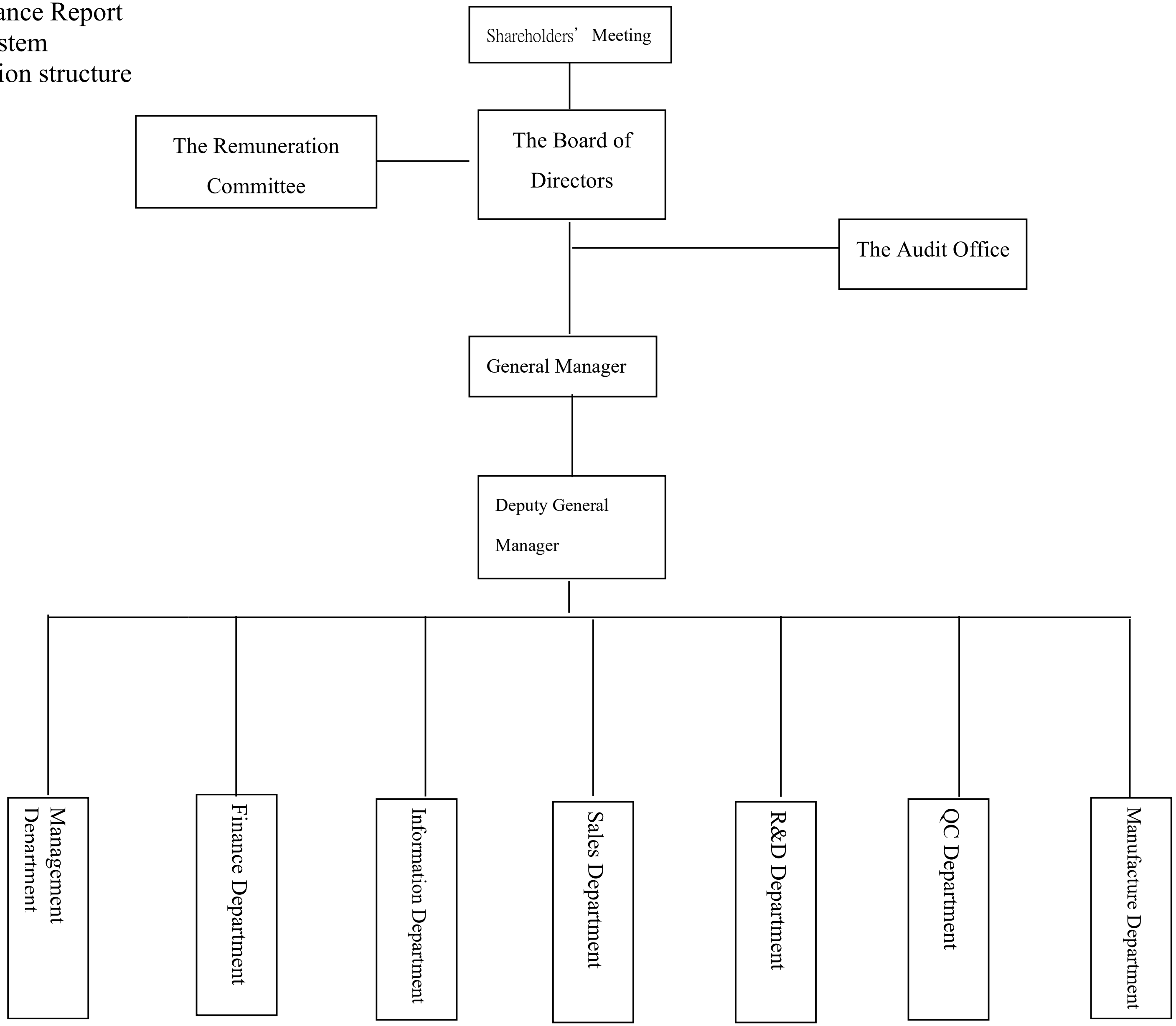
41. 2022: In April, received the award of Excellent Institution for Labor-Management Harmony from the Tainan City Government.

In May, "Tainan City Private Jung Shing Wire Social Welfare and Charity Foundation" was approved and established on May 5, 2022.

III. Corporate Governance Report

1. Organization system

(1) Organization structure



(2) The business of each main department

Main Department	Business in charge
The Audit Office	Responsible for the audit work of various operations and internal regulations
Sales Department	Domestic and foreign sales of wire products, finished product management and production scheduling
QC Department	Maintenance and guarantee of wire product inspection, packaging and quality system
R&D Department	Wire product process improvement, production technology improvement and new product development
Manufacture Department	Wire product manufacturing, production management business, procurement and management of materials and equipment
Management Department	Responsible for property management, monitoring of environmental pollution, prevention of occupational disasters, and personnel/stock affairs/general affairs, etc.
Finance Department	Responsible for the collection, compilation, recording, analysis and reporting of accounting information and the preparation of financial statements. Scheduling and utilization of working capital, preparation of budget and finance and business of overseas enterprises.
Information Department	Information system integration, planning and implementation

2. Information on the Management Team

(1) Directors and Supervisors

A. Names, education (education) background, shares held and nature of directors and supervisors

April 14, 2023 Unit: share

Job title	Nationality	Name	Gender/ Age	Date of appointment to position	Term of office	First election date	Shares held at the time of election (Note 1)		Shares currently held (Note 1)		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic quali-fications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation	
Chairman	R.O.C.	Wang Dongze	Male/ Age 61~70	2022.06.14	3 years	2019,06.19	1,136,257	0.72	1,306,241	0.83	980,174	0.62	0	0	National Cheng Kung University EMBA U.S. George Washington Engineering and Applied Sciences Graduate School	Chairman, Jung Shing Wire Co. Chairman, Jung Shing International Co., Ltd. Chairman, LEADER STAR INTERNATIONAL Ltd. Chairman, JUNG SHING TECHNOLOGIES COMPANY LIMITED	Director	Wang Dongxian	Brother	N.A.
Deputy Chairman	Japan	FURUKAWA MAGNET WIRE CO., LTD.	-	2022.06.14	3 years	2012. 06.21	30,506,042	19.34	31,546,647	20.00	0	0	0	0	-	-	None	None	None	
	Japan	Representative: Shigeyuki Hasegawa	Male/ Age 51~60	2022.06.14	3 years	2019.06.19	0	0	0	0	0	0	0	0	Graduated from the Department of Chemical Engineering, Faculty of Engineering, Niigata University	Representative Director, FURUKAWA ELECTRIC CO., LTD.	None	None	None	
Director	R.O.C.	Wang Dongxian	Male/ Age 71~80	2022.06.14	3 years	1977.06.18	1,704,480	1.08	1,704,480	1.08	894,785	0.57	0	0	National Chengchi University	Supervisor, FU PAO CHEMICAL CO., LTD. President, Jung Shing Wire Co., Ltd. Chairman, Jung Shing Wire Co., Ltd. Chairman, Chairman, Jung Shing International Co., Ltd. Chairman, LEADER STAR INTERNATIONAL .Ltd.	Chairman	Wang Dongze	Brother	
Director	R.O.C.	TA YA ELECTRIC WIRE & CABLE CO., LTD.	-	2022.06.14	3 years	2013.06.25	34,332,000	21.77	39,862,065	25.27	0	0	0	0	-	-	None	None	None	
	R.O.C.	Representative: Shen Shanghong (Note 2)	Male/ Age 61~70	2022.06.14	3 years	2013.06.25	0	0	0	0	0	0	0	0	National Taiwan University Graduated from the MBA of EMORY University in the United States	Chairman & CEO, TA YA ELECTRIC WIRE & CABLE CO., LTD. Chairman, CUPRIME MATERIAL CO., LTD. Chairman, UNITED ELECTRIC INDUSTRY CO., LTD. Chairman, TA YA VENTURE CAPITAL CO., LTD. Chairma, TA YA INNOVATION INVESTMENT CO., LTD.	None	None	None	

Job title	Nationality	Name	Gender/ Age	Date of appointment to position	Term of office	First election date	Shares held at the time of election (Note 1)		Shares currently held (Note 1)		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic quali-fications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation	
Independent director	R.O.C.	Fang Huiling	Female/ Age 61~70	2022.06.14	3 years	2016.06.14	0	0	0	0	0	0	0	0	Graduated from the Accounting Department of Chenggong University	Adjunct Assistant Professor, Department of Accounting InformationSouthern Taiwan University of Science and Technology Lecturer, Taiwan Corporate Governance Association Independent director: Topower Co., Ltd. Sentien Printing Factory Co., Ltd. SHEH FUNG SCREWS CO.,LTD.	None	None	None	
Independent director	R.O.C.	Hong Guochao	Male/ Age 51~60	2022.06.14	3 years	2019.06.19	0	0	0	0	0	0	0	0	Graduated from National Taiwan University Master of Finance, City University of New York	Director & General Manager, TAIWAN SHIN KONG SECURITY CO., LTD Chief Marketing Officer, Shin Kong Financial Holding Co., Ltd. Founder & Chairman, Excellent Water Appraisal Intelligence & Co.	None	None	None	
Independent director	R.O.C.	Shi Dakun	Male/ Age 70~80	2022.06.14	3 years	2022.06.14	0	0	0	0	0	0	0	0	Master of Engineering, University of Cincinnati Honorary Doctorate of Commerce, West Alabama State University	Vice Chairman and Investment Committee Member, LionRock Capital (Taiwan) Limited. Director, Rutgers, The State University of New Jersey Independent director: HannsTouch Solution Incorporated) ADM, listed on the New York Stock Exchange CHME, listed on NASDAQ in the United States	None	None	None	

Note 1: The total number of shares issued on June 14, 2022 is 157,733,235 shares. The total number of shares issued on April 14, 2023 is 157,733,235 shares.

Note 2: Shen Shanghong, the representative of the legal person shareholder TA YA ELECTRIC WIRE & CABLE CO., LTD., currently holds positions in the Company and other companies:

CEO, TA YA ELECTRIC WIRE & CABLE CO., LTD.; Chairman, CUPRIME MATERIAL CO., LTD.; Chairman, UNITED ELECTRIC INDUSTRY CO., LTD.; Chairman, TA YA VENTURE CAPITAL CO., LTD.、Chairman, TA YA INNOVATION INVESTMENT CO., LTD.; Director, TA YA (CHINA) HOLDING LTD.;Director,TAYA VENTURE HOLDINGS LTD.; Chairma, Heng Ya Electric Ltd.; Director,Heng Ya Electric (Kunshan) Ltd.; Director, Heng Ya Electric (Dongguan) Ltd.; Director, TA YA (Zhangzhou) ELECTRIC WIRE & CABLE CO. Ltd.; Chairman, TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.; Director, TA YA (VIETNAM) INVESTMENT HOLDING LTD.; Director, TA YA (Vietnam) ELECTRIC WIRE & CABLE CO. Ltd.; Supervisor, TA HO ENGINEERING, CO., LTD.; Chairman, CUGREEN METAL TECH CO.,LTD.; Director, TA YI PLASTIC(H.K.) LTD.; Director, PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.; Chairman, CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.; Director, TA YA VIETNAM(cayman) HOLDINGS LTD.; Director, CUPRIME MATERIAL PTE. LTD.; Director, CUPRIME VENTURE HOLDING CO., LTD.; Director, CUPRIME INVESTMENT HOLDING COMPANY LIMITED; Chairman, LUCKY MAX CAPITAL INVESTMENT LIMITED; Chairman, Ta Ya Green Energy Technology Co., Ltd.; Chairman, BOSI SOLAR ENERGY CO., LTD.; Chairman, TOUCH SOLAR POWER CO.,LTD.; Chairman, BRAVO SOLAR POWER CO.,LTD.; Chairman, SIN JHONG SOLAR POWER CO., LTD.; Chairman, BO YAO POWER CO.,LT,; Chairman, JHIH-GUANG ENERGY CO., LTD.; Chairman, TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.; Chairman, JHIH-GUANG

ENERGY CO., LTD.; Chairman, AMIT SYSTEM SERVICE LTD.; Chairman, Union Storage Energy System LTD.; Chairman, TA YA VENTURE CAPITAL CO., LTD.; Chairman, Hongye Investment Co., Ltd.; Chairman, JIASHAN INVESTMENT HOLDING CO.,LTD.; Chairman, JIA HSI INVESTMENT HOLDING CO., LTD.; Director, Jung Shing Wire Co., Ltd.; Director, BORA PHARMACEUTICALS CO., LTD.; Director, Theia Medical Technology Co., Ltd.; Director, Iridium Medical Technological Co., Ltd.; Director, BIGBEST SOLUTIONS, INC.; Independent Director, MERCURIES DATA SYSTEMS LTD.; Independent Director, ASIA POLYMER CORPORATION; Independent Director, PARTNER TECH CORP.

Note 3: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): There is no such situation.

B. Major Shareholders of Corporate Shareholders

Name of corporate shareholder	Major shareholders of the corporate shareholder
FURUKAWA MAGNET WIRE CO., LTD.	FURUKAWA ELECTRIC CO., LTD. (100%)
TA YA ELECTRIC WIRE & CABLE CO., LTD.	Shen Shangyi (2.55%) JIA HSI INVESTMENT HOLDING CO., LTD.(2.12 %) Shen Shanghui (1.70 %) Wang Wenhua (1.66 %) Shen Shangbang (1.49%) Van Gard stock index account under the custody of JP Morgan Bank Taipei Branch (1.27%) Advanced Star Advanced Aggregate International Stock Index managed by Chase Bank (1.13%) CUPRIME MATERIAL CO., LTD. (1.11%) JIASHAN INVESTMENT HOLDING CO.,LTD. (1.08%) Hong Yaokun (1.05%)

C. If the main shareholder is a legal person, the main shareholder:

Legal person shareholder name	Major shareholder of legal person shareholders
FURUKAWA ELECTRIC CO., LTD.	1.The Master Trust Bank of Japan, Ltd (Trust Account)　(15.15%)
	2.Custody Bank of Japan, Ltd. (Trust Account)　(5.64%)
	3.BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY　(3.66%)
	4.Custody Bank of Japan, Ltd. (Trust Account 4)　(3.56%)
	5.Custody Bank of Japan, Ltd (Mizuho Trust & Banking; Employee
	6.DFA INTL SMALL CAP VALUE PORTFOLIO　(1.97%)
	7.Asahi Mutual Life Insurance Co.　(1.93%)
	8.FURUKAWA CO., LTD.　(1.88%)
	9.Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employe
	10.Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employe Retirement Benefit Trust, Asahi Mutual Life Incurance
	As of Sep.30, 2022Y

April 12, 2023

Legal person shareholder name	Major shareholder of legal person shareholders
JIA HSI INVESTMENT HOLDING CO., LTD.	Jiamao Investment Co., Ltd. 26.50%, Wang Wenhua 28.45%, Guo Maner 28.48%, Wang Tinggui 14.56%, HDT TECH TECHNOLOGY CO., LTD 1.98%
Van Gard stock index account under the custody of JP Morgan Bank Taipei Branch	This is an outsider investment, no need to disclose.
Advanced Star Advanced Aggregate International Stock Index managed by Chase Bank	This is an outsider investment, no need to disclose.
CUPRIME MATERIAL CO., LTD.	TA YA ELECTRIC WIRE & CABLE CO., LTD.(54.01%), Shen Jiarong (3.12%), Shen Shanghui (3.02%), Wang Wenhua (3.01%), Shen Shangyi (2.99%), Shen Shangbang (2.15%), Shen Shanghong (1.54%), Cai Yijiou (1.47%) HARD DECK ENTERPRISES CO., LTD. representative Lyu Jishuei (1.34%) Shen Suxiang (1.21%)
JIASHAN INVESTMENT HOLDING CO.,LTD.	Wang Wenhua 28.58%, Guo Maner 28.58%, HDT TECH TECHNOLOGY CO., LTD. 28.58%, Wang Tinggui 14.25%

D. Information disclosure on the professional qualifications of directors and the independence of independent directors:

Criteria Name	Professional Qualification and Experiences (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Wang Dongze	Graduated from the graduate school of George Washington Institute of Engineering and Applied Sciences and Master of Business Administration (MBA) of National Cheng Kung University. Currently serves as chairman of the Company, and the following companies: Jung Shing International, LEADER STAR International Ltd., JUNG SHING TECHNOLOGIES COMPANY LIMITED. Possesses with industry-related operational planning, operation and management practical capabilities, and does not have any of the conditions stipulated in Article 30 of the Company Act.	According to the provisions of the Company's Article of Incorporation and the "Corporate Governance Code of Practice", the election of its directors is based on a candidate nomination system. When nominating and selecting directors of the Company, the Board of Directors has obtained each director's written statement, work experience, proof of current employment, and the family relationship table provided for verification, and has confirmed that he, his spouse and third relatives are within independence of relatives from the Company. The other three independent directors listed on the left have been verified to comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and the qualification requirements stipulated in the Article 14-2 of the Securities and Exchange Act during the two years before the election and during their tenure. And the independent directors have been in accordance with the Securities and Exchange Act Article 14-3 to give the power to fully participate in decision-making and express opinions, and can independently exercise relevant powers accordingly.	-
FURUKAWA ELECTRIC CO., LTD. Representative: Shigeyuki Hasegawa	Graduated from the Department of Chemical Engineering, Faculty of Engineering, Niigata University. Currently chairman of FURUKAWA ELECTRIC CO., LTD., and has no circumstances under Article 30 of the Company Act.		-
Wang Dongxian	Graduated from the Department of Business Administration of National Chengchi University, once served as chairman of the Company, and is currently supervisor of FU PAO CHEMICAL CO., LTD. Possesses with practical capabilities in industry-related business planning, operation and management, and does not have the conditions specified in Article 30 of the Company Act.		
TA YA ELECTRIC WIRE & CABLE CO., LTD. Representative: Shen Shanghong	Master of Business Administration (MBA) from Emory University of the U.S., the current chairman of TA YA ELECTRIC WIRE & CABLE CO., LTD. Serves as chairman and director of several affiliated companies of TA YA ELECTRIC WIRE & CABLE, and has practical capabilities in industry-related business planning, operation and management, and does not have the conditions stipulated in Article 30 of the Company Act.		-
Fang Huiling	Graduated from the Accounting Department of National Cheng Kung University, passed the accountant examination in the Republic of China, and served as the chief accountant of KPMG Taiwan Southern District. Currently an adjunct assistant professor at the Department of Accounting and Information at Southern Taiwan University of Science and Technology, and a lecturer at the Taiwan Corporate Governance Association. Has corporate governance, accounting information, and financial analysis capabilities, and has no experience with the provisions of Article 30 of the Company Act.		3
Hong Guochao	Graduated from the City University of New York with a Master of Business Administration (EMBA), and is currently the director and general manager of TAIWAN SHIN KONG SECURITY CO., LTD. Possess industry-related business planning, operation and management practices, and do not have the conditions specified in Article 30 of the Company Act.		2
Shi Dakun	Honorary Doctorate of Business from West Alabama State University in the United States, served as an independent director of HannsTouch Solution Incorporated in Taiwan, ADM listed on the New York Stock Exchange and CHME listed on NASDAQ of the U.S. Currently vice chairman and member of the investment committee of LionRock Capital (Taiwan) Limited, and has corporate governance, accounting information and financial analysis capabilities, and does not have any of the provisions of Article 30 of the Company Act.		1

E. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

Based on the development of diversity policy, corporate governance and sound composition of the board of directors, the nomination of director candidates of the company follows the provisions of the company's articles of association and adopts the nomination system. The evaluation of each candidate's academic (experience) qualifications, professional background, integrity, or related professional qualifications shall first be approved by the board of directors, and then submitted to the Shareholders' Meeting for election. Among the number of directors, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the number of directors. The professional qualifications, shareholding, part-time job restrictions, determination of independence, nomination and selection methods, and other compliance matters of the above-mentioned independent directors are all handled in accordance with the relevant regulations of the securities regulatory authority. Independent directors and non-independent directors shall be elected together, and the number of individual elected persons shall be calculated separately.

The composition of the Board of Directors has drawn up an appropriate diversification policy based on its own operation, business model and development needs, including but not limited to the following:

Basic conditions and values: gender, age, nationality and culture.

Professional knowledge and skills: business judgment ability, accounting and financial analysis ability, business management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability and decision-making ability.

(2) The Company's Board of Directors is composed of 7 directors, including 3 independent directors, 2 outside directors and 2 directors with employee status, accounting for 42.8%, 28.6% and 28.6% of all directors.

Directors with employee status account for 28.6% of all directors, less than 1/3 of all directors.

There is no situation where more than half of the directors have a spouse or relative within the second degree of relationship.

(2) Information on general manager, deputy general managers, associate managers, supervisors of each department and branch

April 14, 2023 Unit: share

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education) (Note 2)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Relation	
General Manager	R.O.C.	Qiu Shouji	Male	2001.06.01	311,043	0.20	0	0	0	0	Electronics Department of Kunshan Technical College (now restructured as Kunshan University)	Chairman, LONGSUN TECHNOLOGIES CO., LTD.	None	None	None	
Deputy General Manager	R.O.C.	Huang Weimin	Male	2015.01.19	318,621	0.20	0	0	0	0	National Cheng Kung University Engineering Management graduate school	Director, LONGSUN TECHNOLOGIES CO.,LTD.	None	None	None	
Deputy General Manager	R.O.C.	Xue Wenfa	Male	2016.01.01	182,405	0.12	226	0	0	0	National Tainan Senior Marine Fishery Vocational School	None	None	None	None	
Deputy General Manager	Japan	Harada Hidenori	Male	2016.07.01	100,000	0.06	0	0	0	0	Department of Metal Engineering, Faculty of Engineering, Toyama University, Japan	None	None	None	None	
Associate Manager	R.O.C.	Wu Mingzhang	Male	2017.01.01	132,241	0.08	1,000	0	0	0	Department of Chemistry, Tamkang University	Director & General Manager, LONGSUN TECHNOLOGIES CO.,LTD.	None	None	None	
Finance and Accounting Associate Manager	R.O.C.	Xue Tiande	Male	2008.01.01	119,871	0.08	0	0	0	0	Sun Yat-sen University Financial Management graduate School	Supervisor, LONGSUN TECHNOLOGIES CO.,LTD. Director, JUNG SHING TECHNOLOGIES COMPANY LIMITED	None	None	None	

Note 1: This should include the information of the general manager, deputy general manager, assistant manager, heads of various departments and branches, and those whose positions are equivalent to the general manager, deputy general manager or assistant manager, regardless of their titles, should also be disclosed.

Note 2: Refers to the experience related to holding the current position, Those who have worked in auditing and certification accounting firms or affiliated companies during the preceding disclosure period shall state their titles and positions in charge.

Note 3: When the general manager or a person of equivalent position (top manager) and the chairman are the same person, spouse or first-degree relative, the reasons, rationality, necessity and countermeasures (for example, increase the number of independent directors, and more than half of the directors should not concurrently serve as employees or managers, etc.) and other related information should be disclosed.

3. Remuneration paid to directors (including independent directors), supervisor, general manager and deputy general managers

(1) Remuneration of directors and independent directors (individual disclosure of name and method of remuneration):

December 31, 2022 Unit: NT$ thousand

Title	Name	Director Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies included in the consolidated statemen	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company		All companies included in the consolidated statement		The Company	All companies included in the consolidated statement	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Wang Dongze	-	-	-	-	257	257	75	100	0.66%	0.88%	7,503	7,503	-	-	-	-	-	-	15.51%	19.33%	None
Director	FURUKAWA MAGNET WIRE CO., LTD. Representative: Shigeyuki Hasegawa	-	-	-	-	128	128	-	-	0.25%	0.31%	-	-	-	-	-	-	-	-	0.25%	0.31%	None
Director	Wang Dongxian	-	-	-	-	193	193	75	80	0.53%	0.67%	3,965	3,965	-	-	6	-	6	-	8.38	10.43	None
Director	TA YA ELECTRIC WIRE & CABLE CO., LTD. Representative: Shen Shanghong	-	-	-	-	128	128	-	-	0.25%	0.31%	-	-	-	-	-	-	-	-	0.25%	0.31%	None
Independent Director	Shi Dakun	-	-	-	-	74	74	45	45	0.24%	0.29%	-	-	-	-	-	-	-	-	0.24%	0.29%	None
Independent Director	Fang Huiling	-	-	-	-	128	128	75	75	0.40%	0.50%	-	-	-	-	-	-	-	-	0.4%	0.5%	None
Independent Director	Hong Guochao	-	-	-	-	128	128	45	45	0.34%	0.43%	-	-	-	-	-	-	-	-	0.34%	0.43%	None

1. Please describe in detail the independent director’s remuneration payment policy, system, standards, and structure, and the relationship between factors such as responsibilities, risks, and time invested and the amount of remuneration paid: According to the provisions of the Articles of Incorporation of the company, the remuneration of directors and supervisors is authorized to be negotiated at the board of directors meeting based on the usual level of payment in the industry, but the distribution shall not exceed 3% of the current year's profits.
2. In addition to the disclosure in the above table, whether the directors of the Company provided services in the most recent year (such as serving as a consultant to the parent company/all companies in the financial report/transferred investment enterprises that are not employees) and received remuneration: None.

Note 1: Director names should be listed separately (for legal-person shareholders, the name of the legal-person shareholder and its representative should be listed separately), and the general directors and independent directors should be listed separately, and the amount of their payments should be disclosed in a summary manner. If a director concurrently serves as general manager or deputy general manager, this form and the following table (3-1), or the following tables (3-2-1) and (3-2-2) should be filled out.

Note 2: Refers to the remuneration of directors in the most recent year (including salary, job bonus, severance pay, various bonuses, incentives).

Note 3: Refers to filling in the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to the relevant business execution expenses of directors in the most recent year (including transportation fees, special expenses, various allowances, housing, car distribution and other in-kind provisions). If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets, actual or calculated rent at fair market value, fuel and other payments shall be disclosed. In addition, if there is a driver, please explain the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the latest year directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) who receive salaries, job bonuses, severance pay, various bonuses, rewards, tranportation fees, special expenses, various allowances, housing, and car actual items provided. If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets, actual or calculated rent at fair market value, fuel and other payments shall be disclosed. In addition, if there is a driver, please explain the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. Salary expenses recognized in accordance with IFRS 2 (International Financial Reporting Standards) "share-based compensation", including obtaining employee stock option certificates, new shares with restricted employee rights, and participating in cash capital increase subscription shares, must be included in remuneration at the same time.

Note 6: Refers to the employee remuneration (including stock and cash) obtained by directors who concurrently serve as employees (including general manager, deputy general manager, other managers and employees). The amount of employee remuneration distributed by the Board of Directors in the latest year should be disclosed. If it cannot be estimated, the amount to be distributed this year must be calculated based on the proportion of the actual distribution amount last year, and the attached table 1-3 should also be filled in.

Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated financial statements should be disclosed.

Note 8: Refers to the total amount of remuneration paid by the company to each director, and the name of the director is disclosed in the attributable level.

Note 9: Refers to the total amount of remuneration paid to each director of the company by all companies (including the company) in the consolidated financial statements, and the name of the director is disclosed in the attributable scale.

Note 10: Net profit after tax refers to the net profit after tax of individual or individual financial reports in the most recent year.

Note 11: a. This column should clearly indicate the amount of remuneration received by the directors of the company from the reinvested business outside the subsidiary or the parent company (if there is no one, fill in "None").

b. If the directors of the company receive related remunerations from the reinvestment business outside the subsidiary company or the parent company, this part of the remuneration should be included in column I of the remuneration scale table, and the name of the column should be changed to "parent company and all reinvested businesses".

c. Remuneration refers to the remuneration (including employee, director and supervisor remuneration) and business execution expenses received by the directors of the company as directors, supervisors or managers of subsidiaries or parent company

(2) Supervisor's remuneration (individual disclosure of name and remuneration method)

Supervisors automatically dismissed on 2022/6/14 due to the establishment of Audit Committee.

December 31, 2022 (unit: NT$ thousand)

Title	Name	Director's remuneration						Ratio of total compensation (A+B+C) to net profit after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Salary (A)		Salary (B)		Allowances (C)				
		The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	
Supervisor	Caiyu Co., Ltd. Representative: Hong Guoming	-	-	55	55	30	30	0.17%	0.21%	None
Supervisor	ZUU KONG ELECTRIC CO., LTD. Representative: Wang Zongmai	-	-	55	55	15	15	0.14%	0.17%	None
Supervisor	Ye Junliang	-	-	55	55	30	30	0.17%	0.21%	None

(3) Remuneration for general manager and deputy general manager (Disclosure of names by summarizing and matching scales)

December 31, 2022 (unit: NT$ thousand)

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company		All companies included in the consolidated statement		The Company	All companies included in the consolidated statement	
								Cash amount	Stock amount	Cash amount	Stock amount			
General manager	Qiu Shouji	6,756	6,756	267	267	4,919	4,929	4	-	4	-	11,946 23.65%	11,956 29.41%	None
Deputy general manager	Huang Weimin													
Deputy general manager	Xue Wenfa													
Deputy general manager	Harada Hidenori													

General manager and deputy general manager remuneration scale table

The scale of remuneration paid to general manager and deputy general managers of the Company	Name of general manager and deputy general managers	
	The Company (Note 6)	All companies included in the consolidated statement (Note 7)
Less than NT$1,000,000	0	0
NT$1,000,000（included）～NT$2,000,000（excluded）	Harada Hidenori	Harada Hidenori
NT$2,000,000（included）～3,500,000（excluded）	Huang Weimin、Xue Wenfa	Huang Weimin、Xue Wenfa
NT$3,500,000（included）～NT$5,000,000（excluded）	Qiu Shouji	Qiu Shouji
NT$5,000,000（included）～NT$10,000,000（excluded）	0	0
NT$10,000,000（included）～NT$15,000,000（excluded）	0	0
NT$15,000,000（included）～NT$30,000,000（excluded）	0	0

NT$30,000,000（included）～NT$50,000,000（excluded）	0	0
NT$50,000,000（included）～NT$100,000,000（excluded）	0	0
More than NT$100,000,000	0	0
Total	4	4

The remuneration of the top five highest paid executives of listed/OTC companies (Disclosure of names by summarizing and matching scales)

December 31, 2022 Unit: NT$thousand

Title	name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net profit after tax（%）		Remuneration from ventures other than subsidiaries		
		The Company	All companies included in the report	The Company	All companies included in the report	The Company	All companies included in the report	The Company		All companies included in the report		The Company	All companies included in the report		The Company	All companies included in the report
								cash	stock	cash	stock					
General Manager	Qiu Shouji	2,458	2,458	115	115	2,182	2,187	1	0	1	0	9.42%	11.71%	none	4,756	4,761
Deputy General Manager	Huang Weimin	1,431	1,431	78	78	1,221	1,226	1	0	1	0	5.41%	6.73%	none	2,731	2,736
Deputy General Manager	Xue Wenfa	1,307	1,307	74	74	1,089	1,089	1	0	1	0	4.89%	6.08%	none	2,471	2,471
Deputy General Manager	Harada Hidenori	1,560	1,560	0	0	427	427	1	0	1	0	3.94%	4.89%	none	1,988	1,988
Associate Manager	Wu Mingzhang	1,264	1,564	73	73	898	903	1	0	1	0	4.43%	6.25%	none	2,236	2,541

Manager's name and distribution of employee remuneration

December 31, 2022 Unit: NT$ thousand

	Title	Name	Stock amount	Cash amount	Total	Ratio of the total amount to net profit after tax (%)
Managers	General manager	Qiu Shouji	0	5	5	0.01%
	Deputy general manager	Huang Weimin				
	Deputy general manager	Xue Wenfa				
	Deputy general manager	Harada Hidenori				
	Associate manager	Wu Mingzhang				
	Finance & Accounting head	Xue Tiande				

(4) Analysis of the ratio of the total amount of remuneration paid to the company's directors, supervisors, general managers and deputy general managers by the company and all companies with consolidated statements in the last two years to the after-tax profit of individual or individual financial reports. And explanations of the remuneration policy, standard and combination, the remuneration procedure, and the correlation with business performance and future risks

A. Analysis of the ratio of the total amount of remuneration paid to the company's directors, supervisors, general managers and deputy general managers in the last two years by the company and all companies included in the consolidated financial statements to the after-tax profit of individual or individual financial reports: There is little difference in the total amount of remuneration paid.

Analysis Items	2021		2022	
	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement
Total remuneration of directors	18,967	18,987	12,890	12,920
Ratio of total directors' remuneration to after-tax net profit	9.05%	9.23%	25.52%	31.78%
Total remuneration of supervisors	2,127	2,127	240	240
Ratio of total directors' remuneration to after-tax net profit	1.01%	1.03%	0.48%	0.59%
Total remuneration of general manager and deputy general manager	10,660	10,670	11,946	11,744
Ratio of the total remuneration of the general manager and deputy general manager to the after-tax net profit	5.08%	5.18%	23.65%	28.88%

B. The Company's remuneration policy, standard and combination, remuneration procedures, and its relationship with business performance and future risks

(a) Regarding the remuneration paid by the Company to directors, supervisors, general manager and deputy general managers: Mainly refers to the distribution of remuneration for directors and supervisors and various remuneration received by concurrently employees. The policy, standard and combination of its payment, the procedure for establishing remuneration, and the correlation with business performance and future risks are all in accordance with the provisions of Articles of Incorporation and management regulations.

(b) According to the provisions of the Company's articles of Incorporation: The Company shall distribute employee remuneration at no less than 0.5% of the current year's profit and distribute remuneration of directors and supervisors at no more than 3% of the current year's profit. If the Company has accumulated losses, it shall make up for them first. The current-year profit referred to in the preceding paragraph refers to the current-year pre-tax profit before deducting the distribution of employee remuneration and remuneration of directors and supervisor. The distribution of employee remuneration and directors' remuneration shall be made by the Board of Directors with the attendance of more than two-thirds of the directors and a resolution agreed by more than half of the directors present, and shall be reported to the Shareholders' Meeting.

(c) Remuneration paid to the general manager and deputy general managers: monthly salary and three major festival bonuses. The salary is based on educational experience, position held and responsibilities assumed, and reference is made to the level of similar positions in the industry and the Company's management methods.

3. Operation of corporate governance operation:

(1) Information on operation of the Board of Directors

The Board of Directors held 5 meetings (A) in the most recent year, and the attendance of directors and supervisors is as follows:

Title	Name	Actual number of attendances (B)	Number of delegated attendance	Actual attendance rate (%) 【B/A】	Note
Chairman	Wang Dongze	5	0	100%	Re-elected on 2022/6/14
Director	FURUKAWA ELECTRIC CO., LTD. Representative: Shigeyuki Hasegawa	5	0	100%	Re-elected on 2022/6/14 (Attendance by videoconferencing)
Director	Wang Dongxian	5	0	100%	Re-elected on 2022/6/14

Director	TA YA ELECTRIC WIRE & CABLE CO., LTD. Representative: Shen Shanghong	2	3	40%	Re-elected on 2022/6/14
Independent Director	Fang Huiling	5	0	100%	Re-elected on 2022/6/14
Independent Director	Hong Guochao	3	0	100%	Re-elected on 2022/6/14
Independent Director	Shih Dakun	2	0	100%	Took office on 2022/6/14
Independent Director	Qiu Zhengren	5	0	100%	Dismissed on 2022/6/14
Supervisor	Caiyu Co., Ltd. Representative: Hong Guoming	2	0	100%	Dismissed on 2022/6/14
Supervisor	ZUU KONG ELECTRIC CO., LTD. Representative: Wang Zongmai	2	0	100%	Dismissed on 2022/6/14
Supervisor	Ye Junliang	2	0	100%	Dismissed on 2022/6/14

Other matters to be recorded:

1. If one of the following situations is found in the operation of the Board of Directors, the date, session, content of the proposal, opinions of all independent directors and the Company's handling of the opinions of independent directors shall be stated:

(1) Items listed in Article 14-3 of the Securities Exchange Act:

Date	Proposal contents	Dissenting or reserved opinions of independent	Opinions of independent directors	The Company's handling of the opinions of independent directors
2022/3/11	Revision of the company's "Articles of Incorporation"	None	None	None
	Revision of the company's "Procedures for Acquisition or Disposal of Assets"	None	None	None
	Revision of the company's "endorsement guarantee operation procedures"	None	None	None
	Revision of the company's "fund lending to others operating procedures"	None	None	None
	Revision of the company's "director and supervisor election method"	None	None	None
	Revision of the company's "Rules of Procedure for the Board of Directors"	None	None	None
	Revision of the company's "Remuneration Committee Organization Regulations"	None	None	None
	Revision of the company's "Code of Ethical Conduct"	None	None	None
	Revision of the company's "Code of Integrity Management"	None	None	None
	Revision of the company's "Code of Practice on Corporate Governance"	None	None	None
	Establishment of the company's "Audit Committee Organization Regulations"	None	None	None
	The Remuneration Committee approved the remuneration proposal of employees, directors and supervisors in 2021.	None	None	None
	The Remuneration Committee approved the distribution proposal of manager performance bonus for 2021.	None	None	None
	The Remuneration Committee approved the employee stock subscription method for cash capital increase in 2021.	None	None	None
	Proposal of 2021 Annual Business Report and Financial Statements	None	None	None
	Proposal of surplus distribution for 2021	None	None	None
	Convening of the Company's 2022 Regular Shareholders' Meeting	None	None	None
	Comprehensive re-election of directors (including independent directors) and the nomination period, number of candidates and acceptance locations for accepting candidates	None	None	None
	List of candidates for directors (including independent directors) to be nominated by the board of directors	None	None	None
	Removal of non-compete restrictions on directors (including independent directors) of the company	None	None	None
	Replacement of the company certified accountants	None	None	None
	Proposal of the company’s endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Proposal of the company's "Internal Control Statement"	None	None	None
	Revision of the company's "Internal Control System"	None	None	None
2022/5/10	Donation of activity funds to “Tainan City Private Jung Shing Wire Social Welfare and Charity Foundation”	None	None	None
2022/6/14	Re-election of Chairman and Vice Chairman	None	None	None

2022/8/9	Approved the consolidated financial statements for the second quarter of 2022.	None	None	None
	Proposal of the company's endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Authorization of the chairman to make full decisions on the business dealings between the company and the group's affiliated companies and public/private financial institutions	None	None	None
	Approved to hire three Remuneration Committee members.	None	None	None
	Establishment of the company's "internal major information processing procedures"	None	None	None
2022/11/9	Proposed to develop the Company's pre-approval of general principles of non-confidential service policy	None	None	None
	Approved the company's 2022 Q3 ~ 2023 Q4 certified accountant public fee remuneration	None	None	None
	Approved the consolidated financial statements for the third quarter of 2022.	None	None	None
	Proposal of the company's endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Revision of the company's "remuneration measures for directors, supervisors and managers"	None	None	None
	The company's operating budget for 2023	None	None	None
	Revision of the Company's "Rules of Procedure for the Board of Directors"	None	None	None
	The company's internal audit work plan for 2023	None	None	None
2023/3/9	Remuneration of employees, directors and supervisors in 2022	None	None	None
	Proposal of distribution of performance bonuses for managers in 2022	None	None	None
	The Business Report and Financial Statements for 2022	None	None	None
	The surplus distribution for 2022	None	None	None
	Convening of the Company's 2023 Regular Shareholders' Meeting	None	None	None
	Donation of activity funds to "Tainan City Private Jung Shing Wire Social Welfare and Charity Foundation"	None	None	None
	Appointment of the Company's "Head of Corporate Governance"	None	None	None
	Proposal of the company's endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Proposal of the company's "Internal Control Statement"	None	None	None
	Revision of the company's "Internal Control System"	None	None	None

(2) In addition to the above-mentioned matters, other resolutions of the Board of Directors meeting with objections or reservations from independent directors and records or written statements: None.

2. The implementation of directors' recusal of interest-related proposals: Proposals with no relevant interests

3. Listed/OTC companies should disclose relevant information about the self (or peer) evaluation of the board of directors, including evaluation cycle and period, evaluation scope, method, and evaluation content: The Company passed the performance evaluation method of the Board of Directors on November 12, 2020, and conducted a performance evaluation, and the results were submitted to the report of the board on March 11, 2022. The assessment information is as follows:

Evaluation cycle	**Evaluation period**	**Evaluation scope**	**Evaluation method**	**Evaluation contents**	**Evaluation results**
Once per year	2021.1.1 ~ 2021.12.31	Board of Directors	Self-evaluation	1. The extent of its participation in the Company's operations 2. About improving the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Regarding the election and continuing study of the Board of Directors 5. Internal control	The overall average achievement index score is 93%, which is very good. This shows that the Company's Board of Directors has the responsibility of guiding, supervising the company's strategy and managing risks. Its overall operation is perfect and in line with the spirit of corporate governance.

Evaluation cycle	**Evaluation period**	**Evaluation scope**	**Evaluation method**	**Evaluation contents**	**Evaluation results**
Once per	2021.1.1 ~	Member	Self-evaluation	1. The Company's goals and tasks	The overall average achievement index score is

year	2021.12.31	of the board		2. Responsibilities and awareness of directors 3. The extent of its participation in the Company's operations 4. Internal relationship management and communication 5. Professional and continuing study of directors 6. Internal control	95%, which is very good. It shows that the members of the board of directors of the company have a clear understanding of the various indicators of the assessment and perform their duties well.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents	Evaluation results
Once per year	2022.1.1 ~ 2022.12.31	Functional Committee	Self-evaluation	1. The extent of its participation in the Company's operations 2. Responsibilities and awareness of the Functional Committee 3. Improvement of the decision-making quality of the Functional Committee 4. Formation of functional committees and selection of members 5. Internal control	The overall average achievement index score is 98%, which is very good. It shows that the members of the board of directors of the company have a clear understanding of the various indicators of the assessment and perform their duties well.

4. The goals of strengthening the functions of the Board of Directors in the current year and the most recent year:

(1) The Company has formulated the "Rules of Procedures for the Board of Directors Meeting". It is necessary to convene a board meeting at least once a quarter. If there is an emergency, it can be called at any time to improve the supervision and management functions.
(2) The Company has independent directors who perform their duties in accordance with relevant laws and Articles of Incorporation. There is also a complete information disclosure system to ensure that shareholders obtain the latest information about the Company and strengthen information transparency.
(3) The Company formulates relevant performance evaluation methods of the Board of Directors to strengthen the functions of the board of directors.

(2) Audit Committee Operation:

The Audit Committee held 2 meetings during the most recent fiscal year (A), and the attendance of independent directors is as follows:

Title	Name	Actual number of attendances (B)	Number of delegated attendance	Actual attendance rate (%) 【B/A】	Note
Independent Director	Fang Huiling	2	0	100%	Took office on 2022/6/14
Independent Director	Hong Guochao	2	0	100%	Took office on 2022/6/14
Independent Director	Shih Dakun	2	0	100%	Took office on 2022/6/14

Other Matters to be Disclosed:

1.If any of the following circumstances exist in the operation of the Audit Committee, the disclosure should include the date and session of the Audit Committee meeting, the agenda items, any dissenting opinions, reservations or significant recommendations by independent directors, the decisions made by the Audit Committee, and the company's response to the opinions of the Audit Committee:

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

Date	Proposal contents	Dissenting or reserved opinions of independent	Opinions of independent directors	The Company's handling of the opinions of independent directors
2022/8/9	Election of the Convener of the Audit Committee	None	None	None
	Approved the consolidated financial statements for the second quarter of 2022.	None	None	None
	Proposal of the company's endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Establishment of the company's "internal major information	None	None	None

	processing procedures"			
2022/11/9	Proposed to develop the Company's pre-approval of general principles of non-confidential service policy	None	None	None
	Approved the company's 2022 Q3 ~ 2023 Q4 certified accountant public fee remuneration	None	None	None
	Approved the consolidated financial statements for the third quarter of 2022.	None	None	None
	Proposal of the company's endorsement guarantees for bank loan by affiliated enterprises	None	None	None
	Revision of the company's "remuneration measures for directors, supervisors and managers"	None	None	None
	Revision of the Company's "Rules of Procedure for the Board of Directors"	None	None	None
	The company's internal audit work plan for 2023	None	None	None

(2) Other matters not approved by the Audit Committee but approved by a majority of over two-thirds of the directors: No such circumstances exist.

2. The implementation of independent directors' recusal in cases involving conflicts of interest should include the names of the independent directors, the agenda items, the reasons for recusal due to potential conflicts of interest, and their participation in voting: No agenda items involving conflicts of interest.

(3) Communications between independent directors and the Company's internal audit supervisor and certified accountants (including major events, methods and results of communication on the Company's financial and business status).

The Company's independent directors communicated well with the internal audit supervisor and certified accountants. A summary of the communication matters is as follows:

Date	Communication matters	Communication results
2022/3/11 Forum	Individual Financial Statements and Consolidated Financial Statements for 2021	Approved by the Board of Directors, announced and reported to the competent authority as scheduled.
2022/3/21 Board of Directors	1. Audit business executin report for the fourth quarter of 2021 2. The "Internal Control System Statement" for 2021	1. To continuously conduct routine or special inspections of various businesses. If major deficiencies or abnormalities are found, they will be improved and tracked and reported to the Board of Directors. 2. After approval by the Board of Directors, reports will be made in accordance with regulations.
2021/5/10 Board of Directors	Audit business execution report for the first quarter of 2022	To continuously conduct routine or special inspections of various businesses. If major deficiencies or abnormalities are found, they will be improved and tracked and reported to the Board of Directors.
2021/8/19 Board of Directors	Audit business execution report for the second quarter of 2022	To continuously conduct routine or special inspections of various businesses. If major deficiencies or abnormalities are found, they will be improved and tracked and reported to the Board of Directors.
2021/11/9 Board of Directors	1. Audit business execution report for the third quarter of 2022 2. Revision of annual audit plan and Internal Control System for 2023	1. To continuously conduct routine or special inspections of various businesses. If major deficiencies or abnormalities are found, they will be improved and tracked and reported to the Board of Directors. 2. After approval by the Board of Directors, reports will be made in accordance with regulations.

(3) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Items	Implementation status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated the "Corporate Governance Best-Practice Principles" and disclosed on its website.	No major difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V V V V		(1) The Company has a spokesperson and an acting spokesperson who are responsible for dealing with shareholders' suggestions or disputes. (2) The Company's stock affairs are assisted by a stock affairs agency, and the Company keeps track of the shareholding status of directors, managers and major shareholders holding more than 10% of the shares. (3) The Company has established the written and specific financial operations of "Group Enterprises, Specific Companies and Related Person Transaction Operation Procedures" to regulate the transactions with related companies and get approval from the Board of Directors. (4) The Company has a "Code of Ethical Conduct" and publicizes the norms of insider trading to internal personnel to prevent the occurrence of insider trading.	No major difference
3. Composition and responsibilities of the Board of Directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance	V V V		(1) The directors of the Company come from different professional fields and have their own expertise, and they can provide advice and help to the Company's operation and development. (2) The Company has set up a remuneration committee according to law, and the operation of corporate governance is carried out by various departments in accordance with their duties. No other functional committees have been set up yet, and will be evaluated and set up as needed in the future. (3) The Company passed the performance evaluation method of the Board of Directors on November 12, 2020, and conducted performance evaluation, and submitted the results of this performance evaluation to the report of the board meeting on	No major difference

Evaluation Items	Implementation status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	 V		March 23, 2021, which will be used in the salary of individual directors in the future and its reference for nomination for re-election. (4) The Company regularly inspects the independence of certified accountants every year to confirm that they are not interested parties. In addition, the rotation of accountants is also handled in accordance with relevant regulations.	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The Company's corporate governance affairs are in charge of the finance department, general affairs department, information department and audit office.	No major difference
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has a spokesperson and an acting spokesperson, and their relevant contact numbers and e-mail addresses are disclosed on the Company website to establish communication channels with interested parties.	No major difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company appoints the "Stock Affairs Agency Department of Chinatrust Commercial Bank" to handle the affairs of the shareholders' meeting.	No major difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	 V V		 (1) The Company has set up a company website and disclosed its financial business and corporate governance information. (2) The Company has designated a special person to be responsible for the Company's information collection and disclosure, and has set up a spokesperson system.	Except for some differences in item (3), it still complies with the provisions of the Securities and Exchange Act. The rest have no major difference.

Evaluation Items	Implementation status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?			(3) According to the time limit stipulated in Article 36 of the Securities Exchange Act, the Company announces and submits the annual financial report within three months, and announces and submits the first, second and third quarter financial reports in advance within the prescribed time limit (within 45 days as stipulated)). The operating status of each month will be announced before the 10th of the month.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(1) Employee rights and interests: 1. An employee welfare committee is established, and the pension system and employee group insurance are implemented. 2. The Company emphasizes harmony between labor and capital, and always maintains good labor-capital relations. On May 30, 1988, an industrial trade union organization was established, and labor-management coordination meetings were held regularly or irregularly to protect and safeguard the rights and interests of employees, and no labor disputes occurred. In April 2010, the Company was awarded the 2009 Excellent Institution of Harmonious Labor-Management Relations in Tainan County. In April 2017, it was awarded the Tainan Labor-Management Harmony Contribution Award. And, it was awarded the "signing a group agreement and creating a win-win situation between labor and capital" by the Ministry of Labor for three consecutive years. (2) Employee care: The Company attaches great importance to the rights and interests of employees. In addition to statutory protection, it also has good welfare measures and smooth interaction channels. In addition, regular or irregular labor-management coordination meetings are held to provide employees with good communication channels. Insurance: employee group insurance. Salary: Bonus for Dragon Boat Festival, Mid-Autumn Festival and Spring Festival. Staff travel: There are staff travels every year. Education and training: budget for education and training is prepared every year, and external and internal education and training are implemented. Foreign language training courses are continuously offered to provide employees with free learning to improve their language skills.	No major difference

Evaluation Items	Implementation status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Other benefits: Free coffee for employees, entertainment for employees and their families to watch movies. (3) Investor relations: The Company's website has a special area for investors to fully disclose information to protect the rights and interests of investors. There is also a shareholder meeting and a spokesperson system to communicate with investors. (4) The Company inspects the supplier's delivery and quality situation every year, which serves as the basis for signing contracts and ensuring quality. The Company has established long-term and good cooperative relations with suppliers to ensure a stable supply chain. (5) Rights of stakeholders: The Company regularly announces its operation, financial and other relevant information in accordance with the regulations of the competent authority. Major policies must be resolved by the Board of Directors as a basis for implementation. (6) The Company does not force directors and supervisors to take professional knowledge courses, but actively encourages them to participate. (7) Implementation of risk management policies and measurement standards: The Company has established management measures for important management indicators, and all units follow these measures. (8) Customer policy implementation: The Company pays attention to customer opinions. In order to ensure effective communication, the Company actively collects customer feedback, conducts satisfaction surveys, and convenes relevant units to review and improve according to customer opinions. In addition, a contact website is set up to provide customers with instant and perfect after-sales service. (9) Purchasing liability insurance for directors and supervisors: The Company's directors and supervisors all uphold the principle of honesty and integrity, and there are no lawsuits or illegal acts. Liability insurance has been purchased for directors and supervisors.	
9. Describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included				

Evaluation Items	Implementation status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
among the companies evaluated for the given recent year, this item does not need to be completed.) Recent Improvements: 1.Disclosure of Compensation Committee meeting dates, agenda items, and decisions. 2.Disclosure of the validity period of certifications obtained, such as ISO 14001 and ISO 50001. 3.Establishment of the Audit Committee. Pending Prioritized Areas for Improvement and Measures: 1.Establishment of a Chief Information Security Officer (CISO) to oversee the implementation of information security policies, resource allocation, and enhancement of the company's information security management mechanisms. 2.Establishment of a Corporate Governance Officer to strengthen corporate governance matters.				

(4) If the Company has a remuneration committee, it shall disclose its composition, duties and operations:

A. The Remuneration Committee of the Company was established on December 20, 2011, with three members. Its responsibilities are mainly to formulate policies, systems, standards and structures for performance evaluation and remuneration of directors, supervisors and managers, and conduct regular reviews.The members of the Remuneration Committee are as follows:

<table>
<tr><th>Identity</th><th>Condition / Name (Note 1)</th><th>Professional qualifications and experiences (Note 2)</th><th>Independence situation (Note 3)</th><th>Simultaneously serve as members of the remuneration committees of other public offering companies</th></tr>
<tr><td>Independent director</td><td>Fang Huiling</td><td>Graduated from the Accounting Department of Cheng Kung University, and has a certificate of passing the accountant examination of the Republic of China. Served as chief accountant of South District of KPMG in Taiwan. Currently working as an assistant professor in the Accounting Information Department of Southern Taiwan University of Science and Technology, and a lecturer at the Taiwan Corporate Governance Association. Possess corporate governance, accounting information and financial analysis capabilities, and do not have the conditions specified in Article 30 of the Company Act.</td><td rowspan="3">It has been checked that the three remuneration committee members listed on the left all met the qualification requirements stipulated in the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange “in the two years before the election and during their tenure.</td><td>3</td></tr>
<tr><td>Independent director</td><td>Hong Guochao</td><td>Master of Business Administration (EMBA), City University of New York, USA. Currently serving as director and general manager of Taiwan Shin Kong Security Co., Ltd. Has industry-related business planning, operation and management practices, and do not have the conditions of Article 30 of the Company Act.</td><td>3</td></tr>
<tr><td>Other</td><td>Chen Rongchao</td><td>Graduated from the Accounting Department of Chung Hsing University and Master of Law Institute of Chung Cheng University. Has a certificate of passing the accountant examination of the Republic of China. Used to work as the audit assistant of KPMG in Taiwan, and is currently the chief accountant of Watt Accounting Firm. Possess corporate governance, accounting information and financial analysis capabilities, and do not have the conditions specified in Article 30 of the Company Act.</td><td>0</td></tr>
</table>

B. Information on the operation of the Remuneration Committee

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

(2) The term of office of the current committee members: from August 9, 2022 to June 13, 2025. From 2022 and 2023 as of the publication date of this annual report, the Remuneration Committee held a total of three meetings (A). The situation is as follows:

Title	Name	Actual attendance (B)	Number of delegated attendance	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Fang Huiling	3	0	100%	Re-elected on August 9, 2022
Member	Hong Guochao	2	0	100%	Newly-appointed on August 9, 2022
Member	Chen Rongchao	3	0	100%	Re-elected on August 9, 2022
Member	Qiu Zhengren	1	0	100%	Dismissed on August 9, 2022

Other matters to be recorded:

1. When the Board of Directors does not adopt or amends the proposal of the Remuneration Committee, it is necessary to state the date, session, content of the proposal, the result of the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee: None.

2. Resolutions of the Remuneration Committee: If members have objections or reservations and there are records or written statements, it is necessary to state the date, period, content of the proposal, opinions of all members and how to deal with the opinions of members: None.

3. The content and resolution summary of the main proposals for 2022~2023 are as follows:

Remuneration Committee	Proposal contents	Resolution and Handling Situation

March 11, 2022	1. To review the remuneration of employees, directors and supervisors of the Company in 2021. 2. To review the distribution of performance bonuses for managers of the Company in 2021. 3. To review the employee stock subscription method for the company's 2021 cash capital increase.	After deliberation and approval, it will be submitted to the Board of Directors for resolution.
November 9, 2022	1. To elect the convener of the current remuneration committee. 2. To amend the Company's "Directors, Supervisors, and Managers' Remuneration Measures".	After deliberation and approval, it will be submitted to the Board of Directors for resolution.
March 9, 2023	1. To review the remuneration of employees, directors and supervisors of the company in 2022. 2. To review the distribution of performance bonuses for managers of the company in 2022.	After deliberation and approval, it will be submitted to the Board of Directors for resolution.

C. The Company has not yet set up a Nomination Committee.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
1. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company's "Corporate Social Responsibility Working Group" is composed of management representatives, core departments, and relevant units in each factory area. Its various social responsibility work is being gradually promoted, but it has not yet reported the handling situation to the Board of Directors on a regular basis.	No major difference
2. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		The Company's environmental management is led by the management department to guide the relevant departments to obtain the necessary operation/operating permits in accordance with the relevant provisions of the environmental laws, so as to improve the environmental awareness of each department. With the continuous operation of the above management system, risks related to environmental protection, employee safety, customers, suppliers, etc. in the Company's operations can be controlled and responded to in real time. The Company has formulated risk management strategies related to the "Corporate Governance Code of Practice".	No major difference
3. Environmental Issues (1) Has the company set an environmental management system designed to industry characteristics?	 V		 (1) The Company has obtained ISO 14001 environmental management system certification (2021/09/13-2024/09/13), ISO9001: 2015 quality management system verification (2021.07.22-2024.07.21), IECQ QC080000: 2017 Environmental Management Substance System Verification (2021.08.25-2024.08.24) and IATF-2016 Global Automotive Industry Quality Management System Verification (2021.07.22-2024.07.21) to ensure that Jung Shing's product quality and environmental safety and health management meet international standards. The Company also works with upstream and downstream manufacturers to establish a sustainable green supply chain, and implements the concept of green environmental protection in raw material procurement, product design, production, etc. in order to comply with various environmental protection indicators of the European Union. In terms of its factories in China, the Company implements clean production and preventive environmental	No major difference

			protection policies to effectively reduce the impact of manufacturing processes, products and services on the environment.	
(2) Does the company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) Saving electric energy: Regarding air conditioning, lighting, and production, the Company evaluates and selects appropriate and energy-saving methods and equipment to reduce energy consumption. For example, in addition to turning off the lights when leaving, the Company also replaces LED tubes, participates in measures to reduce electricity consumption and strives for subsidies, solar power generation, replaces disposable rags with rubber covers to prevent odors from escaping, recycles solvents, replaces the old with the new and use high-efficiency energy-saving machines, machine heat insulation, paperless network publicity and other strategies. Water resource management: To avoid unnecessary waste, a variety of water-saving schemes are adopted in the production process and the factory, such as: recycling and reuse of process cooling water, recycling and reuse of wastewater from RO pure water equipment for flushing toilets and supplying part of it to cooling water towers, water-saving facilities for toilet water equipment, water dispenser waste water recycling and mopping the floor, etc. Through the above various wastewater recycling and water-saving measures, the waste of water resources is reduced and water-saving effects are achieved. The materials used by the Company, such as packaging materials, are all selected from low-pollution and non-toxic materials, such as: halogen-free, low-lead materials, to avoid subsequent environmental pollution. The Company is committed to the improvement of environmental protection and waste reduction work to protect the health of employees. It is also committed to reducing the amount of industrial waste generated in each process, reducing the amount of waste water discharge and the production of toxic chemicals, and is committed to improving air quality, so as to be able to control it at any time the state of the environment. In case of abnormal situations, it can be dealt with in a timely manner. The Company has not had any pollution disputes so far.	No major difference

(3) Has the company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3) In the face of climate change and the possibility of extreme weather, the Company conducts flood prevention drills every year, and all disaster relief equipment such as pumping motors are regularly maintained.	No major difference
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4) The Company formulated the "Energy Conservation and Carbon Reduction Management Measures" to reduce unnecessary waste of energy and resources. Also participated in the "Greenhouse Gas Reduction Project of the Industrial Low-Carbon Technology Integration and Application Guidance Program" of the Industrial Bureau of the Ministry of Economic Affairs, entrusted the NCKU Research and Development Foundation to provide guidance, and established an ISO14064-1 greenhouse gas inventory system within the Company to truly control the status of its greenhouse gas management. Specifically, it includes identifying each source of greenhouse gas emissions and their output conditions, and obtaining a verification statement issued by Taiwan Inspection Technology Co., Ltd. (SGS) on the greenhouse gas output of Jung Shing, confirming that the Company has the ability to control the output of greenhouse gases. In 2021, the goal of energy saving, waste reduction and reuse are NT$3 million, and its performance is NT$3.05 million. The details are as follows: 1. Received a subsidy of NT$140,000 per year for participating in Taipower's reduction of electricity consumption. 2. NT$370,000/year was saved by replacing manual water meter reading with monitors. 3. Saved NT$380,000 per year in tap water consumption. 4. NT$800,000/year of electricity was saved due to machine replacement and heat insulation. 5. Waste solvent cleaning saved NT$320,000/year. 6.Catalyst waste heat recovery saved NT$100,000/year. 7. Recycling and reuse of cooling water saved NT$250,000/year. 8. Solar power generation saved NT$690,000/year. Achievements in carbon reduction: The Company has solar panel power generation, lighting energy saving, air conditioning energy saving, heat insulation and energy saving of production	No major difference

			equipment and replacement of old and new ones, and uses various power energy saving measures to effectively reduce carbon dioxide emissions.	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) The Company sends personnel to participate in relevant labor law courses from time to time, and reviews its management procedures to meet the norms. On May 30, 1988, an industrial trade union organization was established to be responsible for labor rights and benefits. The labor union fully communicates and coordinates with the Company to protect the rights and interests of employees.	No major difference
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(2) The Company's work regulations clearly stipulate various employee welfare measures, and the relevant measures are placed on the internal website, and the employee welfare measures are regularly discussed and revised with the labor union and welfare committee.	No major difference
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(3) In order to protect the safety of workers in the workplace, the Company has set up an occupational safety and health committee to hold occupational safety and health meetings every three months to review and improve, and collect occupational safety and health information from time to time for publicity The Company posts relevant industrial safety warnings and signs in the workplace, purchases or distributes protective equipment (such as: earplugs, masks, gloves, safety shoes, etc.) and requires employees to wear them when working to reduce the occurrence of occupational accidents. In addition, full-time doctors and nurses are hired to provide on-site health services to provide employees with health improvement suggestions and health education training to maintain the health of colleagues.	No major difference
(4) Has the Company established effective career development training programs for employees?	V		(4) The Company provides various education and training courses for employees to refine their professional skills. In addition, the company has "on-the-job training incentives" to encourage employees to continue their education.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(5) In order to ensure effective communication with customers, the Company actively collects customer feedback, conducts satisfaction surveys, and convenes relevant units to respond. In addition, the Company's website provides customers with instant and perfect after-sales service.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor	V		(6) In terms of suppliers, the Company has relevant management strategies and excludes suppliers who have doubts about environmental protection,	

rights, and what is the status of their implementation?			occupational safety and health, or labor rights through a regular supplier evaluation system.	No major difference No major difference No major difference
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The Company has not produced a sustainability report yet.	Not yet made.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has not formulated its own code of corporate social responsibility, but has implemented corporate social responsibility in accordance with relevant laws and regulations.				
7. Other important information to facilitate better understanding of the Company's promotion of sustainable development: (1) In January 2022, Arts and cultural activities: "The wind blows from Shigaraki, Taiwan X Japan Exchange 10th Anniversary Exhibition". (2) On May 5, 2022, the establishment of the "Tainan Private Jung Shing Wire Social Welfare and Charity Foundation" was approved.				

(6) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) The Company has a "Code of Integrity Management". The Board of Directors fulfills the duty of care of a good manager, urges the Company to prevent dishonest behavior, and reviews its implementation results and continuous improvement at any time to ensure the implementation of the integrity management policy.	No major difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?		V	(2) The Company does not yet have a plan to prevent dishonesty. However, its internal website and signage in the factory area reveal that "diligence, honesty, honest operation, and steady development" are the company's core corporate values, which are implemented in daily operation and management. The Company has established a "Code of Integrity Management", which requires employees to abide by disciplines and laws, and corruption and bribery are strictly prohibited.	No major difference
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3) In order to implement honest management, the Company has established effective accounting and internal control systems, and its auditors regularly check the compliance of various systems. The Company stipulates in the work rules that employees shall not accept gifts, kickbacks, entertainment and other illegal benefits due to their duties.	No major difference
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1) The Company evaluates the integrity record of the counterparty, and has not found any dishonesty so far.	No major difference
(2) Has the company set up a dedicated unit to promote ethical		V	(2) In order to improve the management of integrity	No major difference

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?			management, the audit office of the Company is responsible for formulating and supervising the implementation of relevant policies and precautions, and reports to the board of directors when necessary. However, there is no regular (at least once a year) report to the board of directors.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) The Company has a "Code of Ethical Conduct" to regulate its directors, supervisors, managers and employees. If there is a risk of their own interests that may harm the Company's interests, the individual should report to the direct superior for discussion, and submit a written report to the Chairman for approval. If the circumstances are serious, it shall be reported to the Board of Directors for resolution.	No major difference
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4) The Company has established its effective accounting and internal control system. Internal auditors regularly check the compliance of various systems, and accountants also review the implementation of the internal control system every year.	No major difference
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5) The Company's internal website and signage in the factory area reveal that "diligence, integrity, honest operation, and steady development" are core corporate values, and they are implemented in daily operation management. The Company has a policy of honest behavior, which requires employees to abide by discipline and law, and corruption and bribery are strictly prohibited.	No major difference
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically?	V		(1) The Company's Personnel Review Committee accepts relevant reports, appeals and punishments, and handles them in accordance with regulations.	No major difference
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are	V		(2) The Company's "Code of Integrity Management" stipulates that the whistleblower and related content should be kept confidential. The company's internal	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>handled in a confidential manner?

(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</td><td>

V</td><td></td><td>website must immediately reveal information such as the title, name, date, content of the violation, and handling of the offender.
(3) During the process of accepting the report, the company protects the whistleblower from being improperly dealt with because of the report.</td><td>No major difference

No major difference</td></tr>
<tr><td>4. Strengthening Information Disclosure
(1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</td><td>
V</td><td></td><td>
(1) The Company has a website that discloses relevant corporate culture information, business policies and other information, and announces its "Code of Integrity Management" at the MOPS.</td><td>
No major difference</td></tr>
<tr><td colspan="5">5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No major difference</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): None.</td></tr>
</table>

(7) If the company has a corporate governance code and relevant regulations, it shall disclose its inquiry method:
The Company has a "Corporate Governance Code of Practice", and its relevant regulations are placed on the company website
http://www.jswire.com.tw/jswsub4-4.html

(8) Other important information sufficient to enhance the understanding of corporate governance operations may be disclosed together:

Advanced study of directors in 2022:

Title	**Name**	**Study date**	**Organizer**	**Class name**	**Study hours**	**Total hours of advanced study in**
Legal person director representative	Shen Shanghong	2022/04/26	Taiwan Institute of Directors	How the board of directors strengthens the competitiveness of enterprises	3	9
		2022/07/19	Taiwan Corporate Governance Association	Insider ownership management and legal issues that should be paid attention to in share transactions	3	
		2022/09/06	Taiwan Corporate Governance Association	Corporate Climate Governance and TCFD Disclosure Practices	3	
Independent director	Fang Huiling	2022/07/27	Taipei Exchange，TPEx	Sustainable Development Roadmap Industry Theme Publicity Conference	2	8
		2022/08/09	Taiwan Corporate Governance Association	How to carry out successful M&A negotiations: practical case sharing	3	
		2022/10/28	Taiwan Corporate Governance Association	Talking about the three principles of integrity management, corporate governance and sustainable management and their practical cases	3	
Independent director	Hong Guochao	2022/10/03	Securities and Futures Institute	Risks and Opportunities of Climate Change and Net Zero Emissions Policies to Business Operations	3	3
Independent director	Shi Dakun	2022/03/23	Securities and Futures Institute	Corporate governance and securities regulations	3	3

Advanced study of managers in 2022:

Title	**Name**	**Study date**	**Organizer**	**Class name**	**Study hours**	**Total hours of advanced study in the current year**
Finance and Accounting Supervisor	Xue Tiande	2022/10/24~ 2022/10/25	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors	12	12
Audit supervisor	Zheng Zongyue	2022/08/08	Accounting Research and Development Foundation	Legal Compliance Auditing Practices for the Operation of the "Audit Committee" of the Enterprise	6	12
		2022/12/28	Accounting Research and Development Foundation	Practical analysis of common deficiencies in "financial report review" and important internal control regulations	6	

(9) Implementation status of the internal control system:

Internal Control Statement

Jung Shing Wire Co., Ltd.
Internal Control Statement

Date: March 9, 2023

The Company's 2022 internal control system, based on the results of self-assessment, hereby declares as follows：

1. It is confirmed that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has already established such a system. Its purpose is to achieve the goals of operation effectiveness and efficiency (including profit, performance, and asset safety protection, etc.), report reliability, timeliness, transparency, and compliance with relevant norms and regulations, and provide reasonable confirmation.

2. Due to the inherent limitations of the internal control system, no matter how perfect the design is, an effective internal control system can only provide reasonable guarantees for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and corrective actions will be taken as soon as a deficiency is identified.

3. The Company judges whether the design and implementation of the system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems by Public Offering Companies" (hereinafter referred to as "the Guidelines"). The internal control system judgment items adopted in the "Processing Criteria" follow the process of management control and divide the internal control system into five components: (i.) Control environment, (ii.) Risk assessment, (iii.) Control operations, (iv.) Information and communication, and (v.) Supervise operations. The elements of each component include several items. For the aforementioned items, please refer to the provisions of the "Handling Guidelines".

4. The Company has now adopted the above-mentioned internal control system to judge projects and evaluate the effectiveness of the design and implementation of its internal control system.

5. Based on the inspection results of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of subsidiaries) on December 31, 2022, covering the understanding of the effect of operations and the degree of achievement of efficiency goals, and the reporting system are all reliable, timely, transparent and compliance with regulations and relevant laws and regulations. The design and implementation of relevant internal control systems are effective and can reasonably ensure the achievement of the above goals.

6. This statement is the main content of the Company's annual report and prospectus, and will be made public. If falsehood, concealment, or other illegal matters are found in the above-mentioned disclosed content, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7. This statement was approved by the Company's Board of Directors on March 9, 2023. Among the seven directors present, none of them held objections. All of them agreed with the content of this statement, and hereby declare.

Jung Shing Wire Co., Ltd.

Chairman: Wang Dongze
General Manager: Qiu Shouji

2. If certified accountants are entrusted to review the internal control system, the audit report of accountants should be disclosed: None.

(10) In the most recent year and as of the publication date of this annual report, if the company and its internal personnel have been punished according to law, or the company has punished its internal personnel for violating the internal control system regulations, and the punishment result may have a significant impact on shareholders' rights and interests or securities prices, the main deficiencies and improvements must be stated: None.

(11) In the most recent year and up to the date of publication of this annual report, important resolutions of the Shareholders' Meeting and the Board of Directors:

Important Resolutions and Implementation of the Shareholders' Meeting

The Company's 2022 annual general meeting of shareholders was held on June 14, 2022 at No. 245, Baohua Road, Chenggongli, Rende District, Tainan City (Chenggongli Activity Center). The resolutions passed by shareholders present at the meeting and their implementation are as follows:

1. Acknowledged the implementation of the 2021 business report and financial report: After voting on this case, 94,889,216 votes (97.05%) were in favor, 9,335 votes (0.01%) were opposed, and 2,872,009 abstention votes (2.94%), the case passed as it was.
2. Proposal on the distribution of earnings for 2021
   (1) The Company's 2021 after-tax profit is NT$209,741,650. According to the provisions of Articles of Incorporation and relevant laws and regulations, the Company added the distributable surplus of the previous period after adjustment, and the actual distributable surplus totaled NT$287,871,437. The number of outstanding shares of the company is 144,233,235. Shares held by each shareholder are calculated at NT$0.9 in cash dividends per share, totaling NT$129,809,912. Cash dividends shall be paid up to NT$ (round down below NT$). The total amount of abnormal payment less than NT$1 will be included in the Company's other income.
   (2) The distribution of cash dividends must be approved by the general meeting of shareholders before authorizing the chairman to set the dividend distribution base date and distribution date.
   (3) If the number of outstanding common shares of the company fluctuates before the ex-dividend base date, resulting in a change in the dividend rate, the chairman will be authorized to handle it with full authority.
   (4) The above-mentioned surplus distribution has been approved by the resolution of the Board of Directors and sent to the supervisor for review and record,
   Request for approval.
   (5) Implementation situation:
   After voting on this case, 94,889,216 votes (97.05%) were in favor, 9,335 votes (0.01%) were opposed, and 2,872,009 abstention
   votes (2.94%), the case passed as it was.
   Ex-right (interest) trading date: 2022/7/28
   Cash dividend distribution date: 2022/8/26
   The agency department of China Trust Commercial Bank, the company's stock affairs agency, will issue the money by remittance or registered check.
3. To conduct a comprehensive re-election of directors (including independent directors), elect 7 directors (including 3 independent directors and 4 directors), with a term of three years,beginning from June 14, 2022 to June 13, 2025. .

Important resolutions of the Board of Directors

The Company's important resolutions of the board of directors in 2022 and as of the publication date of this annual report are as follows:

1. Board meeting on March 11, 2022:
   (1) Approved the proposal of 2021 employee and director and supervisor remuneration.
   (2) Approved the proposal of 2021 manager performance bonus distribution.

(3) Approved the proposal of 2021 cash capital increase employee stock options.
(4) Approved the 2021 surplus distribution plan.
(5) Comprehensive re-election of directors
(6) Passed the case of replacing the certified accountant.
(7) Approved the endorsement guarantee for the related enterprise to borrow from the bank.
(8) Approved the proposal of the Company's "Internal Control Statement".
(9) Amendments to the Company's "Internal Control System"

2. Board meeting on May 10, 2022:
Passed the donation of activity funds to “Tainan City Private Jung Shing Wire Social Welfare and Charity Foundation”.

3.Board meeting on June 14, 2022: Reelection of Chairman and Vice Chairman

4. Board meeting on August 9, 2022:
(1) Approval of the Company's endorsement and guarantee of bank loans on behalf of related companies
(2) Authorized the chairman of the Board of Directors to make decisions on the business dealings between the company and the group's affiliated companies and public/private financial institutions.
(3) Approved the appointment of three remuneration committee members.
(4) Approved the establishment of the Company's "internal material information processing procedures".

5. Board meeting on November 9, 2022:
(1) Approval of the company's endorsement and guarantee of bank loans on behalf of related companies
(2) Approved the amendment to the company's "Remuneration Measures for Directors, Supervisors and Managers".
(3) Proposal to amend the company's "Rules of Procedure for the Board of Directors"
(4) Approved the company's 2023 internal audit work plan.

6. Board meeting on March 9, 2023:
(1) Approved the proposal of 2022 employee and director and supervisor remuneration.
(2) Approved the proposal of 2022 manager performance bonus distribution.
(3) Approved the 2022 surplus distribution plan.
(4) Approved the donation of "Tainan Private Rongxing Wire Social Welfare and Charity Foundation" related activities.
(5) Approved the appointment of the Company's "Corporate Governance Supervisor".
(6) Approval of the Company's endorsement and guarantee of bank loans for related companies
(7) Approved the proposal of the Company's "Internal Control Statement".
(8) Approved the revision of the Company's "Internal Control System".

7. Board meeting on May 11, 2023:
Approved the donation of "Tainan Private Rongxing Wire Social Welfare and Charity Foundation" related activities.

(12) In the most recent year and as of the date of publication of this annual report, directors or supervisors have different opinions on important resolutions passed by the Board of Directors and there are records or written statements, and their main contents: None.

(13) Summary of the resignations and dismissals of the company's chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance

supervisor, and R&D supervisor in the most recent year and as of the publication date of this annual report: None.

4. Information on accountant fees:

Information on certified accountant fees

Amount unit: NT$ thousand

Accounting firm name	Accountant name	Accountant review period	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	Su Yanda	2022.01.01~2022.12.31	3,360	98	3,458	Non-audit fees refer to business registration etc.
	Yang Boren					

(1) The non-audit public fees paid to certified accountants, the firms to which certified accountants belong, and their affiliated companies are more than a quarter of the audit public fees, and the amount of audit and non-audit public fees and non-audit service content should be disclosed: None.
(2) When the accounting firm is changed and the audit fee paid in the replacement year is less than the audit fee in the previous year, the amount of audit fees before and after the change and the reason shall be disclosed: None.
(3) When audit public fees decrease by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in audit public fees shall be disclosed: None.

Note 1: If the company has changed accountants or accounting firms this year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose the audit and non-audit public fees paid in order.
Note 2: Non-audit public fees are listed separately by service item. If the "other" of non-audit public fees reaches 25% of the total amount of non-audit public fees, the service content should be listed in the remarks column.

5. Information on replacement of accountants:
(1) About the former accountant

<table>
<tr><td>Replacement date</td><td colspan="3">2022.01.01</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="3">Due to the adjustment and arrangement of KPMG Taiwan's internal work, the original accountants Chen Huiyuan and Yang Boren were replaced by Su Yanda and Yang Boren.</td></tr>
<tr><td rowspan="3">Refers to appointed person or accountants termination or non-acceptance of appointment</td><td>The Party
Condition</td><td>Accountants</td><td>Appointed person</td></tr>
<tr><td>Voluntary termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Not accepting (continuing) appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
</table>

<table>
<tr><td>Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years</td><td colspan="3">Not applicable</td></tr>
<tr><td rowspan="7">Any disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure of financial reports</td></tr>
<tr><td></td><td>Review scope or steps</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td></td><td></td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Explanations</td></tr>
<tr><td>Other disclosures (Those that should be disclosed from Item 4 to Item 7 of Paragraph 6 of Article 10 of this Code)</td><td colspan="3">None</td></tr>
</table>

(2) About the successor accountant

Accounting firm name	KPMG Taiwan
Accountant name	Accountants: Su Yanda and Yang Boren
Date of appointment	2022.01.01
Consultation and results on the accounting treatment methods or accounting principles of specific transactions and the possible issuance of financial reports before the appointment of accountants	Not applicable
Written opinion of the successor accountant on the dissenting opinion of the predecessor accountant	None

(3) Reply from the former accountant regarding items 1 and 3 of Item 6 of Article 10 of this Code: None

6. Whether the company's chairman, general manager, and manager in charge of financial or accounting affairs have worked in the firm of the certified accountant or its affiliated companies within the past year: None.

7. Changes in equity transfers and equity pledges of the Company's directors, managers, and shareholders holding more than 10% of its shares in the most recent year and as of the date of publication of this annual report:

(1) Changes in equity of directors, supervisors, managers and major shareholders

Unit: share

Title	Name	2022		Year ended until April 14, 2023	
		Increase (decrease) of the number of shares held	Increase (decrease) of pledged shares	Increase (decrease) of the number of shares held	Increase (decrease) of pledged shares
Chairman	Wang Dongze	169,984	0	0	0
Vice Chairmn	FURUKAWA ELECTRIC CO., LTD. Representative: Shigeyuki Hasegawa	1,040,605	0	0	0
Shareholders holding more than 10% of the shares	FURUKAWA ELECTRIC CO., LTD.				
Director	Wang Dongxian	0	0	0	0
Director	TA YA ELECTRIC WIRE & CABLE CO., LTD. Representative: Shen Shanghong	5,829,065	(3,871,000)	388,000	0
Shareholders holding more than 10% of the shares	TA YA ELECTRIC WIRE & CABLE CO., LTD.				
Independent director	Fang Huiling	0	0	0	0
Independent director	Hong Guochao	0	0	0	0
Independent director	Shi Dakun	0	0	0	0
General manager	Qiu Shouji	160,563	0	0	0
Deputy general manager	Huang Weimin	114,340	0	0	0
Deputy general manager	Xue Wenfa	105,405	0	0	0
Deputy general manager	Harada Hidenori	100,000	0	0	0
Associate manager	Wu Mingzhang	60,000	0	0	0
Head of Finance & Accounting & Head of Corporate Governance	Xue Tiande	63,927	0	0	0
Independent director	Qiu Zhengren (Date of dismissal: 2022/6/14)	0	0	0	0
Supervisor	Caiyu Co., Ltd. Representative: Hong Guoming (Date of dismissal: 2022/6/14)	217,697	0	0	0
Supervisor	ZUU KONG ELECTRIC CO., LTD. Representative: Wang Zongmai (Date of dismissal: 2022/6/14)	192,082	0	0	0
Supervisor	Ye Junliang (Date of dismissal: 2022/6/14)	9,125	0	0	0

(2) Information on directors, supervisors, managers, and major shareholders whose counterparts to equity transfers are related parties: None

(3) Information on directors, supervisors, managers, and major shareholders whose counterpasrts to pledged shares are related parties: None.

8. Information on the relationship between the top ten shareholders with shareholding ratio:

April 14, 2023

Serial number	Name (Note 1)	Self-owned shareholding (Note 2)		Spouse & minor children shareholding (Note 2)		Total shares held in the name of others (Note 2)		Top ten shareholders who are related to each other or are spouses or relatives within the second degree, their titles or names and relationship (note 3)	
		Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (Name)	Relationship
1	TA YA ELECTRIC WIRE & CABLE CO., LTD.	39,862,065	25.27	0	0	0	0	0	0
	Representative: Shen Shanghong	0	0	0	0	0	0	0	0
2	FURUKAWA ELECTRIC CO., LTD.	31,546,647	20.00	0	0	0	0	0	0
	Representative: Shigeyuki Hasegawa	0	0	0	0	0	0	0	0
3	FU PAO CHEMICAL CO., LTD.	10,937,653	6.93	0	0	0	0	0	0
4	Hong Yin Investment Co., Ltd.	6,340,559	4.02	0	0	0	0	0	0
5	Fuxing Investment Co., Ltd.	5,859,788	3.71	0	0	0	0	0	0
6	Caiyu Co., Ltd.	3,318,854	2.10	0	0	0	0	0	0
7	ZUU KONG ELECTRIC CO., LTD.	2,928,345	1.86	0	0	0	0	0	0
8	Liao Benhe	2,916,398	1.85	0	0	0	0	0	0
9	Lichen Investment Co., Ltd.	2,568,000	1.63	0	0	0	0	0	0
10	FENG CHING METAL CORPORATION	1,905,095	1.21	0	0	0	0	0	0

Note 1: All the top ten shareholders should be listed, and if they are legal person shareholders, the name of the legal person shareholder and the name of the representative should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the shareholding ratio in the name of oneself, spouse, minor children or using the name of others.

Note 3: The shareholders listed above include legal persons and natural persons, and the relationship between them should be disclosed in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

9. The number of shares held by the company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the company in the same invested enterprise and its comprehensive shareholding ratio:

2022.12.31 Unit: share; %

Reinvestment enterprise (Note)	Invested by the Company		Directors, supervisors, managers, and investments in directly or indirectly controlled enterprises		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
British Virgin Islands JUNG SHING INTERNATIONAL CO., LTD.	48,045	100.00	0	0	48,045	100.00
LEADER STAR INTERNATIONAL LTD.	7,300,000	100.00	0	0	7,300,000	100.00
LONGSUN TECHNOLOGIES CO.,LTD.	2,998,910	99.96	0	0	2,998,910	99.96
JUNG SHING WIRE (VIETNAM) CO.,LTD.	-	100.00	0	0	-	100.00
JUNG SHING TECHNOLOGIES COMPANY LIMITED	11,192,046	74.61	0	0	11,192,046	74.61
NEOFLEX TECHNOLOGY CO., LTD.	12,401	0.32	0	0	12,401	0.32
JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	35,316	0.59	736	0.07	36,052	0.66
AMIT WIRELESS INC.	527,158	3.10	0	0	527,158	3.10

IV. Fund Raising Situation

1. Capital and shares

(1) Source of capital

A. Formation of share capital

Unit: NT$/share

Month/Year	Par value per share (NT$)	Approved capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash to offset the share capital	Others
March/1995	10	46,460,125	464,601,250	46,460,125	464,601,250	Cash capital increase 30,000,000	None	Note 1
July/1995	10	54,822,699	548,226,990	54,822,699	548,226,990	Surplus transferred to capital increase 83,625,740	None	Note 2
July/1996	10	60,304,969	603,049,690	60,304,969	603,049,690	Surplus transferred to capital increase 27,411,350 Capital reserve transferred to capital increase 27,411,350	None	Note 3
July/1997	10	66,335,466	663,354,660	66,335,466	663,354,660	Surplus transferred to capital increase 60,304,970	None	Note 4
July/1998	10	110,000,000	1,100,000,000	79,602,559	796,025,590	Surplus transferred to capital increase 132,670,930	None	Note 5
July/1999	10	110,000,000	1,100,000,000	81,194,610	811,946,100	Capital reserve transferred to capital increase 15,920,510	None	Note 6
Oct./2000	10	110,000,000	1,100,000,000	89,314,071	893,140,710	Surplus transferred to capital increase 81,194,610	None	Note 7
Sept./2001	10	110,000,000	1,100,000,000	95,566,056	955,660,560	Surplus transferred to capital increase 62,519,850	None	Note 8
Oct./2002	10	110,000,000	1,100,000,000	107,692,858	1,076,928,580	Surplus transferred to capital increase 47,783,020 Cash capital increase 78,125,000 Treasury stock cancellation 4,640,000	None	Note 9 - Profit TransferNote 10 - Cash Note 11 - Logout
July/2003	10	110,923,643	1,109,236,430	110,923,643	1,109,236,430	Surplus transferred to capital increase 32,307,850	None	Note 12
Feb./2005	10	150,000,000	1,500,000,000	113,481,782	1,134,817,820	Converting corporate bonds into shares 25,581,390	None	Note 13
Sept./2007	10	200,000,000	2,000,000,000	116,886,236	1,168,862,360	Surplus transferred to capital increase 34,044,540	None	Note 14
Oct./2007	10	200,000,000	2,000,000,000	117,488,172	1,174,881,720	Converting corporate bonds into shares 6,019,360	None	Note 15
Sept./2008	10	200,000,000	2,000,000,000	118,663,054	1,186,630,540	Surplus transferred to capital increase 11,748,820	None	Note 16
Apr./2009	10	200,000,000	2,000,000,000	118,108,054	1,181,080,540	Treasury stock cancellation 5,550,000	None	Note 17
Apr./2011	10	200,000,000	2,000,000,000	140,167,228	1,401,672,280	Converting corporate bonds into shares 220,591,740	None	Note 18
July/2011	10	200,000,000	2,000,000,000	140,184,177	1,401,841,770	Converting corporate bonds into shares 169,490	None	Note 19
Sept./2011	10	200,000,000	2,000,000,000	140,285,871	1,402,858,710	Converting corporate bonds into shares 1,016,940	None	Note 20
Jan./2012	10	200,000,000	2,000,000,000	141,031,482	1,410,314,820	Converting corporate bonds into shares 7,456,110	None	Note 21
July/2012	10	200,000,000	2,000,000,000	144,233,235	1,442,332,350	Converting corporate bonds into shares 32,017,530	None	Note 22

July/2022	10	300,000,000	3,000,000,000	157,733,235	1,577,332,350	Cash capital increase 135,000,000	None	Note 23

Note 1: 1995.2.7 (1995) Taiwan Caizheng (1) No. 55413 issued by the Securities Management Committee of the Ministry of Finance.
Note 2: 1995.7.3 (1995) Tai Cai Zheng (1) No. 39200 issued by the Securities Management Committee of the Ministry of Finance.
Note 3: 1996.7.3 (1996) Taiwan Caizheng (1) No. 41947 issued by the Securities Management Committee of the Ministry of Finance.
Note 4: 1997.7.7 (1997) Tai Cai Zheng (1) No. 52007 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 5: 1998.6.15 (1998) Tai Cai Zheng (1) No. 51686 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 6: 1999.7.30 (1999) Tai Cai Zheng (1) No. 70892 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 7: 2000.9.30 (2000) Tai Cai Zheng (1) No. 81665 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 8: 2001.8.16 (2001) Tai Cai Zheng (1) No. 152105 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 9: 2002.7.24 (2002) Tai Cai Zheng (1) No. 0910141247 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 10: 2002.8.1 (2002) Tai Cai Zheng (1) No. 0910142064 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 11: The Ministry of Economic Affairs issued No. 09101521190 on January 9, 2003.
Note 12: 2003.7.8 (2003) Tai Cai Zheng (1) No. 0920130458 issued by the Securities & Futures Commission of the Ministry of Finance.
Note 13: Taiwan Stock Exchange Co., Ltd. issued No. 09400044091 on February 22, 2005.
Note 14: Taiwan Stock Exchange Co., Ltd. issued No. 09600283301 on September 27, 2007.
Note 15: The Ministry of Economic Affairs issued No. 09601266900 on October 30, 2007.
Note 16: The Ministry of Economic Affairs issued No. 09701222830 on September 2, 2008.
Note 17: The Ministry of Economic Affairs issued No. 09801067720 on April 8, 2009.
Note 18: The Ministry of Economic Affairs issued No. 10001072010 on April 14, 2011.
Note 19: The Ministry of Economic Affairs issued No. 10001154210 on July 12, 2011.
Note 20: The Ministry of Economic Affairs issued No. 10001213150 on September 13, 2011.
Note 21: The Ministry of Economic Affairs issued No. 10101003640 on January 6, 2012.
Note 22: The Ministry of Economic Affairs issued No. 10101136220 on July 13, 2012.
Note 23: The Ministry of Economic Affairs issued No. 11101108760 on July 11, 2022.

B. Types of shares April 14, 2023 Unit: share

Type of shares	Approved capital			Remark
	Outstanding shares (Listed)	Unissued shares	Total	
Registered common stock	157,733,235	142,266,765	300,000,000	None

C. Information about the comprehensive reporting system: None.

(2) Shareholder structure: April 14, 2023

Shareholder structure / Quantity	Government Agencies	Financial Institutions	Other Legal Persons	Foreign Institutions and Outsiders	Individuals	Treasury stock	Total
Number of people	0	0	21	17	5,514	0	5,552
Number of shares held	0	0	76,006,693	31,975,201	49,751,341	0	157,733,235
Shareholding ratio	0	0	48.19%	20.27%	31.54%	0	100%

Note: Shareholding ratio of mainland China capital: None.

(3) Shareholding dispersion (Par value NT$10 per share)

April 14, 2023

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio (%)
1-999	2,707	228,658	0.14%
1,000-5,000	2104	4,079,544	2.59%
5,001-10,000	313	2,419,008	1.53%
10,001-15,000	97	1,207,585	0.77%
15,001-20,000	65	1,182,019	0.75%
20,001-30,000	66	1,652,458	1.05%
30,001-40,000	42	1,467,844	0.93%
40,001-50,000	24	1,082,649	0.69%
50,001-100,000	48	3,367,701	2.14%
100,001-200,000	35	4,900,729	3.11%
200,001-400,000	18	4,945,727	3.14%
400,001-600,000	7	3,534,048	2.24%
600,001-800,000	0	0	0.00%
800,001-1,000,000	6	5,463,483	3.46%
1,000,001 or more	20	122,201,782	77.46%
Total	5,552	157,733,235	100.00%

(4) List of major shareholders:

April 14, 2023

Serial No.	Major shareholder name	Number of shares held	Shareholding Ratio%
1	TA YA ELECTRIC WIRE & CABLE CO., LTD.	39,862,065	25.27%
2	FURUKAWA ELECTRIC CO., LTD.	31,546,647	20.00%
3	FU PAO CHEMICAL CO., LTD.	10,937,653	6.93%
4	Hong Yin Investment Co., Ltd.	6,340,559	4.02%
5	Fuxing Investment Co., Ltd.	5,859,788	3.71%
6	Caiyu Co., Ltd.	3,318,854	2.10%
7	ZUU KONG ELECTRIC CO., LTD.	2,928,345	1.86%
8	Liao Benhe	2,916,398	1.85%
9	Lichen Investment Co., Ltd.	2,568,000	1.63%
10	FENG CHING METAL CORPORATION	1,905,095	1.21%

(5) Information related to stock price, net worth, earnings, and dividends per share in recent two years:

Unit: NT$, share:

Item / Year			2021	2022	The current year ends on March 31, 2023
Market Price per Share	Highest		25.90	18.90	15.15
	Lowest		13.40	14.65	14.60
	Average		17.40	16.23	14.91
Net Worth per Share	Before distribution		13.20	13.34	13.24
	After distribution (Note 1)		12.30	13.04	Not applicable
Earnings per share	Weighted average number of shares (thousand shares)		144,233	157,733	157,733
	Earnings per share (Note 4)		1.45	0.33	0.18
Dividend per share	Cash dividend		0.90	0.30	Not applicable
	Free allotment	Surplus allotment	-	-	Not applicable
		Capital reserve allotment	-	-	Not applicable
	Accumulated Undistributed Dividends		-	-	Not applicable
Return on Investment	Price / Earnings Ratio (Note 2)		12.00	49.18	Not applicable
	Cost-to-earnings ratio Price / Dividend Ratio (Note3)		19.33	54.10	Not applicable
	Cash Dividend Yield Rate (Note4)		5.17%	1.85%	Not applicable

Note1: This is filled in according to the allocation of the Shareholders' Meeting resolution in the next year.
Note2: Price / Earnings Ratio = average closing price per share for the year/earnings per share.
Note3: Price / Dividend Ratio = average closing price per share for the current year / cash dividend per share.
Note4: Cash Dividend Yield Rate = cash dividend per share / average closing price per share for the current year.

(6) Dividend policy and implementation status

1. Dividend policy:

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Act. After comprehensive consideration of capital reserves, retained earnings, and future profit status, dividends to shareholders shall be distributed at no less than 45% of the after-tax earnings of the current year. As for cash dividends, it shall not be less than 5% of the total amount of cash and stock dividends distributed in the current year. If future surplus and funds are sufficient, the proportion of cash dividends shall be increased. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual Shareholders' Meeting.

2. **Proposed distribution of dividend**

The Company's 2022 after-tax surplus is NT$50,510,491. According to Articles of Incorporation and relevant laws and regulations, the actual distributable surplus is NT$241,309,729 after the distributable surplus of the previous period is added. Based on the 157,733,235 outstanding shares of the company, each shareholder can distribute a cash dividend of NT$0.3 per share, totaling NT$47,319,971. Cash dividends will be paid up to NT$ (rounded down below NT$), and the total amount of cash dividends less than NT$1 will be included in the company's other income.

Jung Shing Wire Co., Ltd.

Surplus Distribution Table

2022

Unit: NT$

Item	Amount
Undistributed surplus at the beginning of the period	158,061,525
Net profit after tax	50,510,491
Add: Defined benefit plan actuarial benefit	1,972,000
Add: Rotation of special surplus reserve	36,013,962
Less: Provision of statutory surplus reserve	(5,248,249)
Distributable surplus for the current period	241,309,729
Distribution items: common stock cash dividends--NT$0.3/share	47,319,971
Undistributed surplus at the end of the period	193,989,758

(7) The impact of the free allotment proposed by the Shareholders' Meeting on the Company's business performance and earnings per share (EPS): The Company's 2022 profit distribution is distributed in cash dividends, which has no impact on its EPS.

(8) Compensation of employees, directors and supervisors:

1. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation

   The Company's Articles of Incorporation stipulates that: "From the profit earned by the Company as shown through the annual account closing, no less than 0.5% shall be taken for employee compensation, and no more than 3% taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld." The recipients of the employee remuneration given in the preceding paragraph include stock or cash, including employees of affiliated companies who meet certain conditions.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   The Company's employee remuneration for 2022 and 2021 is NT$314 thousand and NT$1,755 thousand respectively, and the remuneration for directors and supervisors is NT$1,255 thousand and NT$7,521 thousand. This is estimated based on the Company's pre-tax net profit for each period before deducting the employee's and director's remuneration multiplied by the distribution multiplier for employee's remuneration and director's remuneration set by Articles of Incorporation, and reported as operating costs or operating expenses during the period. The difference between the actual distribution amount and the estimated amount in the following year is treated as a change in accounting estimates, and the difference is recognized as profit or loss for the next year. When the Board of Directors decides to use stock to distribute employee remuneration, the calculation basis for the number of shares of the stock remuneration will be based on the closing price of the day before the board meeting's resolution while taking into account the impact of ex-rights and ex-dividends.

3. Distribution of Compensation of employees, directors and supervisors approved in the Board of Directors:

   (1) Employee remuneration distributed in cash or stock and the amount of remuneration for directors and supervisors. If there is a discrepancy with the estimated amount of the recognized expense in the year, the discrepancy, reason and handling situation shall be disclosed.
   The Company's 2022 pre-tax profit before deducting the distribution of employee remuneration and directors' and supervisors' remuneration is NT$62,748,585. It is proposed to distribute employee remuneration NT$313,743 (0.5%), directors and supervisors remuneration NT$1,254,971 (2%), all paid in cash. This was approved by the Remuneration Committee on March 9, 2023 and the Board of Directors on March 9, 2023. The amount of remuneration allocated to employees, directors, and supervisors is not different from the estimated annual amount of recognized expenses.

   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: The Company has no proposal to distribute employee remuneration in the form of stock.

4. Information of distribution of compensation of employees, directors and supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) in the previous year and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: The Company's 2022 and 2021 remuneration estimates for employees, directors and supervisors are not different from the resolutions of the board of directors. For relevant information, please visit the Market Observation Post System (MOPS).

(9) Buy-back of treasury stock: None.

2. Handling of corporate bonds

(1) Information on corporate bonds:

Corporate bonds outstanding and in process:

<table>
<tr><td colspan="2">Corporate Bond Type</td><td>The third domestic unsecured conversion of corporate bonds</td></tr>
<tr><td colspan="2">Issue date</td><td>March 2, 2022</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Issuing and transaction location</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued at 111.80% of par value</td></tr>
<tr><td colspan="2">Total price</td><td>NT$200 million</td></tr>
<tr><td colspan="2">Coupon rate</td><td>Coupon rate is 0%</td></tr>
<tr><td colspan="2">Tenor</td><td>Five-year period Maturity date: March 2, 2027</td></tr>
<tr><td colspan="2">Guarantee agency</td><td>Not applicable</td></tr>
<tr><td colspan="2">Consignee</td><td>TAISHIN INTERNATIONAL BANK</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Taishin Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Certified lawyer</td><td>Yu-cheng Attorney-at-Law Lawyer Lin Shixun</td></tr>
<tr><td colspan="2">CPA</td><td>KPMG Taiwan Accountants Chen Huiyuan, Yang Boren</td></tr>
<tr><td colspan="2">Repayment method</td><td>Except that the holder of the bond converts into the company's ordinary shares in accordance with Article 10 of the Issuance and Conversion Regulations or exercises the sell-back option in accordance with Article 19 of the Issuance and Conversion Regulations, or the Company redeems in advance in accordance with Article 18 of the Issuance and Conversion Regulations, or the company buys back and cancels it at the business place of a securities firm, it will be repaid in cash at 100.6266% of the face value of the bond (0.125% in real rate of return) after the maturity date.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$200,000 thousand</td></tr>
<tr><td colspan="2">Terms of redemption or advance repayment</td><td>For details, please refer to Article 18 and Article 19 of the Third Domestic Guaranteed Convertible Corporate Bond Issuance and Conversion Measures (Appendix 2)</td></tr>
<tr><td colspan="2">Restrictive clause</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, rating of corporate bonds</td><td>Not applicable.</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities</td><td>As of April 6, 2022, there is no conversion event.</td></tr>
<tr><td>Issuance and conversion (exchange or subscription) method</td><td>For details, please refer to Articles 9 and 10 of the Measures for the Third Domestic Guaranteed Convertible Corporate Bond Issuance and Conversion (Appendix 2)</td></tr>
<tr><td colspan="2">Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity</td><td>The current conversion price is tentatively calculated at NT$18.5, and the maximum dilution effect of the converted corporate bonds issued this time on the original shareholders is about 9.72%. The equity dilution of converted corporate bonds depends on the conversion situation, and the gradual method will have a more delayed effect. Overall, the impact on the dilution of equity interest is still limited.</td></tr>
<tr><td colspan="2">Transfer agent</td><td>Not applicable.</td></tr>
</table>

(2) Corporate bonds due within one year: As of the publication date of this prospectus, there are no corporate bonds due within one year.

(3) Issued convertible corporate bonds that can be converted into ordinary shares, overseas depositary receipts, or other securities:

Corporate bond type		The third domestic guaranteed conversion of corporate bonds	
Year/ Item		2022	As of March 31, 2023 of current year
Market price of the convertible bond	Highest	117.75	101.80
	Lowest	94.00	98.00
	Average	111.92	99.40
Convertible Price		17.30	17.30
Issue date and conversion price at issuance		Issue Date: March 2, 2022	-
		Conversion price at issuance:NT$18.5/share	-
Conversion methods		Issuing of new stocks	

(4) Information on exchangeable bonds: None.
(5) Comprehensive application for the issuance of corporate bonds: None.
(6) Information on corporate bonds with equity warrants: None.
(7) Handling of privately placed corporate bonds in the last three years and up to the publication date of the prospectus: None.

3. Handling of special shares: None.
4. Issuance of overseas depositary receipts: None.
5. Handling of employee stock option certificates: None.
6. Handling of new shares with restrictions on employee rights: None.
7. Handling of mergers and acquisitions or transfer of shares from other companies to issue new shares: None
8. Implementation of the fund utilization plan:
   (1) Plan contents
   As of the quarter before the publication date of this annual report, previous issuances or private placements of securities have not been completed or have been completed within the last three years and the planned benefits have not yet emerged: None.
   (2) Implementation
   For each planned use in the preceding paragraph, analyze the implementation situation and the original estimated benefits as of the quarter before the publication date of this annual report: None.

V. Operation Overview

1. Business content

(1) Business scope

A. Main content of the business

(1) Copper, rolling, wire drawing, and extrusion industries.
(2) Wire and cable manufacturing industry.
(3) Manufacturing of electronic parts and components.
(4) Manufacturing of other electric wires and electronic machinery and equipment.
(5) International trade industry.
(6) In addition to the licensed business, it may operate business that is not prohibited or restricted by law.

B. Proportion of business Unit: NT$1,000

Year / Item	2021		2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Wire products	4,602,132	99.62%	3,542,219	98.91%
Others	17,502	0.38%	39,159	1.09%
Total	4,619,634	100.00%	3,581,378	100.00%

Note: Others here refer to the sales revenue of subsidiaries Jung Shing Electronics and LONGSUN TECHNOLOGIES. Since the business content is not related to magnet wire, it is listed in item of others.

C. The Company's current products:

Important uses or functions of the main products are shown in the table below:

Main products	Important uses or functions
Wire products	Coils for communication equipment, high-frequency coils, automatic control machines, transformers, motor coils, constant tension motors, coils for electric motors, coils for lighting appliances, TV degaussing coils, TV deflection yokes, audio speaker coils, microphone coils, electromagnetic coils, high output voice coil.

D. New products expected to be developed

(1) Self-melting wire for high temperature resistant voice coil.
(2) Special alloy and composite conductor magnet wire.
(3) Energy-saving and environment-friendly magnet wire.
(4) Wires for the Internet of Things (IoT) market and high-Q, high-frequency, high-efficiency twisted wires.
(5) Wires for the robot motor market.
(6) Wires for EV motors.
(7) High pressure magnet wire.

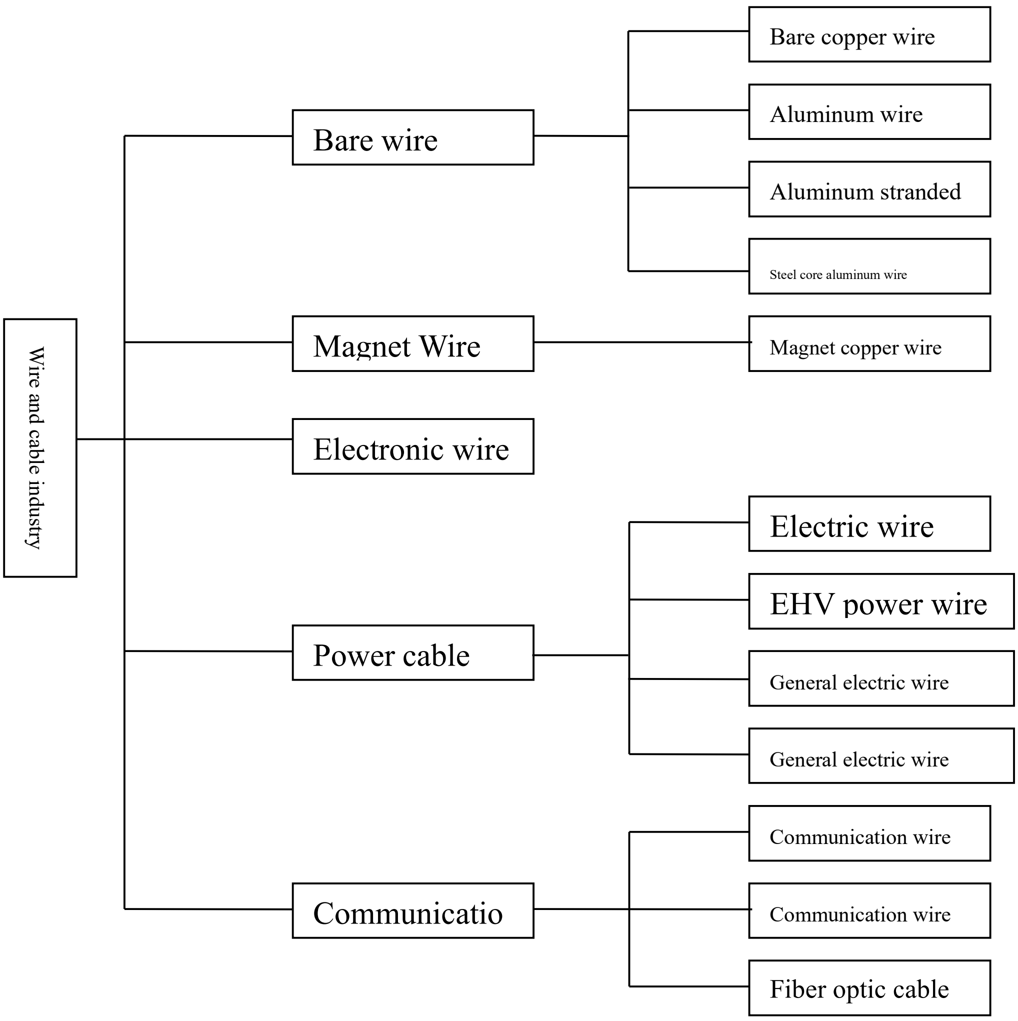
(2) Industry overview

1. Current status and development of the industry

International relevant regulations define wire and cable as "wire products used to transmit electric (magnetic) energy information and realize electromagnetic energy conversion", which is closely related to human daily life. Such wire and cable products are needed in all industrial production, transportation, construction engineering, modern agriculture, military equipment, space, ocean exploration and social life.

The wire and cable industry are a capital- and technology-intensive and high-value-added industry. As a transmission medium for electricity and communications, it is a basic industry with high industrial relevance, large market potential, low energy coefficient, and low pollution. There are many kinds of wire and cable products, which can be roughly divided into five categories: bare wire, magnet wire, electronic wire, communication cable and power cable. The scope of application is extensive in communications, power transmission, power distribution systems, and various home appliances, information products and electronic components.
Among them, the bare wire needs to be extracted from electrolytic copper plate, which is a semi-finished product of wire and cable, and is the main wire material of other products. Magnet wire is an important raw material for motors, home appliances, machine tools and other industries. Electronic wires and cables are transmission materials for electronic and information products, and communication wires and cables are used for communication and transmission. The main domestic demanders are Chunghwa Telecom, private fixed network and cable TV companies. Electric wires and cables are mainly used for power transmission, and the biggest domestic demander is Taipower.

Wire and cable industry field and structure



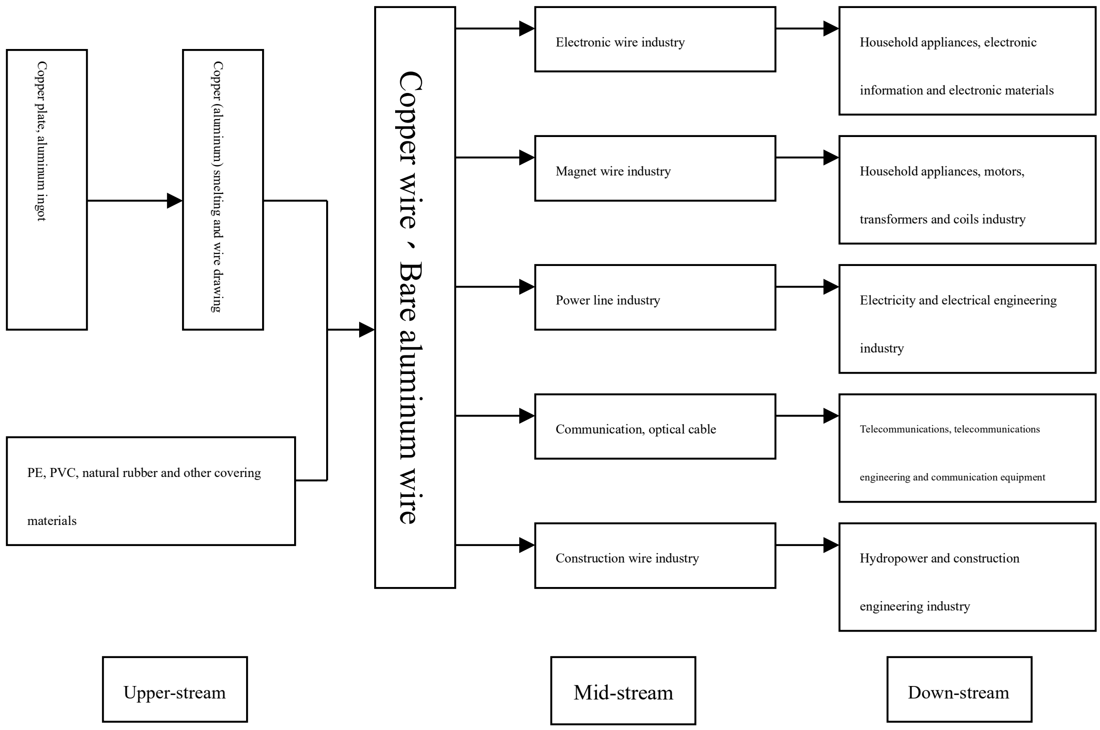
Features of wire and cable products

Product category	Main features
Bare wire	1. The most basic material in the electrical industry. 2. The investment in raw materials and equipment is high. 3. Copper raw materials account for up to 90% of the cost, and there is a huge risk of fluctuations in the unit price of raw materials and products. 4. The processing level is low, which belongs to low value-added, semi-finished products.
Electronic wire	1. The added value of products tends to be polarized. For example, the price difference between communication products and electronic wires for traditional home appliances is extremely obvious. 2. Mainly exported, concentrated in European, American and Asian markets, which is closely related to the economic changes of the global electronic information industry. 3. Copper raw materials account for about 60% of the product cost. 4. The amount of investment in equipment is not high, and the entry threshold for technology and capital is low.
Magnet wire	**1. Basic materials for motors, transformers, and electronic coils.** **2. The amount of investment in raw materials and equipment is too high.** **3. Copper raw materials account for about 85% of its product cost, and there is a high risk of changes in the unit price of raw materials and products.** **4. Its added value is not high, and mass production is required to reduce costs.**
Power cable	1. It is an important basic industry, a capital-intensive and high-tech industry, and the domestic demand market is the mainstay. 2. The main raw materials need to be imported from abroad. 3. Attention should be paid to the safety, reliability and after-sales service of power transmission. 4. The service life of the product is ten to twenty years, and its life cycle is long. 5. Specific marketing targets and important orders come from power companies.
Communication cable (including fiber)	1. Product structure and precision, high quality and reliability. 2. The technical level is high, and attention should be paid to the transmission speed and quality of communication. 3. It has high added value and short product life cycle. 4. Specific marketing targets, such as communication companies and cable TV companies.

2. The relationship between the upper-, middle- and lower streams of the industry

The wire and cable industry is a capital- and technology-intensive industry. Not only is the industry highly correlated, but it also has a low energy coefficient and belongs to the basic industry. Its upper stream includes the plasticization industry as insulating materials, and the industry of refining metals such as copper or aluminum as basic materials for cables. In the middle stream, there are companies that process bare wires to produce various types of wires and cables. The main product uses include: power cables for power transmission and distribution, communication cables, electronic wires for home appliances and electronic products, construction wires for construction companies, magnet wires for motors or electronic coils. Downstream is the industry that uses the above products, such as the power industry, telecommunications industry, home appliance industry, electronic information industry and construction industry. Since the Company's main products are enameled wires, and reusing enameled wires to process products such as degaussing coils or stranded wires, it is positioned as a mid-stream industry player.

Correlation diagram of upper-, mid- and down-streams of wire and cable industry



3. Product development trend

Driven by projects such as Taipower Corporation's sixth power transmission and distribution plan and the sixth light-cracking oil plant plan of Formosa Plastics, the domestic demand for electric wire and cable has remained stable in recent years, and the export market has also benefited from basic power construction business opportunities in China, so its fluctuations are not big. Electric power construction is one of the important constructions of the country, and the scale and proportion of production and sales value of electric wire and cable products have always been ranked first among various products in this industry.

4. Product competition

Magnet wire is one of the basic materials of various application products due to its wide range of industrial associations. The barriers to entry into the industry are not large, but it takes a considerable amount of time for new entrants to establish their experience curves and channels. It is more difficult to break through the competitive advantages of existing manufacturers. In response to market demand, in addition to continuing to expand the market for existing products, the Company actively develops high conductivity, low-loss, high temperature-resistant, high pressure-resistant, direct solderable, self-fusing wire materials, such as ultra-fine wire enameled wire, wire drawing processing, copper alloy insulated and coated wire products or technologies. The high value-added products produced have a strong market competitive advantage.

In recent years, mainland China's economy has grown rapidly, and the demand for wire and cable for various constructions has doubled. The proportion of Taiwan's wire and cable products exported to China (including Hong Kong) has increased sharply, exceeding 60% since 2006. It is obvious that the industry is increasingly dependent on the market in China. The United States accounts for the second largest export market for Taiwan's wire and cable industry. Its main export products are other wires and cables with a voltage of 80 to 1,000 volts that are not equipped with connectors, and other power cords and cables and with a voltage of less than 80 volts but with connectors. line group, and other coaxial electrical conductors. However, the above product only accounts for about 10% of the total value of Taiwan's cable exports to the United States. Because the growth of other products has little effect, the proportion of cables exported to the United States has not particularly increased. On the contrary, the proportion of Hong Kong, the United States, Japan and other regions has declined successively due to the sharp increase in the amount of exports to China.

(3) Overview of Technology and R&D

A. Technical level and R&D

In response to market demand for electronic products that are becoming lighter, thinner, shorter, smaller, and increasingly stringent in quality requirements, the Company not only continues to expand the market for existing products, but also actively develops high temperature-resistant, high pressure-resistant, and direct solderable products, self-melting wire and non-copper series conductor magnet wire to improve product competitiveness. The magneg wire requirements for the main product items will be developed in the direction of "ultra-fine wire, ultra-thin wire", "high temperature resistance" and flat wire with increased market share. The Company already has the technical capability to produce such high value-added products.

B. R&D personnel and their academic experience

Year / Item	2021		2022		As of March 31, 2023	
	Number of people	%	Number of people	%	Number of people	%
PhD/ master	6	46%	7	39%	7	39%
Colleges and universities	7	54%	11	61%	11	61%
High school and vocational	-	-	-	-	-	-
Total	13	100%	18	100%	18	100%

C. Consolidated R&D expenses invested in the most recent year and up to the date of publication of this annual report:

2022: NT$18,726(in thousand)

The 1st quarter of 2023: NT$3,794(in thousand)

D. Successfully developed technologies or products

Item	Achievement
1. Completed the development of environmentally friendly magnet wire.	Production and sales.
2. Completed the development of self-melting magnet wire.	Production and sales.
3. Low temperature solderable stranded wire	Production and sales.
4. High tensile aluminum magnet wire	Production and sales.

(4) Short- and long-term business development plans

1. Short-term business development plan
   (1) Marketing strategy
      A. To implement flexible quotations, and implement reductions for loss-making customers.
      B. To achieve the 80/20 goal of niche products.
      C. To launch various marketing activities.
      D. To strictly control the recovery of payment.
   (2) R&D strategy
      A. To develop special magnet wires made of non-copper materials.
      B. To cooperate with customers in the preliminary research, development and design of new products.
      C To develop extremely fine lines.
      D. To provide customers with the best solution.
      E. To design thin and refined products.
   (3) Production strategy
      A. To add wire drawing machine and paint baking machine.
      B. To implement cost optimization and reduce costs.
      C. To consolidate workplace machines.
      D. To improve warehousing and inventory.
      E. To improve the efficiency of car modification and reduces the rate of waste wires.
   (4) Enterprise electronic strategy
      A. The optimization and promotion of enterprise information and the improvement of the efficiency of information use.
      B. The establishment and deployment of the Company's Internet of Things server.
      C. Continuous development of ERP business of overseas factories and subsidiaries.
   (5) Human resource strategy
      A. To implement KPI performance appraisal.
      B. To reduce labor costs.
      C. To carry out organizational flattening and manpower streamlining.
2. Long-term business development plan
   (1) Marketing strategy
      A. To develop new products and new markets.
      B. To expand the Southeast Asian market and Internet marketing.
      C. To expand the domestic sales of the Company's mainland factories.
      D. To strategically integrate business resources.
   (2) R&D strategy
      A. Products related to green energy and environmental protection industries.
      B. High heat-resistant wire, high heat-resistant self-melting wire and non-copper special magnet wire.
      C. Thermal magnet wire.
      D. Basic research on materials.
      E. Cross-industry alliance and new product development.
      F. To master the core technology and create product value.
   (3) Production strategy
      A. The overall improvement of the processing degree of the core wire.
      B. To implement machine configuration, purchase and replacement plans.
      C. To set up a new production base in Vietnam to reduce tariff costs and increase the competitiveness of the group.
      D. To dispose and realize idle assets.
   (4) Enterprise electronic strategy
      A. Implementation of enterprise digitization.
      B. Computerization of the wire extension quality assurance operation platform.

C. Optimization of various servers.

(5) Human resource strategy:

A. Activation of human resource benefits.

B. Strengthening talent cultivation and lifelong learning.

C. Promoting the knowledge management system.

2. Market and production and sales overview

(1) Market analysis

A. Major commodity sales regions and their market share

Magnet wire is regarded as a bulk commodity exported by Taiwan's wire and cable industry. The Company's products are also mainly exported, and the proportion of revenue has exceeded 70% over the years. In recent years, the rapid economic development of mainland China, coupled with the increasing investment and establishment of factories in mainland China by Taiwanese electronics and information companies, has generated huge demand for wires and cables, and the proportion of sales in Asia has become the main region.

Unit: NT$1,000

Year / Region	2021		2022	
	Consolidated net revenue	Ratio (%)	Consolidated net revenue	Ratio (%)
Taiwan	1,039,338	22.50%	811,156	22.65%
Mainland China	3,410,059	73.82%	2,583,863	72.15%
Japan	22,024	0.48%	24,392	0.68%
Other nations	148,213	3.21%	161,967	4.52%
Total	4,619,634	100.00%	3,581,378	100.00%

B. Future market supply and demand and its growth

Since the wire and cable industry has a high degree of industry correlation and is a basic industry, the rise and fall of this industry is closely related to economic prosperity.

The Company is a major magnet wire manufacturer in Taiwan, mainly providing basic wires and high-end special wires for home appliances, electronic information, and electrical industries. Its core technology development capabilities are solid and strong, especially the research and development of high-end electronic special magnet wires has taken a leading position. Looking forward to the future, the Company's long-term research and development of special wire rods and new products will gradually show benefits. and its production and sales bases in the mainland are established. As long as the global economy recovers, future growth should be expected.

C. Competitive Niche

(1) The Company is the first professional magnet wire factory in Taiwan to cooperate with a Japanese counterpart. In the process of cooperation with Totoku Electric Co., Ltd., the Company has the following advantages:

A. Totoku Electric Wire is a leader in special wire technology.

B. The Company obtains sufficient product manufacturing technology transfer.

C. The Company has excellent quality control system and factory management.

(2) The Company's product loss rate is low, reducing production costs.

(3) The Company implements strict production monitoring and management.

(4) The Company has a strong research and development team.

4. Favorable and unfavorable factors and countermeasures for development prospects

(1) Favorable factors:

A. Establishment of overseas operation bases

In response to downstream manufacturers relocating to mainland China, in order to reduce production costs, the Company has set up electronics and wire factories in Suzhou and Dongguan, responsible for the production of small-scale, large-volume, low-margin, labor-intensive products such as general wires, etc., to supply the mainland market nearby. The domestic factory in Taiwan focuses on the flexible production of various and small quantities and the development of high value-added products of special lines to improve competitiveness.

B. Magnet wire has a wide range of uses, high industrial relevance, and great potentials for product development

Magnet wire is the raw material of 3C products, and it has no obvious life cycle. It is also an irreplaceable material in electromagnetic conversion applications. Thus, with the growth of 3C industry, the Company also has growth potentials. There is a close cooperation relationship between the upstream and downstream of the magnet wire industry. The cross-system product specifications and characteristics cannot replace the original supply system in the short term, and the products of the same system have cultivated a stable supply relationship with each other. When the downstream industry moves out, the original system also forms a transnational upstream and downstream supply chain.

C. High added value of products and continuous upgrading of production technology are the advantages of future market development

"Light, thin, short, and small" is the inevitable development direction of the 3C industry in the future. The 0.025mm ultra-fine wire diameter products currently developed by the Company, the technical level of self-fusing, high-temperature resistance, and direct soldering wires can all respond demands for high-end products in the future market.

D. Vertical integration is successful and has a competitive advantage in the market

The Company's production process includes wire drawing, painting, and baking, which is a consistent production process. With decades of rich experience and effective cost control, the Company has created a gross profit margin higher than that of other peers, and formed a vertical integration with the downstream industry by virtue of the production of high-quality magnet wire. Therefore, in addition to advantages in cost and quality, the Company is highly flexible in operation.

E. Employees have high company centripetal force and job stability, and it is easy to accumulate experience and skills

The Company is a capital and technology-intensive industry. The improvement and maintenance of machinery and equipment, the manufacturing control of ultra-fine wires and special wires all require skilled engineering and technical personnel. The Company's labor and capital are harmonious, so the stability of employees is high, and experience and technology can be inherited and accumulated.

F. Marketing with its own brand, high market awareness

The Company uses its own brand to market its own products, insists on quality assurance, and has a high degree of market awareness and recognition.

(2) Unfavorable factors:

A. New competitors such as mainland China and South Korea increase market competitiveness

Countermeasures

To strengthen research and development, and enhance the Company's competitiveness with technology and speed that exceed market demand and competitors.

B. Fluctuations in copper prices and exchange rates affect the cost of raw materials and the selling price of products

Countermeasures

Taiwan does not have copper mines and refining of raw copper, so the price of copper is easily affected by fluctuations in the international market. For this reason, the Company has signed long-term supply contracts with many suppliers, and adopted an appropriate pricing policy to avoid the risk of copper price and exchange rate fluctuations. Meanwhile, the Company has established a safe stock of inventory to meet the demand for wire orders and flexibly adjust the purchase of copper raw materials, thus reducing the risk of copper inventory price decline.

C. High wages and high production costs

Countermeasures

The renewal and automation of production equipment and the production of high value-added products are the future development direction, and the labor cost in the product structure has dropped below 5%. At the same time, the Company continues to improve the manufacturing process, upgrade manufacturing technology, introduce foreign technical personnel, and set up factories overseas to reduce production costs.

(2) Important uses and production processes of main products

1. Important uses of main products

Main products	Important uses
Magnet wire	Mainly supplies materials required by the information, communication and consumer electronics (3C) industries.
Stranded wire	High-frequency coils are the best winding materials for anti-temperature rise.

2. Production process of main products

A. Magnet wire: bare copper wire → stretching wire → baking varnish

B. Stranded wire: wire → stranded → pinhole, wire diameter, check of number of strands

(3) Supply status of main raw materials:

The Company's main product is enameled wire, and its main raw materials are 8mm or 2.6mm bare copper wire and coating that are stretched from copper plate. Among them, bare copper wires account for about 85% of the cost of magnet wires, and are purchased directly from major domestic bare copper wire manufacturers. The purchase price of bare copper wire shall be adjusted with reference to the international market price (quoted by the London Metal Exchange), plus freight, processing fees and other items. In order to diversify the procurement risks, the Company maintains a good cooperative relationship with many suppliers at the same time. Therefore, the supply of main raw material sources is stable, and there is no fear of shortage or interruption.

(4) List of major purchase and sale customers in the last two years:

1. The name of the customer who accounted for more than 10% of the sales in any of the last two years, and the sales amount and proportion: In 2021 and 2020, the consolidated company has no sales revenue, which accounts for more than 10% of the sales revenue in the profit and loss statement of customers.
2. The name of the supplier who accounted for more than 10% of the purchase in any of the last two years, and the purchase amount and proportion

	2021				2022				As of the first quarter of 2023 (Note 2)			
Item	Name	Amount	Proportion of net purchases in the whole year [%]	Relationship with Issuer	Name	Amount	Proportion of net purchases in the whole year [%]	Relationship with Issuer	Name	Amount	Proportion of net purchases in the current year up to the previous quarter [%]	Relationship with Issuer
1	Company A	1,121,383	29%	None	Company A	951,624	32%	None	Company A	187,662	34%	None
2	Company B	836,115	22%	None	Company B	790,650	26%	None	Company B	132,818	24%	None
3	Company C	518,637	13%	None	Company C	250,336	9%	None	Company D	28,386	5%	None
	Others	1,371,554	36%	None	Others	999,489	33%	None	Others	196,451	37%	None
	Net purchase	3,847,689	100%		Net purchase	2,992,099	100%		Net purchase	545,317	100%	

Note 1: List the name of the supplier whose total purchase amount is more than 10% in the last two years, and the purchase amount and proportion. However, if the name of the supplier cannot be disclosed due to contractual agreement or the transaction partner is an individual and not a related party, it can be code-named.

Note 2: As of the date of publication of this annual report, if a company listed or whose shares have been traded in a securities firm's business premises has its most recent financial information that has been verified, certified or reviewed by an accountant, it shall also be disclosed.

The bare copper wire raw material suppliers of the Company are all well-known domestic manufacturers, and the bare copper wire and other raw materials they provide are complete and of good quality. The reason for the increase and decrease of the ranking and purchase amount in the last two years is due to the adjustment of raw material procurement items for actual order receipt and production needs, which is a normal situation.

(5) Production volume/value table for the last two years

Unit: NT$1000/metric ton, thousand pieces

Year / Production volume/value / Major Products	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Wire products	13,500	13,266	4,407,302	13,500	9,680	3,491,125
Others	-	-	17,502	-	-	19,794
Total	-	-	4,424,804	-	-	3,510,919

(6) Sales volume/value table for the last two years

Unit: NT$1000/metric ton, thousand pieces

Year / Sales volume/value / Major Products	2021				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	volume	value	volume	value	volume	value	volume	value
Wire products	3,401	1,021,884	8,296	3,580,248	2,761	772,127	6,040	2,770,092
Others	-	17,502	-	-	-	39,159	-	-
Total	-	1,039,386	-	3,580,248	-	811,286	-	2,770,092

3. Information on employees employed in the past two years and as of the date of publication of this annual report:

Year		End of 2021	End of 2022	As of March 31, 2023
Number of employees	Direct	292	311	284
	Indirect	339	325	321
	Total	631	636	605
Average age		41.90	42.46	43.26
Average years of service (years)		12.98	12.91	13.54
Educational distribution ratio (%)	PhD	-	-	-
	Master	4.0%	3.9%	4.1%
	Colleges and universities	24.1%	25.8%	25.0%
	High school	41.0%	40.4%	42.0%
	Below high school	30.9%	29.9%	28.9%

4. Information on environmental protection expenditures

A. Personnel who should apply for a pollution facility installation permit or pollution discharge permit, or should pay pollution prevention and control fees, or should set up a special environmental protection unit, and explain the circumstances of their application, payment, or establishment.

(1) The Company has the following fixed pollution source installation and operation permits.

Item	Certificate number	Validity period of the license
Waste (sewage) water discharge permit	Circulating Water No. 01269-04 issued by the Tainan City Government	2019.10.1～2023.8.7
Operation permit for stationary pollution sources	Operation permit for pollution sources No. D0311-02 issued by the Tainan City Government	2022.5.9～2027.5.8

(2) Establishment of dedicated environmental protection personnel

Name	License type	Qualification certificate number
Huang Junjie	Class B Waste (sewage) water treatment technician	(90) Environmental Protection Agency training certificate No. GB581358
	Class B Air pollution control personnel	(98) Environmental Protection Agency training certificate No. FB100060
Xue Weiting	Class B Waste treatment technician	(109)Environmental Protection Agency training certificate No. HB240846

B. The Company's environmental pollution improvement process in the last two years and up to the date of publication of this annual report. If there are pollution disputes, the handling process should be explained.

The Company is committed to the improvement of environmental protection and waste reduction, and to protect the health of employees. And in its various manufacturing processes, it is committed to reducing the amount of industrial waste generated, the amount of wastewater discharged, the generation of toxic chemical substances, and the improvement of air quality, so as to keep abreast of the environmental conditions and deal with them in case of abnormal situations. The Company has not had any pollution disputes so far.

C. In the last two years and up to the date of publication of this annual report, losses due to environmental pollution:

As of the publication date of this disclosure statement, there has been no other incidents of environmental pollution and loss.

D. The impact of the pollution situation and its improvement on the Company's earnings, competitive position and capital expenditure, and the expected major environmental protection capital expenditure in the next two years

(1) The impact of the current pollution situation and its improvement on the Company's earnings, competitive position and capital expenditure

The Company attaches great importance to environmental protection and has long been committed to the treatment of waste gas, waste water and industrial waste. Although the Company's existing environmental protection equipment has met the needs of the current environmental protection laws and regulations, it recognizes that environmental protection is a responsibility that must be taken into account in the development of modern enterprises. The environmental protection expenditure in the next two years will mainly be catalysts and air pollution control equipment, replacement of solvent recovery consumables, and replacement of waste oil treatment consumables. This will maintain the deodorization effect and improve the efficiency of resource recycling and waste reduction, protect the working environment of colleagues and the rights and interests of investors, and fulfill the Company's due responsibilities to the society, and benefit its profitability and competitive position.

(2) Expected major environmental protection capital expenditures in the next two years

	2023	2024
Proposed purchase ofpollution prevention and control equipmentor expenditure content	1. Catalyst replacement 2. Solvent recovery machine consumables 3.Waste removal and treatment 4. Waste oil treatment consumables 5. Air pollution prevention and control 6. Washing equipment 7. Washing waste liquid treatment and consumables	1. Catalyst replacement 2. Solvent recovery machine consumables 3. Waste removal and treatment 4. Waste oil treatment consumables 5. Air Pollution Prevention and Control 6. Washing equipment 7. Washing waste liquid treatment and consumables
Expected improvement	1. To aintaine deodorization efficiency 2. To improve the efficiency of resource recycling and reuse 3. Waste reduction	1. To maintain deodorization efficiency 2. To improve the efficiency of resource recycling and reuse 3. Waste reduction
Amount (NT$1,000)	3,500	3,500

(3) Impact after improvement

① Impact on net profit: Due to the increase in recycling and reuse of materials and the reduction of waste, the cost of cleaning and treatment costs is reduced.

② Influence on competitive position: Improves pollution prevention, avoids compensation and fine loss, reduces waste generation and maintains the Company's corporate image.

③ Impact on the environment: Improves odor emission, enhances air quality, and protects the environment of the earth.

5. Labor relations

(1) The Company's various welfare measures, advanced education, training, retirement system and implementation status, as well as its labor agreement and various protection measures of employee rights and interests

A. Various employee welfare measures

The Company's employee welfare measures are in compliance with the Labor Standards Act, Labor Insurance Regulations, Employee Welfare Fund Regulations and related laws and regulations. The relevant employee welfare measures are as follows:

(1) Applies for labor insurance and national health insurance.

(2) Sets up an employee welfare committee to allocate welfare funds to handle condolences and subsidies for labor celebrations, travel, New Year's gifts, labor birthday parties, etc.

(3) Subsidizes senior cadres and employees to travel abroad, and enjoy four days of public holidays (excluding holidays).

(4) Holds spring and autumn employee tours every year.

Overseas travel for employees in 2019 (Japan, South Korea and Kinmen and Xiamen tours)

(5) Bonuses for Dragon Boat Festival, Mid-Autumn Festival and Chinese New Year.

(6) Distribution of employee remuneration.

(7) Establishes a pension committee and allocate pensions in accordance with regulations.

(8) When new shares are issued for capital increase in cash, a certain percentage is allocated for employee subscriptions in accordance with the company law.

(9) Prepares an education and training plan, and implement internal or external training every year.

B. Advanced education and training system

In order to improve the quality and skills of employees and achieve the goal of continuous improvement, the Company and its subsidiaries have regularly and irregularly implemented various education and training, including:

(1) New recruit training: The Company conducts pre-employment education and training for new recruits, including company product introduction, production process and company rules and culture, so that new recruits can quickly integrate into the workplace. Meanwhile, relevant pre-employment training courses are processed electronically and placed on the knowledge management platform. New recruits can learn flexibly and strengthen their learning on unfamiliar and business-related parts.

(2) On-the-job training: Before the end of the year, each unit shall submit the education and training plan for the next year according to its personnel training needs. After being compiled by the training unit, it will be used as the Company's education and training plan.

(3) External training: For personnel of special units, due to work needs, an application for external training (such as professional certificate training or full-time training, etc.) can be submitted. Upon completion of the training, a certificate of completion or a report must be submitted to verify the results of the education and training.

(4) Japanese and Vietnamese language courses: Professional foreign language teachers are hired to teach in the Company, and the full subsidy fee is paid. Employees can choose the level that suits their own level of class.

(5) Knowledge sharing platform: The Company has established a knowledge management platform, and employees can flexibly arrange their own time to choose cross-field courses on the platform to learn new knowledge.

C. Retirement system and its implementation

Retirement system:

(1) In order to stabilize the retirement life of employees, the Company has formulated a labor retirement method, which is regularly allocated to the special account of the labor retirement reserve of the Bank of Taiwan. The retirement payment for each employee to which the Labor Standards Act is applicable is calculated based on the base earned by years of service and the average salary of the six months before retirement.

The retirement fund allocated by the Company in accordance with the Labor Standards Act is managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Labor Fund Bureau), and is in accordance with "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" regulations. The minimum income distributed by the annual final settlement of the fund shall not be lower than the two-year time deposit rate of the local bank.

As of December 31, 2019, the balance of the Company's labor retirement reserve account at the Bank of Taiwan totaled NT$32,154,000.

(2) From July 1, 2005, in accordance with the provisions of the labor pension regulations, according to the contribution rate of 6% of the monthly wages of the laborers, it will be transferred to the labor pension personal account of the Bureau of Labor Insurance. In 2019, under the method of confirming the allocation of pensions, the Company's pension expenses amounted to NT$7,329,000, which has been allocated

(3) According to the Company's "Employee Retirement Management Measures", the applicable regulations for employee retirement are as follows:

Self-retirement:

Workers may apply for retirement if they fall under any of the following circumstances: (Those who choose to apply the Labor Pension Regulations shall follow the same regulations.)

1. Those who have worked for more than 15 years and have reached the age of 55.
2. Those who have worked for more than 25 years.
3. Those who have worked for more than 10 years and have reached the age of 60.

Mandatory retirement:

1. Those who have reached the age of 65.
2. Mentally lost or physically disabled and unable to work as a worker.

Implementation situation:

(1) Employees who meet the retirement qualifications will be notified by the human resources unit, and the employees must submit a notice before the deadline. After the retirement application is approved by the supervisor, it will be sent to the human resource unit for follow-up operations.

(2) The payment of pension shall be paid in full within 30 days from the date of approval or mandatory retirement.

D. Circumstances of labor agreement

(1) Since its establishment, the Company has emphasized the harmony between labor and capital, and under the principle of emphasizing employee welfare, the labor-management relationship is good. The Company also established an industrial trade union organization on May 30, 1988, and its labor rights and benefits were fully negotiated and resolved between the trade union and the Company, and no labor disputes occurred.

(2) There are regular or irregular labor-management coordination meetings to protect the rights and interests of employees.

(3) Won the Tainan City Labor-Management Harmony Contribution Award in April 2017.

(4) Awarded by the Ministry of Labor for three consecutive years with the award of "Signing Group Agreements and Creating a Win-Win Cooperation between Labor and Capital".

E. In order to improve the safety of the working environment and personal safety of employees, the Company organizes regular or irregular work safety lectures and publicity, and has the following regulations requiring employees to abide by and irregularly check their compliance status:

(1) Personal general safety and hygiene rules

(2) Code of workplace safety and hygiene

(3) Code of practice for fire protection and protective equipment

(4) Disaster handling operations

This code was approved by the Southern District Labor Inspection Office of the Labor Committee of the Executive Yuan in the letter No. 0921004965 on May 2, 2003 for reference.

Protection measures:

(1) Purchases aerial work vehicles and protective equipment and post precautions for use for operations at a height of two meters or more.
(2) Anti-slip strips are added to the stairs in the workplace to prevent employees from slipping and falling when walking on the stairs.
(3) Renovates the staff dormitory to improve the living quality.
(4) Adds a middle hook safety interlock device to the sliding door of the elevator to prevent the sliding door from being opened by mistake.
(5) Adds ventilation equipment in the workplace to maintain good air quality in the workplace and protect the health of employees.
(6) Safety and health or traffic safety billboards are installed in various workplaces and locomotive garages to remind employees of safety precautions.
(7) Adds protective nets or shields to mechanical equipment that may be trapped to prevent employees from being pinched and injured.
(8) Additional fire blankets and four 100-pound large mobile fire extinguishers were purchased for mobility.
(9) There is regular work environment measurement, and the detection value is far lower than the legal standard, so as to maintain the air quality in workplace and the health of employees.
(10) A meeting of the occupational safety and hygiene committee is held quarterly to improve the abnormal situation in the factory's working environment, thus ensuring and maintaining the safety of employees.
(11) Various disaster response drills are carried out every year to strengthen employees' relevant knowledge and their ability to deal with emergencies.

(2) The losses suffered by the Company due to labor disputes in the last two years and as of the date of publication of this prospectus, as well as the estimated amount and countermeasures that may occur at present and in the future:

The Company usually attaches great importance to various benefits of employees, and more emphasis on communication with employees, so that the relationship between labor and capital is quite harmonious. In the past two years and up to the date of publication of this newspaper, there were no labor disputes resulting in losses. The Company adheres to the tenet of mutual benefit and benefit sharing between labor and capital, and the possibility of loss from labor disputes in the future is extremely small, and there is no worry of disputes.

6. Important contracts:

Contract nature	Parties	Date of contract	Main contents	Restrictions
Copper contract	Walsin Lihwa Corporation	2023.01.01-2023.12.31	Quantity of purchased copper wires, pricing method and payment method	None
Copper contract	CUPRIME MATERIAL CO., LTD.	2023.04.01-2022.12.31	Quantity of purchased copper wires, pricing method and payment method	None
Technical cooperation contract	Furukawa Electric Co., Ltd.	2024.07.01~2025.06.30	Payment method and rate of technical remuneration	None
Loan contract	O-Bank	2020.05.28-2025.05.01	Medium and long-term loans: NT$80 million	None
		2020.10.29-2025.05.01	Medium and long-term loans: NT$50.5 million	None

The Company's main technology sources are not only used for internal research and development, but also used in its product manufacturing process. There is another technical cooperation contract with Japan's Furukawa Electric Co., Ltd. Except for the technology contracts mentioned above, most of the Company's contracts are copper purchase contracts. In order to ensure a stable source of supply, the Company has signed supply contracts with a number of suppliers, and there are no major restrictive clauses or major disadvantages to the Company.

VI. Financial Information

1. Five-Year Financial Summary

(1) Condensed Balance Sheet

1.**Consolidated Condensed Balance Sheet – Based on IFRS**

Unit: NT$ thousands

YEAR ITEM		Financial Summary for The Last Five Years					Financial information for the current year as of March 31, 2023
		2018	**2019**	**2020**	**2021**	**2022**	
Current assets		2,168,020	1,666,445	1,973,673	2,358,417	2,024,845	2,098,722
Property, Plant and Equipment(Note 2)		807,080	807,663	940,584	1,122,489	1,145,042	1,147,410
Intangible assets		0	0	0	0	0	0
Other assets(Note 2)		148,115	244,667	126,984	134,339	128,028	117,988
Total assets		3,123,215	2,718,775	3,041,241	3,615,245	3,297,915	3,364,120
Current liabilities	Before distribution	1,226,336	937,535	1,008,730	1,485,701	842,236	935,988
	After distribution	1,370,569	980,805	1,095,270	1,615,511	889,556	Not distributed
Non-current liabilities		121,139	100,268	235,376	191,718	327,633	317,884
Total liabilities	Before distribution	1,347,475	1,037,803	1,244,106	1,677,419	1,169,869	1,253,872
	After distribution	1,491,708	1,081,073	1,330,646	1,807,229	1,217,189	尚未分配
Equity attributable to shareholders of the parent		1,775,737	1,680,971	1,779,533	1,904,226	2,104,297	2,088,939
Capital stock		1,442,332	1,442,332	1,442,332	1,442,332	1,577,332	1,577,332
Capital surplus	Before distribution	75,660	75,660	75,660	75,865	182,250	182,250
	After distribution	75,660	75,660	75,660	75,865	182,250	Not distributed
Retained earnings	Before distribution	350,035	302,462	405,094	526,095	448,767	429,935
	After distribution	205,802	259,192	318,554	396,285	401,447	Not distributed
Other equity interest		(92,290)	(139,483)	(143,553)	(140,066)	(104,052)	(100,578)
Treasury stock		0	0	0	0	0	0
Non-controlling interest		3	1	17,602	33,600	23,749	21,309
Total equity	Before distribution	1,775,740	1,680,972	1,797,135	1,937,826	2,128,046	2,110,248
	After distribution	1,631,507	1,637,702	1,710,595	1,808,016	2,080,726	Not distributed

2. **Individual Condensed Balance Sheet – Based on IFRS** Unit: NT$ thousand

YEAR / ITEM		Financial Summary for The Last Five Years				
		2018	**2019**	**2020**	**2021**	**2022**
Current assets		1,176,728	745,452	896,017	1,059,305	747,738
Property, Plant and Equipment(Note 2)		603,949	618,574	607,298	620,553	629,701
Intangible assets		0	0	0	0	0
Other assets(Note 2)		1,094,739	1,298,498	1,476,847	1,703,727	1,753,684
Total assets		2,875,416	2,662,524	2,980,162	3,383,585	3,131,123
Current liabilities	Before distribution	978,593	881,285	975,045	1,296,069	700,211
	After distribution	1,122,826	924,555	1,061,585	1,425,879	747,531
Non-current liabilities		121,086	100,268	225,584	183,290	326,615
Total liabilities	Before distribution	1,099,679	981,553	1,200,629	1,479,359	1,026,826
	After distribution	1,243,912	1,024,823	1,287,169	1,609,169	1,074,146
Equity attributable to shareholders of the parent		1,775,737	1,680,971	1,779,533	1,904,226	2,104,297
Capital stock		1,442,332	1,442,332	1,442,332	1,442,332	1,577,332
Capital surplus	Before distribution	75,660	75,660	75,660	75,865	182,250
	After distribution	75,660	75,660	75,660	75,865	182,250
Retained earnings	Before distribution	350,035	302,462	405,094	526,095	448,767
	After distribution	205,802	259,192	318,554	396,285	401,447
Other equity interest		(92,290)	(139,483)	(143,553)	(140,066)	(104,052)
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	1,775,737	1,680,971	1,779,533	1,904,226	2,104,297
	After distribution	1,631,504	1,637,701	1,692,993	1,774,416	2,056,977

(2) Condensed Statement of Comprehensive Income

1. **Consolidated Condensed Statement of Comprehensive Income – Based on IFRS**

Unit: NT$ thousand

YEAR ITEM	Financial Summary for The Last Five Years					Financial information for the current year as of March 31, 2023
	2018	**2019**	**2020**	**2021**	**2022**	
Operating revenue	3,614,436	2,908,588	2,984,283	4,619,634	3,581,378	684,103
Gross profit	479,151	347,237	430,049	555,963	251,901	65,430
Income (loss) from operations	195,691	93,488	193,329	269,359	(42,579)	4,162
Non-operating income and expenses	67,036	35,804	(14,488)	(14,814)	107,107	26,615
Income before tax	262,727	129,292	178,841	254,545	64,528	30,777
Profit (loss) from continuing operations	216,681	89,035	146,273	205,866	40,659	26,048
Profit (loss) from discontinued operations	0	0	0	0	0	0
Net profit	216,681	89,035	146,273	205,866	40,659	26,048
Other comprehensive income (net income after tax)	(12,720)	(39,570)	(4,840)	1,286	37,986	3,474
Total comprehensive income	203,961	49,465	141,433	207,152	78,645	29,522
Net income attributable to shareholders of the parent	216,681	89,037	146,672	209,742	50,510	28,488
Net income attributable to non-controlling interest	-	(2)	(399)	(3,876)	(9,851)	(2,440)
Comprehensive income attributable to Shareholders of the parent	203,961	49,467	141,832	211,028	88,496	31,962
Comprehensive income attributable to non-controlling interest	-	(2)	(399)	(3,876)	(9,851)	(2,440)
Earnings per share (NT$)	1.50	0.62	1.02	1.45	0.33	0.18

2. **Individual Condensed Statement of Comprehensive Income – Based on IFRS**

Unit: NT$ thousand

YEAR/ ITEM	Financial summary for the last five years				
	2018	**2019**	**2020**	**2021**	**2022**
Operating revenue	1,741,609	1,447,152	1,559,452	2,296,966	1,752,133
Gross profit	288,821	213,578	251,545	308,511	156,754
Income (loss) from operations	110,551	53,296	100,186	137,456	(8,544)
Non-operating income and expenses	127,823	58,609	65,140	103,965	69,723
Income before tax	238,374	111,905	165,326	241,421	61,179
Profit (loss) from continuing operations	216,681	89,037	146,672	209,742	50,510
Profit (loss) from discontinued operations	0	0	0	0	0
Net profit	216,681	89,037	146,672	209,742	50,510
Other comprehensive income (net income after tax)	(12,720)	(39,570)	(4,840)	1,286	37,986
Total comprehensive income	203,961	49,467	141,832	211,028	88,496
Net income attributable to shareholders of the parent	216,681	89,037	146,672	209,742	50,510
Net income attributable to non-controlling interest	0	0	0	0	0
Comprehensive income attributable to Shareholders of the parent	203,961	49,467	141,832	211,028	88,496
Comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share (NT$)	1.50	0.62	1.02	1.45	0.33

(3) Names of certified accountants and their audit opinions in the last five years

Year	Name of accounting firm	Name of accountants	Audit opinions
2018	KPMG in Taiwan	Xu Zhenlong Yang Boren	Unqualified opinion
2019	KPMG in Taiwan	Xu Zhenlong Yang Boren	Unqualified opinion
2020	KPMG in Taiwan	Chen Huiyuan Yang Boren	Unqualified opinion
2021	KPMG in Taiwan	Chen Huiyuan Yang Boren	Unqualified opinion
2022	KPMG in Taiwan	Su Yanda Yang Boren	Unqualified opinion

3. Five-Year Financial Analysis

(1) Consolidated Financial Analysis – Based on IFRS

YEAR / ITEM		Financial Analysis for the Last Five Years					Financial information for the current year as of March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt Ratio	43.14	38.17	40.91	46.4	35.47	37.27
	Ratio of long-term capital to property, plant and equipment	235.03	220.54	216.09	189.58	214.46	211.62
Solvency (%)	Current ratio	176.79	177.75	195.66	158.74	240.41	224.23
	Quick ratio	150.22	150.16	163.21	129.48	193.77	183.12
	Interest earned ratio (times)	17	14	26	26	6	9
Operating performance	Accounts receivable turnover (times)	4.54	4.21	4.23	5.43	4.46	4.14
	Average collection period	80	87	86	67	82	88
	Inventory turnover (times)	9.6	8.94	9.09	11.64	8.97	7.04
	Accounts payable turnover (times)	22.9	21.32	20.49	33.52	29.99	23.69
	Average days in sales	38	41	40	31	41	52
	Property, plant and equipment turnover (times)	4.54	3.6	3.41	4.48	3.16	2.39
	Total assets turnover (times)	1.1	1	1.04	1.39	1.04	0.82
Profitability	Return on total assets (%)	7.01	3.32	5.28	6.49	1.53	3.57
	Return on stockholders' equity (%)	12.62	5.15	8.41	11.02	2	4.92
	Pre-tax income to paid-in capital (%)	18.22	8.96	12.4	17.65	4.09	7.8
	Profit ratio (%)	5.99	3.06	4.9	4.46	1.14	3.81
	Earnings per share (NT$)	1.5	0.62	1.02	1.45	0.33	0.18
Cash flow	Cash flow ratio (%)	26.71	27.43	5.77	6.32	40.13	6.67
	Cash flow adequacy ratio (%)	139.73	108.4	73.55	59.74	86.32	71.94
	Cash reinvestment ratio (%)	11.86	4.2	0.49	0.23	5.79	1.74
Leverage	Operating leverage	3.37	5.4	2.01	2	-5	13
	Financial leverage	1.09	1.12	1.04	1.04	0.78	8.59

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Current ratio and quick ratio: due to issuing new shares to repay short-term loans, the ratio increased significantly.
2. Inventory turnover, Property, plant and equipment turnover, Total asset turnover, Return on total assets, Return on stockholders' equity, Pre-tax income to paid-in capital, Earnings per share: Affected by the epidemic and the US-China trade war, the global economy downturn, demand is weak and inventories of consumer electronics is high, which drove the ratio drop sharply.
3. Cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: due to issuing new shares to repay short-term loans, which leads to decrease in current liabilities. The decrease in revenue and inventory, conservative capital expenditures, and significantly reduction in cash dividends resulted in an increase in the ratio.

(2) **Individual Financial Analysis – Based on IFRS**

YEAR / ITEM		Financial Analysis for the Last Five Years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt Ratio	38.24	36.87	40.29	43.72	32.79
	Ratio of long-term capital to property, plant and equipment	294.02	287.96	307.94	336.4	386.04
Solvency (%)	Current ratio	120.25	84.59	91.9	81.73	106.79
	Quick ratio	105.92	71.97	80.64	69.99	88.5
	Interest earned ratio (times)	28	21	26	28	7
Operating performance	Accounts receivable turnover (times)	4.5	4.25	4.4	5.24	4.48
	Average collection period	81	86	83	70	81
	Inventory turnover (times)	10.87	9.86	11.91	15.26	11.42
	Accounts payable turnover (times)	11.38	10.39	10.09	14.68	12.66
	Average days in sales	34	37	31	24	32
	Property, plant and equipment turnover (times)	2.88	2.37	2.54	3.74	2.8
	Total assets turnover (times)	0.61	0.52	0.55	0.72	0.54
Profitability	Return on total assets (%)	7.51	3.38	5.39	6.82	1.81
	Return on stockholders' equity (%)	12.62	5.15	8.48	11.39	2.52
	Pre-tax income to paid-in capital (%)	16.53	7.76	11.46	16.74	3.88
	Profit ratio (%)	12.44	6.15	9.41	9.13	2.88
	Earnings per share (NT$)	1.5	0.62	1.02	1.45	0.33
Cash flow	Cash flow ratio (%)	12.98	22.88	10.03	5.58	31.07
	Cash flow adequacy ratio (%)	162.77	103.89	87.68	79.21	85.77
	Cash reinvestment ratio (%)	5.66	2.65	2.24	-	2.97
Leverage	Operating leverage	3	5	2	2	-13
	Financial leverage	1.09	1.12	1.07	1.07	0.45

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Current ratio and quick ratio: due to issuing new shares to repay short-term loans, the ratio increased significantly.
2. Inventory turnover, Property, plant and equipment turnover, Total asset turnover, Return on total assets, Return on stockholders' equity, Pre-tax income to paid-in capital, Earnings per share: Affected by the epidemic and the US-China trade war, the global economy downturn, demand is weak and inventories of consumer electronics is high, which drove the ratio drop sharply.
3. Cash flow ratio: due to issuing new shares to repay short-term loans, which leads to decrease in current liabilities. The decrease in revenue and inventory, conservative capital expenditures, and significantly reduction in cash dividends resulted in an substantial increase in the ratio.

Calculation formula - International Financial Reporting Standards:

1. Financial structure
   (1) Debt Ratio = total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment
2. Solvency
   (1) Current ratio= current assets/current liabilities
   (2) Quick ratio= (current assets - inventory - prepaid expenses) / current liabilities
   (3) Interest earned ratio (times) = net profit before income tax and interest expense / current interest expense
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operation) turnover (times) = net sales/average balance of receivables (including accounts receivable and notes receivable arising from operations) in each period
   (2) Average collection period= 365 / receivables turnover
   (3) Inventory turnover (times)= cost of goods sold / average inventory
   (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover (times)= cost of goods sold / balance of average payables (including accounts payable and notes payable arising from operation) in each period
   (5) Average days in sales= 365/inventory turnover
   (6) Property, plant and equipment turnover (times)= net sales/average net property, plant and equipment
   (7) Total assets turnover (times)= net sales/total average assets
4. Profitability
   (1) Return on total assets (%):[after-tax profit and loss + interest expense × (1-tax rate)] / total average assets
   (2) Return on stockholders' equity (%)= profit and loss after tax / total average equity
   (3) Pre-tax income to paid-in capital (%)=Pre-tax income / paid-in capital
   (4) Profit ratio (%)= Profit and loss after tax / net sales
   (5) Earnings per share (NT$)= (Profit and loss attributable to owners of parent company - dividends on special stock) / weighted average number of issued shares
5. Cash flow
   (1) Cash flow ratio (%)= net cash flow from operating activities/current liabilities
   (2) Cash flow adequacy ratio (%)= net cash flow from operating activities in the last five years / (capital expenditure + inventory increase in the last five years + cash dividend)
   (3) Cash reinvestment ratio (%)= (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital).
6. Leverage
   (1) Operating leverage= (Net operating income - variable operating costs and expenses) / operating profit (Note 6)
   (2) Financial leverage= Operating profit / (operating profit - interest expense)

3. **Audit Committee's Report for the Most Recent Year**

Audit Committee's Review Report

The Company's Board of Directors has submitted Balance Sheet, Comprehensive Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement and Consolidated Financial Statements for 2022, which were reviewed and certified by Su Yanda and Yang Boren accountants of KPMG in Taiwan with unqualified opinion was issued. Together with the business report and the profit and loss appropriation proposal of 2022, the Audit Committee has completed the review and concluded that there is no discrepancy. In accordance with the provisions of Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Act, the report is as above.

For your perusal.

Submitted to
The Company's 2023 Annual General Shareholders' Meeting

Jung Shing Wire Co., Ltd.

Audit Committee Convenor: Fang Huiling

March 9, 2023

4、The most recent consolidated report audited by CPA

Representation Letter

The entities that are required to be included in the combined financial statements of JUNG SHING WIRE CO., LTD. as of and for the year ended 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 International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, JUNG SHING WIRE CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: JUNG SHING WIRE CO., LTD.
Chairman: WANG, DONG-ZE
Date: March 9, 2023

Independent Auditors' Report

To the Board of Directors of JUNG SHING WIRE CO., LTD.:

Opinion

We have audited the consolidated financial statements of JUNG SHING WIRE CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, the consolidated statement 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 Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Please refer to Notes 4(h) "Inventories", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(f) "Inventories" to the consolidated financial statements.

Description of key audit matter:

The inventory amount of the Group is stated at the lower of cost or net realizable value, since the sales price of the Group's products, enameled copper wire is affected by fluctuations in the price of its principal raw materials,copper; which may result in the risk of inventories cost being higher than the net realizable value. Therefore, the net realizable value assessment of inventories valuation has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

●Understanding the variation of sale prices used by the management and changes in market price of inventory in a period after the reporting date, to ensure the appropriateness of the net realizable value, and engage in sampling procedure to confirm the accuracy of the statement on net realizable values of inventory.

●View inventory pool aging reports to analyze inventory pool aging changes for each period. Then engage in sampling procedure to confirm the accuracy of inventory pool aging report.

●Review the accuracy of the Group's past provision for inventories to assess the appropriateness of the current valuation method and assumptions.

●Assess whether the Group's disclosure of information relating to inventory provisions is appropriate.

Other Matter

JUNG SHING WIRE CO., LTD. has prepared its parent-company-only financial statements 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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 auditor’s 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

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

4. Conclude on the appropriateness of management’ s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’ s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’ s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Yen-Ta Su and Po-Jen Yang.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2023

Notes to Readers

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

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

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

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note (6)(a))	$ 702,666	21	896,758	25
1110	Current financial assets at fair value through profit or loss-current(note (6)(b))	214,670	7	78,275	2
1136	Current financial assets at amortised cost-current(note (6)(c))	4,950	-	-	-
1150	Notes receivable(notes (6)(d), (t)and (7))	34,762	1	63,653	2
1170	Trade receivable, net(notes (6)(d)and (t))	625,744	19	819,359	23
1181	Trade receivable due from related parties(notes (6)(d), (t)and (7))	35,040	1	29,063	1
1200	Other receivables(note (6)(e))	5,542	-	22,338	1
1220	Current tax assets	6,879	-	12,952	-
130X	Inventories(note (6)(f))	353,124	11	389,607	11
1410	Prepayments and other current assets(note (6)(h))	41,468	1	46,412	1
	Total current assets	2,024,845	61	2,358,417	66
	Non-current assets:				
1600	Property, plant and equipment(notes (6)(h), (8)and (9))	1,145,042	35	1,122,489	31
1755	Right-of-use assets(note (6)(i))	72,659	3	70,468	2
1760	Investment property, net(notes (6)(j)and (n))	1,462	-	2,470	-
1821	Intangible assets	2,402	-	-	-
1840	Deferred tax assets(note (6)(p))	14,920	-	17,380	-
1920	Refundable deposits	11,721	-	11,803	-
1975	Net defined benefit asset, non-current(note (6)(o))	4,105	-	-	-
1995	Other non-current assets(notes (6)(h)and (k))	20,759	1	32,218	1
	Total non-current assets	1,273,070	39	1,256,828	34
	Total assets	$ 3,297,915	100	3,615,245	100

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Short-term borrowings(notes (6)(l)and (8))	$ 537,500	16	948,000	26
2110	Short-term notes and bills payable(note (6)(l))	-	-	180,000	5
2170	Notes payables and trade payable	80,122	3	86,008	2
2180	Trade payable to related parties(note (7))	32,276	1	23,627	1
2200	Other payables(notes (6)(o)and (7))	107,759	3	155,408	4
2230	Current tax liabilities	8,790	-	25,155	1
2300	Other current liabilities(notes (6)(t)and (9))	33,789	1	33,990	1
2322	Long-term borrowings, current portion(note (6)(l))	42,000	1	33,513	1
	Current liabilities Total	842,236	25	1,485,701	41
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss(notes (6)(b)and (m))	1,860	-	-	-
2530	Bonds payable(note (6)(m))	188,938	6	-	-
2540	Long-term borrowings(note (6)(l))	61,500	2	110,342	3
2570	Deferred tax liabilities(note (6)(p))	74,317	2	73,353	2
2640	Net defined benefit liability, non-current(note (6)(o))	-	-	6,437	-
2645	Othrt non-current liabilities	1,018	-	1,586	-
	Non-current liabilities Total	327,633	10	191,718	5
	Total liabilities	1,169,869	35	1,677,419	46
	Equity attributable to owners of parent (notes (6)(g), (m)and (q)):				
3100	Capital stock	1,577,332	48	1,442,332	40
3200	Capital surplus	182,250	5	75,865	2
3300	Retained earnings	448,767	14	526,095	15
3400	Other equity interest	(104,052)	(3)	(140,066)	(4)
	Total equity attributable to owners of parent:	2,104,297	64	1,904,226	53
36XX	**Non-controlling interests**	23,749	1	33,600	1
	Total equity	2,128,046	65	1,937,826	54
	Total liabilities and equity	$ 3,297,915	100	3,615,245	100

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

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the Year Ended December 31,				
			2022		2021	
			Amount	%	Amount	%
4000	**Operating revenue(notes (6)(t)and (7))**	$	3,581,378	100	4,619,634	100
5000	**Operating costs(notes (6)(f), (o), (r), (u), (7)and (12))**		3,329,477	93	4,063,671	88
5900	**Gross profit from operations**		251,901	7	555,963	12
6000	**Operating expenses(notes (6)(d), (n), (o), (r), (u), (7)and (12)):**					
6100	Selling expenses		48,353	1	50,872	1
6200	Administrative expenses		223,296	6	218,552	5
6300	Research and development expenses		18,726	1	17,671	-
6450	Expected credit loss (gain)		4,105	-	(491)	-
	Total operating expenses		294,480	8	286,604	6
6900	**Net operating income (loss)**		(42,579)	(1)	269,359	6
7000	**Non-operating income and expenses(notes (6)(l), (m), (n), (v)and (12)):**					
7100	Interest income		2,941	-	1,886	-
7010	Other income		6,118	-	6,567	-
7020	Other gains and losses		110,158	3	(13,245)	-
7050	Finance costs		(12,110)	-	(10,022)	-
	Total non-operating income and expenses		107,107	3	(14,814)	-
7900	**Profit before income tax**		64,528	2	254,545	6
7951	**Less: income tax expenses(note (6)(p))**		23,869	1	48,679	1
8200	**Profit (loss)**		40,659	1	205,866	5
8300	**Other comprehensive income(notes (6)(o), (p)and (q)):**					
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**					
8311	Gains (losses) on remeasurements of defined benefit plans		2,465	-	(2,751)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss		493	-	(550)	-
			1,972	-	(2,201)	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**					
8361	Exchange differences on translation of foreign financial statements		36,014	1	3,487	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
			36,014	1	3,487	-
8300	**Other comprehensive income**		37,986	1	1,286	-
8500	**Total comprehensive income**	$	78,645	2	207,152	5
	Profit, (loss) attributable to:					
8610	Owners of parent	$	50,510	1	209,742	5
8620	Non-controlling interests		(9,851)	-	(3,876)	-
		$	40,659	1	205,866	5
	Comprehensive income (loss) attributable to:					
8710	Owners of parent	$	88,496	2	211,028	5
8720	Non-controlling interests		(9,851)	-	(3,876)	-
		$	78,645	2	207,152	5
	Earnings per share (Unit: NTD)(note (6)(s))					
9750	**Basic earnings per share**	$		0.33		1.45
9850	**Diluted earnings per share**	$		0.33		1.45

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

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 1,442,332	75,660	62,813	139,483	202,798	405,094	(143,553)	1,779,533	17,602	1,797,135
Profit (loss)	-	-	-	-	209,742	209,742	-	209,742	(3,876)	205,866
Other comprehensive income	-	-	-	-	(2,201)	(2,201)	3,487	1,286	-	1,286
Total comprehensive income	-	-	-	-	207,541	207,541	3,487	211,028	(3,876)	207,152
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	14,590	-	(14,590)	-	-	-	-	-
Special reserve appropriated	-	-	-	4,070	(4,070)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(86,540)	(86,540)	-	(86,540)	-	(86,540)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	20,079	20,079
Changes in a parent's ownership interest in a subsidiary	-	205	-	-	-	-	-	205	(205)	-
Balance at December 31, 2021	**1,442,332**	**75,865**	**77,403**	**143,553**	**305,139**	**526,095**	**(140,066)**	**1,904,226**	**33,600**	**1,937,826**
Profit (loss)	-	-	-	-	50,510	50,510	-	50,510	(9,851)	40,659
Other comprehensive income	-	-	-	-	1,972	1,972	36,014	37,986	-	37,986
Total comprehensive income	-	-	-	-	52,482	52,482	36,014	88,496	(9,851)	78,645
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	20,754	-	(20,754)	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,487)	3,487	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(129,810)	(129,810)	-	(129,810)	-	(129,810)
Capital increase by cash	135,000	66,955	-	-	-	-	-	201,955	-	201,955
Recognized compensation costs on employee stock option	-	7,202	-	-	-	-	-	7,202	-	7,202
Share option-equity components recognized for convertible bonds issued	-	32,228	-	-	-	-	-	32,228	-	32,228
Balance at December 31, 2022	**$ 1,577,332**	**182,250**	**98,157**	**140,066**	**210,544**	**448,767**	**(104,052)**	**2,104,297**	**23,749**	**2,128,046**

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

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 64,528	254,545
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	104,495	84,774
Amortization expense	480	-
Interest income	(2,941)	(1,886)
Dividend income	(91)	-
Interest expense	12,110	10,022
Expected credit loss (gain)	4,105	(491)
Gain on disposal of property, plan and equipment	(7)	(522)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(6,683)	(362)
Unrealized foreign exchange loss	9,925	15,280
Compensation cost arising from share-based payments	7,202	-
Total adjustments to reconcile profit	128,595	106,815
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	28,891	(13,953)
Decrease (increase) in trade receivable	177,961	(118,862)
Decrease (increase) in trade receivable due from related parties	(6,450)	8,321
Decrease (increase) in other receivable	17,333	(7,264)
Decrease (increase) in inventories	30,179	(80,959)
Decrease (increase) in prepayments and other current assets	4,115	(27,500)
Increase in net defined benefit liability	(4,105)	-
Total changes in operating assets	247,924	(240,217)
Changes in operating liabilities:		
Decrease in notes and trade payable	(7,365)	(27,951)
Increase in trade payable to related parties	8,644	5,342
Increase (decrease) in other payable	(55,195)	24,289
Increase (decrease) in other current liabilities	(6,590)	29,225
Decrease in net defined benefit liability	(3,972)	(13,083)
Total changes in operating liabilities	(64,478)	17,822
Total changes in operating assets and liabilities	183,446	(222,395)
Total adjustments	312,041	(115,580)
Cash inflow generated from operations	376,569	138,965
Interest received	2,386	1,719
Dividends received	91	-
Interest paid	(9,805)	(9,788)
Income taxes paid	(31,230)	(37,069)
Net cash flows from (used in) operating activities	338,011	93,827
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(4,950)	-
Acquisition of financial assets at fair value through profit or loss	(628,243)	(191,302)
Proceeds from disposal of financial assets at fair value through profit or loss	500,739	305,925
Acquisition of property, plant and equipment	(104,310)	(228,624)
Proceeds from disposal of property, plant and equipment	892	3,470
Increase in other financial assets	-	2,848
Decrease in refundable deposits	58	129
Decrease (increase) in other non-current assets	1,852	(26,787)
Net cash flows from (used in) investing activities	(233,962)	(134,341)
Cash flows from (used in) financing activities:		
Increase in short-term loans	290,000	407,412
Decrease in short-term loans	(703,770)	(10,200)
Decrease in short-term notes and bills payable	(180,000)	-
Proceeds from long-term borrowings	-	5,091
Repayments of long-term borrowings	(40,355)	(6,080)
Proceeds from issuance of convertible bonds	218,925	-
Increase (decrease) in other non-current liabilities	(882)	139
Cash dividends paid	(129,810)	(86,540)
Capital increase by cash	201,955	-
Contribution by non-controlling interests	-	20,079
Net cash flows from (used in) financing activities	(343,937)	329,901
Effect of exchange rate changes on cash and cash equivalents	45,796	(21,353)
Net increase (decrease) in cash and cash equivalents	(194,092)	268,034
Cash and cash equivalents at beginning of period	896,758	628,724
Cash and cash equivalents at end of period	**$ 702,666**	**896,758**

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

JUNG SHING WIRE CO., LTD. (the "Company").was incorporated in accordance with the Company Act of the Republic of China on July 17, 1971 and its foreign investment portion was approved under the Statute For Investment By Foreign Nationals in 1979. The Company's authorized share capital of foreign investors and its earnings allocated from the approved business scope are applied for settlement in the original currency. The registration address is at No.231, Sec. 3,Chung-cheng Rd.,Jen-teh District, Tainan City, Taiwan, R.O.C. The Company and its subsidiaries (the "Group") primarily is involved in the manufacture, process and sale of enameled copper wires.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 9, 2023.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Group's adoption of the new amendments, effective for annual period beginning on January 1, 2023, are expected to have the following impacts:

(i) Amendments to IAS 1 "Disclosure of Accounting Policies"

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Group may need to be evaluating and inspecting the financial statements to meet the adoption of the amendments.

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

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

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

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

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1	After reconsidering certain aspects of the	January 1, 2024

“Non-current Liabilities with Covenants”	2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

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

(2) Net defined benefit asset and liability measured at present value of defined benefit obligation less the fair value of plan assets.

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent. When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries included in the consolidated financial statements

			Shareholding		
Name investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**	**Description**
The Company	JUNG SHING INTERNATIONAL CO., LTD. (hereinafter referred to as JUNG SHING INTERNATIONAL)	Investment holding and import and export trade	100%	100%	Key Subsidiaries
The Company	Lising International (MAURITIUS) (hereinafter referred to as Lising International)	Investment holding and import and export trade	100%	100%	
The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED (JUNG SHING TECHNOLOGIES)	Manufacture 3D ceramic substrate of high thermal conductivity	74.61%	74.61%	
The Company	LONGSUN TECHNOLOGIES CO., LTD. (LONGSUN TECHNOLOGIES)	Manufacture and sale of converters, DC converters, modules	99.96%	99.96%	
The Company	JUNG SHING WIRE (Vietnam) CO., LTD. (hereinafter referred to as Jung Shing Vietnam)	Production and sales of enameled wires	100%	100%	
JUNG SHING INTERNATIONAL	DONGGUAN JUNG SHING WIRE CO., LTD (hereinafter referred to as DongGuan Jung Shing)	Production and sales of enameled wires and litz wires	100%	100%	Key Subsidiaries
JUNG SHING INTERNATIONAL	BIGSTAR INVESTMENT LIMITED (hereinafter referred to as “Hong Kong Big Star")	Investment holding and import and export trade	100%	100%	
Hong Kong Big Star	DONGGUAN JUNG SHING ELECTRONICS CO., LTD. (hereinafter referred to as DONGGUAN JUNG SHING ELECTRONICS)	Production and sales of enameled wires and litz wires	100%	100%	
Lising International	JUNG SHING WIRE (SUZHOU) CO., LTD.(hereinafter referred to as SUZHOU JUNG SHING WIRE)	Production and sales of enameled wires	100%	100%	

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

(d) Foreign currencies

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

(1) an investment in equity securities designated as at fair value through other comprehensive income;

(2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

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

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost and FVTPL. The Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(2) Financial assets measured at fair value through profit or loss

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(3) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group’s management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for

derecognition are not considered sales for this purpose, and are consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

(5) Impairment of financial assets

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

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

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

A financial instrument is considered to be of low credit risk if its default risk is low, the debtor’s ability to fulfill contractual cash flow obligations in the near future is strong and adverse changes in economic and operating conditions may (and are not necessarily) reduce the debtor’s ability to fulfill contractual cash flow obligations in the longer term.

The time deposits held by the Group was determined as low credit risk since the trading and performing parties are the financial institutions above the investment grade.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

●significant financial difficulty of the borrower or issuer;

●a breach of contract such as a default or being more than 365 days past due;

● the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider

●it is probable that the borrower will enter bankruptcy or other financial reorganization; or

●the disappearance of an active market for a security because of financial difficulties.

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

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

(6) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity instrument

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

(3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds

denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

(5) Derecognition of financial liabilities

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

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

(6) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost again. The depreciation expense is appropriated in accordance with the depreciable amount after the initial recognition. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment.

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

The property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(iii) Subsequent expenditure

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

(iv) Depreciation

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

Land is not depreciated.

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

(1)	Buildings and Construction	3~60 years
(2)	Machinery and equipment	2~17 years
(3)	Transportation equipment	4~8 years
(4)	Other equipment	1~12 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

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

(i) As a leasee

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group' s estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise a extension or termination option; or

— there is any lease modifications

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of employee dormitory and parking space rentals that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

Except for goodwill, intangible assets acquired by the Group, are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred. The amortizable amount is the cost of an asset less its residual value.

The Group's intangible assets is computer software cost. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of 6 years of intangible assets from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, except for goodwill, an impairment loss is reversed only to the extent that the asset’ s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue from contracts with customers

(i) Revenue from contracts with customers

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

(1) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

(1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), The Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

(iii) Short-term employee benefits

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

(p) Income taxes

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

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

 (1) the same taxable entity; or

 (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

(q) Earnings per share

The Group disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee compensation.

(r) Segment Information

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

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

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

The Group is likely to be facing economic uncertainty, such as COVID-19, natural disasters,the Ukraine–Russia conflict and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

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

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, there may be significant changes in the net realizable value of inventories. Refer to note 6(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash and cash on hand	$ 913	1,000
Check and demand deposits	501,849	867,954
Time deposits	199,904	27,804
Cash and cash equivalents in the statement of cash flows	**$ 702,666**	**896,758**

Refer to Note 6(w) for the exchangerate risk and sensitivity analysis of the financial assets of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss, mandatorily measured at fair value：		
Stocks listed on domestic markets	$ 1,217	-
Unlisted common shares	43,064	30,100
Open-end funds	15,484	3,033
Convertible bonds	-	1,547
Structured deposits	$ 154,905	43,595
Total	**$ 214,670**	**78,275**

	December 31, 2022	December 31, 2021
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value — non-current ：		
Embedded derivative － convertible bonds call and put option	**$ 1,860**	**-**

Please refer to note 6(v) for the amount of remeasurements at fair value through profit or loss.

Please refer to Note 6(x) for market risk.

The financial assets mentioned above were not pledged as collateral.

(c) Financial assets at amortized cost-current

	December 31, 2022	December 31, 2021
Time deposit—more than three months to maturity	$ 4,950	-

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For information on the Group' s credit risk was disclosed in Note 6(w).

The financial assets mentioned above were not pledged as collateral.

(d) Notes and trade receivable

	December 31, 2022	December 31, 2021
Notes receivable	34,762	63,653
Trade receivable—measured at amortized cost	629,849	819,359
Trade receivable due from related parties—measured at amortized cost	35,040	29,063
Less: Loss allowance	4,105	-
	$ 695,546	912,075

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

	December 31, 2022		
	Gross carrying amount	Weighted average expected credit losses rate	Allowance provision for lifetime expected credit losses
Current	$ 687,205	-	-
0 to 90 days past due	10,871	-	-
91 to 180 days past due	1,575	-	-

More than one year past due	-	100%	-
	$ 699,651		-

	December 31, 2021		
	Gross carrying amount	Weighted average expected credit losses rate	Allowance provision for lifetime expected credit losses
Current	$ 906,340	-	-
0 to 90 days past due	5,733		-
91 to 180 days past due	2		-
More than one year past due	-	100%	-
	$ 912,075		-

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

	2022	2021
Balance at January 1	$ -	495
Impairment losses recognized(reversed)	4,105	(491)
Effects of changes in foreign exchange rates	-	(4)
Balance at December 31	$ 4,105	-

The financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 5,542	22,338
Less: Loss allowance	-	-
	$ 5,542	22,338

Please refer to note 6(w) for the credit risks.

The Group' s other accounts receivable was not pledged as collateral.

(f) Inventories

	December 31, 2022	December 31, 2021
Finished goods	$ 141,878	173,538

Work in progress	28,001	35,858
Raw materials	180,741	174,447
Supplies	2,504	2,404
Merchandise	-	3,360
Total	$ 353,124	389,607

For the years ended December 31, 2022 and 2021, the cost of inventory recognized as the cost of goods sold and expenses amounted to $3,301,350 and $4,054,811, respectively.

For the years ended December 31, 2022, the write-down of inventories to net realizable value amounted to $14,702.

For the years ended December 31, 2021,the factor led to net realizable value below cost has been gone, the decreases in cost recognized for the increase in net realizable value amounted to $1,442.

The Group’ s inventories mentioned above were not pledged as collateral.

(g) Changes in ownership interest in a subsidiary

Acquisition of additional equity of subsidiary

JUNG SHING TECHNOLOGIES issued new shares of $62,000 for cash capital increase on February 23, 2021 as the base date. The Group acquired its equity interest in cash of $41,921. The Group’ s shareholding of JUNG SHING TECHNOLOGIES decreased from 79.55% to 74.61% due to the non-proportional subscription.

The following table summarizes the effect on the equity attributable to the shareholders of the Group arising from above mentioned changes in ownership interests in subsidiaries:

	December 31, 2022
Carrying amount of purchase non-controlling interests	$ 42,126
Consideration paid to non-controlling interest	(41,921)
Capital surplus - Changes in a parent's ownership interest in a subsidiary	$ 205

(h) Property, Plant and Equipment

The cost and accumulated depreciation of the property, plant and equipment for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings	Machinery and Equipment	Transportation equipment	Other equipment	Construction in process and testing equipment	Total	
Costs:								
Balance at January 1, 2022	$ 395,835	424,899	875,105	19,872	286,410	172,082	2,174,203	
Additions	-	11,457	38,692	320	32,477	21,889	104,835	
Reclassification	-	75,756	72,844	-	14,161	(152,918)	9,843	(Note1)
Disposals	-	(312)	(5,716)	-	(13,321)	-	(19,349)	
Effects of changes in foreign exchange rates	-	2,466	5,157	27	1,160	8,945	17,755	
Balance at December 31, 2022	$ 395,835	514,266	986,082	20,219	320,887	49,998	2,287,287	
Balance at January 1, 2021	$ 395,835	405,918	785,103	20,348	248,370	91,703	1,947,277	
Additions	-	15,934	67,944	-	35,002	119,686	238,566	
Reclassification	-	4,315	46,396	-	17,663	(42,772)	25,602	(Note2)
Disposals	-	-	(21,412)	(461)	(14,037)	-	(35,910)	
Effects of changes in foreign exchange rates	-	(1,268)	(2,926)	(15)	(588)	3,465	(1,332)	
Balance at December 31, 2021	$ 395,835	424,899	875,105	19,872	286,410	172,082	2,174,203	

	Land	Buildings	Machinery and Equipment	Transportation equipment	Other equipment	Construction in process and testing equipment	Total
Accumulated depreciation:							
Balance at January 1, 2022	$ -	272,752	582,187	14,587	182,188	-	1,051,714
Depreciation for the year	-	17,208	55,780	1,869	26,329	-	101,186
Disposals	-	(312)	(4,856)	-	(13,296)	-	(18,464)
Effects of changes in foreign exchange rates	-	1,837	5,058	23	891	-	7,809
Balance at December 31, 2022	$ -	291,485	638,169	16,479	196,112	-	1,142,245
Balance at January 1, 2021	$ -	260,137	560,670	12,949	172,937	-	1,006,693
Depreciation for the year	-	13,567	45,134	2,111	20,800	-	81,612
Disposals	-	-	(21,412)	(461)	(11,089)	-	(32,962)
Effects of changes in foreign exchange rates	-	(952)	(2,205)	(12)	(460)	-	(3,629)
Balance at December 31, 2021	$ -	272,752	582,187	14,587	182,188	-	1,051,714
Carrying amounts:							
Balance at December 31, 2022	$ 395,835	222,781	347,913	3,740	124,775	49,998	1,145,042
Balance at December 31, 2021	$ 395,835	152,147	292,918	5,285	104,222	172,082	1,122,489
Balance at January 1, 2021	$ 395,835	145,781	224,433	7,399	75,433	91,703	940,584

Note1:：Other non-current assets ,inventories and prepayment have been reclassified with $6,512, $3,081 and $250, respectively.

Note2: Transfer from other non-current assets.

Please refer to note 8 for objects pledged to secure bank loans and short term borrowings as of December 31, 2022 and 2021.

(i) Right-of-use assets

Information about leases for which the Group as a lessee was presented below:

	Land
Cost:	
Balance at January 1, 2022	$ 75,503
Effects of changes in foreign exchange rates	4,711
Balance at December 31, 2022	$ 80,214
Balance at January 1, 2021	$ 71,312
Effects of changes in foreign exchange rates	4,191
Balance at December 31, 2021	$ 75,503
	Land
Depreciation:	
Balance at January 1, 2022	$ 5,035
Depreciation	2,261
Effects of changes in foreign exchange rates	259
Balance at December 31, 2022	$ 7,555
Balance at January 1, 2021	$ 2,801
Depreciation	2,132
Effects of changes in foreign exchange rates	102
Balance at December 31, 2021	$ 5,035
Carrying amounts:	
Balance at December 31, 2022	$ 72,659
Balance at December 31, 2021	$ 70,468
Balance at January 1, 2021	$ 68,511

(j) Investment property

The cost and accumulated depreciation of the investment property for the years ended December 31, 2022 and 2021, were as follows:

		Buildings and Construction
Cost:		
Balance at January 1, 2022	$	25,871
Effects of changes in foreign exchange rates		379
Balance at December 31, 2022	**$**	**26,250**
Balance at January 1, 2021	$	26,077
Effects of changes in foreign exchange rates		(206)
Balance at December 31, 2021	**$**	**25,871**
Accumulated depreciation:		
Balance at January 1, 2022	$	23,401
Depreciation for the year		1,048
Effects of changes in foreign exchange rates		339
Balance at December 31, 2022	**$**	**24,788**
		Buildings and Construction
Balance at January 1, 2021	**$**	**22,549**
Depreciation for the year		**1,029**
Effects of changes in foreign exchange rates		**(177)**
Balance at December 31, 2021	**$**	**23,401**
Carrying amounts:		
Balance at December 31, 2022	**$**	**1,462**
Balance at December 31, 2021	**$**	**2,470**
Balance at January 1, 2021	**$**	**3,528**
Fair value:		
Balance at December 31, 2022	**$**	**1,462**
Balance at December 31, 2021	**$**	**2,470**

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases are negotiated with the lessee for subsequent renewals annually, and no contingent rents are charged. Please refer to note 6(n) for further information.

The fair values of investment property for the years ended December 31, 2022 and 2021 were assessed by the valuation team of the Group based on valuation report by independent evaluators and considering actual transaction price of properties in the vicinity. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3. Fair value is assessed by the cost method.

The Group did not provide any of the aforementioned investment property as collateral.

(k) Other non-current assets

	December 31, 2022	December 31, 2021
Other non-current assets - prepayment for equipment	$ 8,214	17,974
Other non-current assets -long-term prepaid expenses	12,497	14,244
Other non-current assets -other	48	-
	$ 20,759	32,218

(l) Long and short-term borrowings

The details were as follows:

	December 31, 2022			
	Currency	Range of interest rates	Maturity year	Amount
Unsecured bank borrowings	TWD	1.56%~2.19%	2023~2025	$ 641,000
Current- Short-term borrowings				$ 537,500
Long-term borrowings, current portion				42,000
Noncurrent - long-term borrowings				61,500
Total				$ 641,000
Unused short-term credit lines				$ 942,500
Unused long-term credit lines				$ -
Unused short-term notes and bills payable				$ 230,000

	December 31, 2021			
	Currency	Range of interest rates	Maturity year	Amount
Unsecured bank borrowings	TWD	0.81%~1.25%	2022~2025	$ 1,083,000
Secured bank loans	TWD	1.5%~1.845%	2022~2026	8,855
Unsecured short-term notes and bills payable	TWD	0.45%~0.602%	2022	180,000
Total				$ 1,271,855
Current- Short-term borrowings				$ 948,000

Current - short-term notes and bills payable	180,000
Long-term borrowings, current portion	33,513
Noncurrent - long-term borrowings	110,342
Total	$ 1,271,855
Unused short-term credit lines	$ 500,393
Unused long-term credit lines	$ -
Unused short-term notes and bills payable	$ 35,000

For the collateral for bank loans, please refer to note 8.

The Group obtained the relief and revitalization loan from Ministry of Economic Affairs (Severe pneumonia with novel pathogens) in December, 2020 for a contractual term of five years, the long-term credit lines was 15,000, with government subsidized interest rate of 0.845% per annum and the Group' s pays interest rate at 0.155% ~ 1.5% per annum. Interest is paid on a monthly basis and the principal has been repaid on a monthly basis since December 2021. The aggregate amount of the Group recognized at discounted market rate was $210 included in long-term deferred income. The unamortized balances as of December 31, 2021 was $65.

As of December 31, 2022, the Group has fully repaid relief and revitalization loan from Ministry of Economic Affairs (Severe pneumonia with novel pathogens).

(m) Bonds payable

The details of the Group' s bonds payable were as follows:

	December 31, 2022
Total convertible corporate bonds issued	200,000
Unamortized discounted corporate bonds payable	(11,062)
Corporate bonds issued balance at year-end	$ 188,938
Embedded derivative- Put option/redemption option (financial liabilities at fair value through profit or loss)	$ 1,860
Equity component － conversion options, included in capital surplus － stock options	$ 32,228

	2022
Embedded derivative- Put option/valuation losses on redemption option (Revaluation losses on financial liabilities measured at fair value through profit or loss)	$ 1,980
Interest expense (note)	$ 2,121

Note: The effective interest rate of the third issued unsecured convertible corporate bonds was 1.36%.

The Group issued the third domestic unsecured convertible corporate debt on March 2, 2022 and traded at Taipei Exchange, whose principal terms and conditions of issue are as follows:

(1)Total issuance amount: $200,000 thousand.

(2)Issue price: 111.80% of the nominal value of the share, with a par value of $100 thousand per share.

(3)Coupon rate: 0%

(4)Repayment method: Except for the bondholder of this convertible bond to convert into ordinary shares of the Company in accordance with Article 10 of this policy or to exercise put option in accordance with Article 19,and the Company engaged in early redemption pursuant to Article 18 or purchase the bonds back for cancellation from the premises of a securities trader, in addition of interest compensation based on the par value of the bond (100.6266% of the par value of the bond at maturity) in one time payment of cash.

(5)Duration: five years (March 2, 2022 to March 2, 2027)

(6)Conversion period:

The debtors may opt to have its bonds converted into the Company's common share, from the day following the expiration of three months (June 3, 2022) after the issue of the convertible corporate debt, up to the expiry date (March 2, 2027), except for the following: A. the period during which the transfer of shares of the Company is suspended in accordance with the law; B.the period commencing from the date on which the transfer of bonus share issued ceases, the date on which the transfer of cash dividends ceases or 15 business days before the date on which the transfer of shares of cash capital increase ceases, until the date of record for the distribution of the rights/benefits; C.The period starts from the date of record of the capital decrease and ends on the date prior to the trading of the reissuance shares after the capital decrease; D. from the conversion cease date of changing par value of shares until the day before trading of reissuance shares with new shares.

(7)Conversion price and its adjustment:

The conversion price on issuance date was $18.5 per share. However, after the issue of this convertible bond, the conversion price shall be adjusted in accordance with the formula stipulated in the terms of issue if any of the following conditions is met:

A.In the event of an increase in the number of ordinary shares of the Company issued or through private placement, other than in the case of an exchange of ordinary shares for various securities issued or through private placement by the Company with options for conversion of ordinary shares or with share option ;or new shares issued for remuneration to employees.

B.When the Company issue cash dividends of ordinary shares

C.In the event that the Company reissues or engaged in private placement of securities of various securities which have the right to convert to ordinary shares or with share options at a conversion price or subscription price below the current price per share.

D.In the event of a reduction in the ordinary shares of the Company other than as a result of retirement of treasury share.

The conversion price of the Company on the bas day, May 31, 2022 was adjusted to $18.2 as the Company engaged in cash capital increase to issue common shares.

The Company approved to distribute its cash dividends in the general meeting of stockholders held on June 14, 2022. As a result, the conversion price decreased to $17.30 since August 3, 2022 (exdividend date).

(8)Put options:

The date on which the convertible bond has been issued for three years (March 2, 2025) is the base day on which the convertible bond holder will sell back the convertible bond in advance. The bondholders may require the Company to redeem the bonds in cash at 100.3755% of the principal amount of the bonds.

(9)Redemption right:

From the three months after the share issuance date (June 3, 2022) to the 40 day before the maturity date to the forty days prior to the expiry of the issue period (January 21, 2027),the conversion bond shall be recovered in principal amount subject to the terms of the Issue and Conversion Policy provided that the Company meets one of the following conditions, the principal amount between:

A.When the closing price of the Company’s common shares on the TSE for a period of 30 consecutive trading days before redemption has exceeded 30% of the exchange price.

B.When the outstanding balance of the convertible bond is less than$20,000 thousand (10% of the total amount issued).

(10)In accordance of issuance and conversion policy, all convertible bonds recovered by the Company (including those purchased from the securities dealer’s premises), repaid or converted will be write down and will not be sold or issued. Its accompanying conversion option will be eliminated.

(11)In accordance of issuance and conversion policy,the ordinary shares transferred from this convertible bond are traded on the Taiwan Stock Exchange from the delivery date and the new shares converted are subject to the same rights and obligations as the ordinary shares originally issued.

(n) Operating lease- lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(j) sets out information about the operating leases of investment property. The contract does not set out for future minimum lease payable during the non-cancellable lease period.

For the years ended December 31, 2022 and 2021, the rental income from investment properties, maintenance and repair expenses were amounted to $6,027 and $6,567, $1,077 and $485, respectively.

(o) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities and assets for defined benefit plans was as follows:

		December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$	9,221	29,403
Fair value of plan assets		(13,326)	(22,966)
Net defined benefit liabilities(assets)	**$**	**(4,105)**	**6,437**

The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee’s retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2022 and 2021, the Group’s labor pension fund account balance at Bank of Taiwan amounted to $13,326 and $22,966, respectively. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Bureau of Labor Funds.

(2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Group were as follows:

		2022	2021
Defined benefit obligations at January 1	$	29,403	58,650
Benefits paid		(18,309)	(30,997)
Current service cost and interest cost		265	575
Settlement gain		(1,129)	(1,794)
Remeasurement on the net defined benefit liabilities		(1,009)	2,969
Defined benefit obligations at December 31	$	9,221	29,403

(3) Movements in fair value of defined benefit plan assets

The movements of the fair value of defined benefit plan assets of the Group were as follows:

		2022	2021
Fair value of plan assets at January 1	$	22,966	41,881
Interest income		214	355
Contributions paid by the employer		6,999	11,509
Benefits paid		(18,309)	(30,997)
Remeasurements of the net defined benefit asset		1,456	218
Fair value of plan assets at December 31	$	13,326	22,966

(4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

		2022	2021
Current service cost	$	45	135
Net interest of net defined benefit liabilities		6	85
Settlement gain		(1,129)	(1,794)
	$	(1,078)	(1,574)
Operating cost	$	(506)	(762)
Selling expenses		(254)	(322)
Administrative expenses		(320)	(359)
Research and development expense		2	(131)
	$	(1,078)	(1,574)

(5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2022	December 31, 2021
Discount Rate	0.750%	0.750%
Future salary increases	3.500%	3.500%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $471. The weighted average lifetime of the defined benefits plans is 12.95 years.

(6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	Increase %	Decrease %
December 31, 2022		
Discount Rate (Changes 0.25%)	(2.82)%	2.97%
Future salary increase rate (Changes 0.25%)	2.90%	(2.77)%

	Impact on the defined benefit obligations	
	Increase %	Decrease %
December 31, 2021		
Discount Rate (Changes 0.25%)	(3.82)%	3.99%
Future salary increase rate (Changes 0.25%)	3.82%	(3.69)%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Company, LONGSUN TECHNOLOGIES and JUNG SHING TECHNOLOGIES allocate

6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

The cost of the pension contributions of the Company, LONGSUN TECHNOLOGIES and JUNG SHING TECHNOLOGIES to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021 amounted to $8,884 and $8,304, respectively.

The pension cost of other foreign subsidiaries recognized in accordance with the local defined contribution method amounted to $10,896 and $9,748 for the years 2022 and 2021, respectively.

(iii) Short-term Compensated absences liability

The Group's employee benefit liabilities were as follows:

		December 31, 2022	December 31, 2021
Compensated absences liability (recognized as other payables)	$	6,248	5,876

(p) Income taxes

(i) The components of income tax in the years 2022 and 2021 were as follows:

		2022	2021
Current tax expense			
Current period	$	21,732	50,397
Adjustment of current income tax for prior years		(794)	3,576
		20,938	53,973
Deferred tax expense (income)			
Origination and reversal of temporary differences		2,147	(1,502)
Current losses from unrecognized deferred tax assets in prior year		-	(3,792)
Adjustment of deferred income tax assets recognized in prior year		784	-
		2,931	(5,294)
Income tax expense	$	23,869	48,679

(ii) The gains (loss) on income tax recognized in other comprehensive income for the years 2022 and

2021 was as follows:

	2022	2021
Components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	$ 493	(550)

(iii) Income tax expense amounted to $0 was recognized directly in equity for 2022 and 2021.

(iv) Income tax on pretax financial income reconciled with income tax expense for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Profit before tax	$ 64,528	254,545
Income tax using the Group's domestic tax rate	12,906	50,908
Effect of tax rates in foreign jurisdiction	4,024	(1,018)
Capital reduction to offset accumulated deficits of investee	-	(709)
Tax levied on securities transaction is suspended	(155)	(1,628)
Book- Tax differences on income and expenses	1,623	44
Losses from unrecognized deferred tax assets in prior year	-	(377)
Recognition in prior losses from unrecognized deferred tax assets	-	(3,792)
Losses from current periods of unrecognized deferred tax assets	6,288	-
Unrealized gain (loss) of valuation on domestic financial assets at fair value through profit or loss	(807)	1,675
Adjustments for under provisions of prior years	(10)	3,576
	$ 23,869	48,679

(v) Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2022	December 31, 2021
The carryforward of unused tax losses	$ 44,944	18,962

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The deferred tax assets have not been recognized in respect of the these items because they are not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry date
Approved loss of 2013	$ 5,211	For the Year Ended December 31, 2023
Approved loss of 2014	1,085	For the Year Ended December 31, 2024
Approved loss of 2015	1,282	For the Year Ended December 31, 2025
Approved loss of 2019	2,082	For the Year Ended December 31, 2029
Approved loss of 2020	3,845	For the Year Ended December 31, 2030
Losses declaration estimated of 2022	31,439	For the Year Ended December 31, 2032
	$ 44,944	

(2) Recognized deferred income tax assets and liabilities

Items of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Defined benefit plans	Unrealized exchange loss	Taxes losses credit	Inventory valuation loss	Loss Allowance	Other	Total
Deferred tax assets:							
Balance at January 1, 2022	$ 1,332	3,045	8,236	908	-	3,859	17,380
Recognized in profit or loss	(839)	(3,045)	(1,225)	1,796	780	566	(1,967)
Credited under other comprehensive income	(493)	-	-	-	-	-	(493)
Balance at December 31, 2022	$ -	-	7,011	2,704	780	4,425	14,920
Balance at January 1, 2021	$ 3,398	2,600	515	1,635	-	3,850	11,998
Recognized in profit or loss	(2,616)	445	7,721	(727)	-	9	4,832
Credited under other comprehensive income	550	-	-	-	-	-	550
Balance at December 31, 2021	$ 1,332	3,045	8,236	908	-	3,859	17,380

	Unrealized gains on land revaluation	Defined benefit plans	Unrealized exchange gain	Financial assets Unrealized gains	Total
Deferred tax liabilities:					
Balance at January 1, 2022	$ 73,353	-	-	-	73,353
Recognized under profit or loss	-	777	187	-	964
Balance at January 1, 2022	$ 73,353	777	187	-	74,317
Balance at January 1, 2021	$ 73,353	-	-	462	73,815
Debited under profit or loss	-	-	-	(462)	(462)
Balance at December 31, 2021	$ 73,353	-	-	-	73,353

(vi) The Group’s income tax returns for the years through 2020 were assessed by the tax authority.

(q) Capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, the authorized common stock of the Company were $3,000,000 and $2,000,000, respectively, comprising 300,000 and 200,000 thousand shares, respectively, with a par value of $10 per share.The aggregate amount of the aforesaid authorized share capital was composed of ordinary shares only, and the issued shares were 1,577,332 and 1,442,332 thousand shares. All issued shares were paid up upon issuance.

The Company issued 13,500 thousand shares on November 11,2021 with a par value of $10 per share, and reserve 15%, which consist of 2,025 thousand shares in accordance to article of incorporation, and employees of the Company are entitled to subscription. The number of shares gave up for subscription or under subscribed by employees should authorize the Chairman to contact a specific person to subscribe the shares. This capital increase was approved by the Competent Authority on December 24, 2021 and the relevant statutory registration procedures were completed with the base day set as May 31, 2022. The total proceeds from capital increase amounting to $201,955 , after deductingshare capital amounting to $135,000, the difference amounting to $66,955 is accounted for as capital reserve.

(ii) Capital surplus

The components of capital surplus were as follows:

		December 31, 2022	December 31, 2021
Additional paid in capital	$	106,929	35,852
Treasury shares		33,451	33,451
Lapse of share options		8,781	5,701
Profit from donations accepted		656	656
Changes in a parent's ownership interest in a subsidiary		205	205
Share option － equity components recognized for convertible bonds issued		32,228	-
	$	**182,250**	**75,865**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting.

from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii)Retained earnings

The Company' s articles of incorporation stipulate that at least 10% of annual net income after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside in accordance with applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors is approved during the stockholders' meeting. The Company has adopted a balanced dividend policy, while taken into account of the capital surplus, retained earnings and future profitability. The cash dividend is distributed in the amount not less than 5% of the total cash and share dividend issued for the year. However, if future earnings and capitals are more abundant, the cash dividend distribution percentage should be increased.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(2) Special reserve

In accordance with the guidelines of Financial Supervisory Commission, the difference between current-period earnings recognized under net reductions in shareholders' equity and undistributed prior-period earnings, from the current net income plus the other accounts beside current net income, including undistributed current earnings and the undistributed prior- period earnings should be appropriated to special reserve are recognized as reductions in other shareholders' equity accumulated from prior periods, should be appropriated to special reserve from undistributed prior-period earnings instead of being distributed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 14, 2022 and August 26, 2021, the appropriation of the earnings for 2021 and 2020 was resolved in the general meeting of shareholders. The amounts of dividends distributed to owners were as follows: The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	**Amount**	**Amount per share**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.90	129,810	0.60	86,540

On March 9, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings was as follows:

	2022	
	Amount per share	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.20	31,547

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$ (140,066)
The Group	36,014
Balance at December 31, 2022	$ (104,052)
Balance at January 1, 2021	$ (143,553)
The Group	3,487
Balance at December 31, 2021	$ (140,066)

(r) Share-based payment

As of December 31, 2022, share-based payment transactions of the Company are as follows:

	Cash injection reserved for employees
Grant date	111.4.6
Number of options granted (Unit: In thousand shares)	2,025,000
Contract term (days)	51
Recipients	Employee
Vesting conditions	Immediate vesting condition

(i) Measurable parameter of fair value at grant date

The Company adopted the Black-Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	2022.12.31
	Cash injection reserved for employees
Fair value at the grant date (NT dollars)	3.5567
Exercise price (NT dollars)	15
The expected life of the option (years)	51
Expected dividend	-
The risk-free rate (%)	0.32

(ii) The aforesaid information on the employee stock option was as follow:

	2022.12.31	
	Weighted average price (NT dollars)	**Number of share options (units)**
Outstanding at January 1	$ -	-
Number of options granted during the year	15	2,025,000
Implemented during the year	15	(1,159,000)
Expired during the year	15	(866,000)
Outstanding at December 31		-
Exercisable at December 31		-

(iii) Employee expense

For the year ended December 31, 2022, the Company’s recognized remuneration expenses amounting to $7,202 thousand as a result of the cash capital increase for employees subscription,are accounted for as operating costs and operating expenses for the period.

(s) Earnings per share

The Group’s basic and diluted earnings per share were calculated as follows:

(In thousand of shares)

	2022	2021
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 50,510	209,742
Weighted-average number of ordinary shares outstanding	152,148	144,233
Basic earnings per share	$ 0.33	1.45
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 50,510	209,742
Weighted-average number of ordinary shares outstanding (basic)	152,148	144,233
Effect of employee remuneration	40	116
Weighted average number of ordinary shares outstanding (diluted)	152,188	144,349
Diluted earnings per share	$ 0.33	1.45

For the years 2022, the potential ordinary shares - convertible corporate bonds have an anti-dilutive effect, and hence they are not included in the calculation of the weighted average number of shares (diluted).

(t) Revenue from contracts with customers

(i) Details of revenue

	2022	2021
Primary geographical markets:		
Taiwan	$ 811,156	1,039,338
Mainland China	2,583,863	3,410,059
Japan	24,392	22,024
Philippine	72,001	83,205
Other countries	89,966	65,008
	$ 3,581,378	4,619,634

	2022	2021
Major products:		
Enameled wire	1,657,362	2,052,156
Self-bonding wire	750,056	1,000,025
Special wire	154,481	424,564
Heat resistant wire	117,559	169,927
Litz Wires	381,440	260,121
Copper wire	140,611	214,536
Merchandise - enameled wires	102,622	86,396
Merchandise - copper wires	125,822	228,207
Other	151,425	183,702
Total	$ 3,581,378	4,619,634

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and trade receivable	$ 699,651	912,075	790,538
Less: Loss allowance	4,105	-	495
Total	**695,546**	**912,075**	**790,043**
Contract liabilities—advance sales receipts (included in other current liabilities)	**$ 2**	**478**	**281**

The amount of revenues recognized for the years ended December 31, 2022 and 2021, that were included in the contract liabilities balance at the beginning of the period were $476 and $273, respectively.

(u) Employee compensation and directors' and supervisors' remuneration

The Company’s article of incorporation requires that earnings shall first to be offset against any deficit, then, not fewer than 0.5% will be distributed as remuneration to its employees and no more than 3% to its directors. The recipients of shares and cash may include the employees of the Company’s affiliated companies who meet certain conditions.

The Company estimated its remuneration to employees amounting to $314 and $1,755 and directors’ and supervisors’ remuneration amounting to $1,255 and $7,521 for years ended December 31, 2022 and 2021, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Group’s article. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares (considering ex-dividend effect) on the day preceding the Board of Directors’ meeting. There is no difference between the amount of compensation to employee and directors recognized in the financial statements for 2022 and 2021 and the actual distribution. The related information is available on the Market observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

		2022	2021
Interest income from bank deposits	$	2,920	1,883
Interest income of financial assets measured at amortized cost		21	-
Interest income of other financial assets		-	3
	$	2,941	1,886

(ii) Other income

The Group's other income was as follows:

		2022	2021
Dividend income	$	91	-
Rent income		6,027	6,567
	$	6,118	6,567

(iii) Other gains and losses

The Group's other gains and losses were as follows:

		2022	2021
Proceeds from disposal of property, plant and equipment	$	7	522
Gains on financial assets and liabilities at fair value through profit or loss		6,683	362
Net Foreign exchange gains (losses)		89,072	(23,157)
Other		14,396	9,028
	$	110,158	(13,245)

(iv) Finance costs

The details of the financial costs were as follows:

		2022	2021
Interest expense			
Bank loan	$	(9,989)	(10,022)
Amortized discounted corporate bonds payable		(2,121)	-
	$	(12,110)	(10,022)

(w) Financial instruments

(i) Credit risk

(1) The maximum exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

(2) Concentration of credit risk

As sales are made to customers worldwide, the Group's exposure to credit risk concentration is expected to be low. To reduce credit risk, the Group continuously assesses the financial position of its customers, normally without a request for collateral.

(3) Credit risks of receivables

For credit risk exposure of note and trade receivables, please refer to note 6(d).

Other financial assets carried at amortized costs included other receivables. All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(g) for the Group determines whether credit risk is to be low risk). There was no impairments or reversals for the years ended December 31, 2022 and 2021.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying amounts	Cash flows	within 6months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Non-interest bearing liabilities	$ 214,011	214,011	214,011	-	-	-	-
Floating rate instruments	641,000	644,626	560,699	21,650	42,709	19,568	-
Fixed rate instrument	188,938	200,000	-	-	-	200,000	-
Guarantee deposit received	1,018	1,018	184	-	132	702	-
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss — non-current	1,860	1,860	-	-	-	1,860	-
	$ 1,046,827	1,061,515	774,894	21,650	42,841	222,130	-
December 31, 2021							
Non-derivative financial liabilities							
Non-interest bearing liabilities	$ 260,360	260,360	260,360	-	-	-	-
Floating rate instruments	1,091,855	1,098,433	961,687	22,893	45,752	68,101	-
Fixed rate instrument	180,000	180,152	180,152	-	-	-	-
Guarantee deposit received	1,549	1,549	-	-	1,549	-	-
	$ 1,533,764	1,540,494	1,402,199	22,893	47,301	68,101	-

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

(1) Exposure of foreign currency risk

The Group’s significant exposure to foreign currency risk was as follows:

	December 31, 2022			December 31, 2021		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
USD	$ 24,766	30.71	760,561	38,591	27.68	1,068,185
HKD	18,928	3.938	74,540	33,292	3.549	118,115
CNY	247	4.408	1,087	249	4.344	1,080
Financial liabilities						
Monetary items						
USD	1,762	30.71	54,118	6,299	27.68	174,360

(2) Sensitivity analysis

The foreign currency risk mainly arose from the translation of cash and cash equivalents, trade receivable, financial assets at fair value through gain and loss, trade payable, and other payables. A strengthening (weakening) of 1% of the NTD against the USD, the CNY and the HKD at December 31, 2022 and 2021,assuming that all other variables remain constant, would have increased or decreased the profit after tax by $6,257 and $8,104, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2022 and 2021 were $89,072 and $23,157, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.5%, the Group's net income will decrease /increase by $2,564 and $4,367 for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank borrowings.

(v) Other price risks

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
3% increase	$ -	1,434	-	795
3% decrease	$ -	(1,434)	-	(795)

(vi) Fair value of financial instruments

(1) Types and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2022				
	Carrying Amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 1,217	1,217	-	-	1,217
Unlisted common shares	43,064	43,064	-	-	43,064
Open-end funds	$ 15,484	15,484	-	-	15,484
Structured deposits	154,905	-	154,905	-	154,905
	$ 214,670				
Financial assets at amortized cost					

Cash and cash equivalents	$ 702,666	-	-	-	-
financial assets measured at amortized cost-current	4,950	-	-	-	-
Notes and trade receivable	695,546	-	-	-	-
Other receivables	5,542	-	-	-	-
Refundable deposits	11,721				
	$ 1,420,425				

	December 31, 2022				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value	$ 1,860	-	1,860	-	1,860
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 537,500	-	-	-	-
Trade payables	214,011	-	-	-	-
Long-term borrowings(including current portion)	42,000	-	-	-	-
Bonds payable	188,938	-	188,140	-	188,140
Long-term borrowings	61,500	-	-	-	-
Guarantee deposits	1,018				
	$ 1,044,967				

	December 31, 2021				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Unlisted common shares	$ 30,100	-	-	30,100	30,100
Open-end funds	3,033	3,033	-	-	3,033
Convertible bonds	1,547	1,547	-	-	1,547
Structured deposits	43,595	-	43,595	-	43,595
	$ 78,275				
Financial assets at amortized cost					
Cash and cash equivalents	$ 896,578	-	-	-	-
Notes and trade receivable	912,075	-	-	-	-
Other receivables	22,338	-	-	-	-
Refundable deposits	11,803	-	-	-	-
	$ 1,842,794				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 948,000	-	-	-	-
Short-term notes payables	180,000	-	-	-	-
Trade payables	260,360	-	-	-	-
Long-term borrowings(including current portion)	33,513	-	-	-	-
Long-term borrowings	110,342	-	-	-	-
Guarantee deposits	1,549	-	-	-	-
	$ 1,533,764				

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(2) Fair value valuation technique of financial instruments not measured at fair value

The Group's financial instruments not measured at fair value are financial assets and liabilities measured at amortized cost, except for the carrying amount of financial instruments that approximate their fair value due to their short maturities or future prices close to their carrying amounts; the methods and assumptions adopted for other financial instrumnets are as belows:

There is quoted price generated by transactions, the recent transaction price and quoted price data are used as the basis for fair value measurement.However, if no quoted prices are available, the discounted cash flows are used to estimate fair values. The fair value is determined by using valuation techniques and calculated as the discounting value of the estimated cash flows.

The liability component of the Group's convertible bond is estimated by valuation method. The fair value is evaluated based on the discounted cash flow.

(3) Valuation techniques for financial instruments measured at fair value

(3.1) Non-derivative instruments

Fair value measurement of financial instruments was based on quoted market prices if these prices were available in an active market. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non active market.

The Open-end fund and convertible bond held by the Group are measured at fair value according to standard provision and conditions; the fair value is measured using the quoted price in an active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Group have no active market, the measurements of fair value are categorized as follows:

● Structured deposits: air value of structured investment product is measured based on the discounted future cash flows arising from principal consideration and probable gains estimate to be received.

●Equity instruments without quoted price: The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the investee' estimated net worth per share and the average price-book ratio estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

(3.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. The right to buy back third convertible corporate debt of the Company was valuated under the binomial tree method.

(4) Transfers between Level 1 and Level 3

The Group held an investment in equity of BRIM Biotechnology, Inc. , which is classified as financial assets at fair value through profit or loss. The fair values were $43,064 thousand and $30,100 thousand as of December 31, 2022 and 2021, respectively. The fair value of the investment was categorized as level 3 as of December 31, 2021, because the shares were not listed on the exchange market and there were no recent observable arm's length transactions in the shares. Because the equity shares of BRIM Biotechnology, Inc. is now listed on emerging stock board and thus have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy for the year ended December 31, 2022.

(5) Reconciliation of Level 3 fair values

		Financial assets at fair value through profit or loss
		designation as at fair value through profit or loss (designated at initial recognition)
Balance at January 1, 2022	$	30,100
Transfers out of Level 3		(30,100)
Balance at December 31, 2022	$	-
Balance at January 1, 2021	$	-
Purchase		30,100
Balance at December 31, 2022	$	30,100

(6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – Equity instruments investments".

Quantified information of significant unobservable inputs (Level 3) was as follows:

Contents	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – equity investments without an active market	Comparable listed companies approach	• P/B ratio multiplier (2021.12.31 is 6.48) • Discount for lack of market liquidity (2021.12.31 is 30%)	• The higher the price book ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit:

	Inputs	Upward or downward movement	Fair value Total gain/loss Favorable	Unfavorable
Balance at December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	P/B ratio	1.00%	$ 384	(384)
Equity investments without an active market	Discount for lack of market liquidity	1.00%	$ 42	(42)

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(8) There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2021.

(x) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Group’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying non-consolidated financial statements.

(ii) Risk management framework

The Group’ s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group’ s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity.The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii)Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, bank deposits and investments.

(1) Trade receivable

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The review by the Group may include external ratings if available and verification from the bank. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

(2) Bank deposits and investment

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by The Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

(3) Guarantees

The Group’s policy provides only financial security to subsidiaries of more than 50% shareholding or entities engaged in transaction. As of December 31, 2022 and 2021, the Group did not provide any guarantees to other companies.

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Group. As of December 31, 2022 and 2021, the Group’s unused credit line were amounted to $1,172,500 and $535,393, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(1) Currency risk

The Group’s exposure to the risk of fluctuation in foreign currency exchange rates relates primarily to the Group’s sales and purchases that are denominated in a currency different from the functional currencies of the Group. The functional currency of the Group are mainly NTD, USD, HKD and VND. The currencies used in these transactions are denominated in NTD, USD, HKD and CNY. In addition, based on the principle of natural hedge and considering the foreign currency market status, the Group evaluates the requirement for individual foreign currency and the net currency exposure positions. (and the difference between foreign currency assets and liabilities)

Other monetary assets and liabilities denominated in foreign currencies are using the current exchange rates to maintain the net currency risk at the acceptable level.

(2) Interest rate risk

It is the policy of the Group to ensure that the interest rate of the borrowings is subject to fluctuation risk, to be assessed in the light of the international economic situation and market trend of interest rates and to select a floating or fixed interest rate when market interest rates rises. For one-year short-term borrowings, the assessment is adjusted to a fixed interest rate, while medium to long term borrowings are assessed to hedge risk by locking interest rate through interest rates swap.

(3) Other market price risks

Equity and fund price risk is the risk of future price uncertainty arising from equity instruments and funds held by the Group. The Group manages the price risk of equity instruments and funds by diverse investments and regularly understanding the financial position of the equity instruments and fund issuers.

(y) Capital management

The Board’s policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings and non-controlling interests. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Group’s debt to equity ratio at the reporting date was as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 1,169,869	1,677,419
Less: Cash and cash equivalents	702,666	896,758

Net liabilities	$	467,203	780,661
Total equity	$	2,128,046	1,937,826
Debt-to-equity ratio		22%	40%

As of December 31, 2022, the Group had not changed its capital management method.

(z) Investing and financing activities not affecting current cash flow

The reconciliation of liabilities arising from financing activities was as follows:

				Non-Cash changes			
		January 1, 2022	Cash flows	Foreign exchange movement	Amortized discounted	Other movements	December 31, 2022
Short-term borrowings	$	948,000	(413,770)	3,270	-	-	537,500
Short-term notes payables		180,000	(180,000)	-	-	-	-
Bonds payable		-	218,925	-	2,121	(32,108)	188,938
Long-term borrowings (including current portion)		143,855	(40,355)	-	-	-	103,500
Deferred revenue		65	(65)	-	-	-	-
Guarantee deposit received		1,549	(817)	286	-	-	1,018
Total liabilities from financing activities	$	1,273,469	(416,082)	3,556	2,121	(32,108)	830,956

				Non-Cash changes			
		January 1, 2021	Cash flows	Foreign exchange movement	Amortized discounted	Other movements	December 31, 2021
Short-term borrowings	$	555,000	397,212	(4,212)	-	-	948,000
Short-term notes payables		180,000	-	-	-	-	180,000
Long-term borrowings (including current portion)		144,802	(989)	-	-	42	143,855
Deferred revenue		198	(91)	-	-	(42)	65
Guarantee deposit received		1,392	230	(73)	-	-	1,549
Total liabilities from financing activities	$	881,392	396,362	(4,285)	-	-	1,273,469

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Name of related parties	Relationship with the Company
FURUKAWA MAGNET WIRE CO., LTD.	The entity with significant influence over the Group
Taya Wire & Cable Co., Ltd.	The entity with significant influence over the Group
Furukawa Electric Co., Ltd.	Other related parties
FURUKAWA SHANGHAI,LTD.	Other related parties
Furukawa Electric Hong Kong Ltd. (FEHK)	Other related parties
TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	Other related parties
TOTOKU (ZHEJIANG)CO.,LTD	Other related parties
CUPRIME MATERIAL CO.,LTD.	Other related parties
TAYA (VIET NAM) Electric Wire and Cable Joint Stock Company	Other related parties
Jung shing wire social welfare and charity foundation (hereinafter referred to as Jung Shing Foundation)	The Chairman of the Company is the same as the Chairman of the donation recipient

(b) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales and uncollected receivables by the Group to related parties were as follows:

	Sales		Amounts received in subsequent period	
	2022	2021	December 31, 2022	December 31, 2021
The entity with significant influence over the Group	$ 124,046	163,964	3,694	6,452
Other related parties	297,606	319,684	42,810	36,564
	$ 421,652	483,648	46,504	43,016
Notes receivable			$ 11,464	13,943
Trade receivable due from related parties			35,040	29,063
			$ 46,504	43,016

The collection method of the related parties by the Group is approximately 30 to 60 days after the export of the goods. The sales price is not significantly different from the normal purchase price of similar products.

(ii) Purchases from related parties

The amounts of significant purchases transactions and outstanding balances by the Group from related parties were as follows:

	Purchases		Payables to related parties	
	2022	2021	December 31, 2022	December 31, 2021
Other related parties - CUPRIME MATERIAL CO.,LTD.	$ 267,460	271,580	32,026	23,627
Other related parties	27,258	46,343	250	-
The entity with significant influence over the Group	-	538	-	-
	$ 294,718	318,461	32,276	23,627

The payment to related parties is wired within 30 to 60 days. The purchase price is not comparable or significantly different from the normal purchase price of similar products.

(iii) Donation(included administrative expenses)

	December 31, 2022	December 31, 2021
Other related parties－Jung Shing Foundation	$ 13,000	-

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2022	2021
Short-term employee benefits	$ 19,587	30,162
Post-employment benefits	267	260
	$ 19,854	30,422

The Group provides company cars and dormitory of initial cost amounted to $25,697, respectively for key management personnel for the years ended on December 31, 2022 and 2021.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Land	Short-term loans and credit lines	$ 188,173	188,173
Buildings and Construction	Short-term loans and credit lines	18,207	15,090
		$ 206,380	203,263

(9) Significant commitments and contingencies:

(a) The Group' s unrecognized contractual commitments are as follows:

	December 31, 2022	December 31, 2021
Contracted for outstanding construction and equipment payments	$ 15,849	19,581
Bank guarantee promissory notes for scientific research and development grants	$ -	13,750
Outstanding standby letter of credit	$ 4,550	-

(b) the Wujiang Economic and Technological Development Management Committee where JUNG SHING WIRE (SUZHOU) CO., LTD. is located requested to repurchase its land use rights and buildings in accordance with local urban planning demands. The parties signed a land and property repurchase agreement on July 12, 2021 with a total repurchase price of CNY$66,000 thousand. The Committee agreed to assist in obtaining the site for relocating the new plant and to grant a transitional period of 18 months from the date of obtaining the construction permit for the new plant.. As of December 31, 2022, the Group received advance receipts amounting to $26,337 (CNY$6,117 thousand), which was recognized under other current liabilities.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By funtion / By item	For the year ended December 31					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	184,528	137,005	321,533	191,517	146,877	338,394
Labor and health insurance	12,930	10,058	22,988	11,788	9,118	20,906
Pension	9,916	8,786	18,702	8,597	7,881	16,478
Remuneration of directors	-	1,238	1,238	-	5,595	5,595
Others	7,063	4,756	11,819	6,642	4,544	11,186
Depreciation	86,818	16,629	103,447	69,270	14,475	83,745
Amortization	73	407	480	-	-	-

Note 1: In 2022 and 2021, the depreciation expenses arising from investment property amounted to $1,048 and $1,029, respectively, and are recognized under other gains and losses of non-operating income and expenses.

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2022:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account title	Related party	Highest balance of financing to other parties during the period Amount	Ending Balance	Actual usage amount during the period Amount	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	JUNG SHING WIRE (SUZHOU) CO., LTD.	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Other receivables due from related parties	Yes	60,802	-	-	4.35%	Entity with short term financing needs	-	Operating capital	-	None	None	110,092 (30% of the net value of JUNG SHING WIRE (SUZHOU) CO., LTD.)	220,183 (60% of the net value of JUNG SHING WIRE (SUZHOU) CO., LTD.)
2	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Other receivables due from related parties	Yes	126,156	123,393	101,358	4.35%	Entity with short term financing needs	-	Operating capital	-	None	None	209,561 (30% of net value of DONGGUAN JUNG SHING WIRE CO., LTD)	419,122 (60% of net value of DONGGUAN JUNG SHING WIRE CO., LTD)

Note: The transactions were written-off in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of Guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the company										
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	(Note)	420,960 (20% of the net value of the Company)	30,000	-	-	-	- %	1,262,578 (60% of the net value of the Company)	Y	-	-
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	(Note)	〃	180,000	180,000	70,000	-	8.55%	〃	Y	-	-
0	The Company	JUNG SHING WIRE (Vietnam) CO., LTD.	(Note)	〃	47,625	46,065	-	-	2.19%	〃	Y	-	-

Note: The Group directly and indirectly holds more than 50% of the shares with voting rights.

Note 1: The transactions were written-off in the consolidated financial statements.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

				Ending Balance				Highest during the term		
Name of holder	**Category and name of security**	**Relationship with company**	**Account title**	**Shares/Units (thousands)**	**Carrying value**	**Percentage of ownership (%)**	**Fair value**	**Shares/Units (thousands)**	**Percentage of ownership (%)**	**Note**
The Company	Eastspring Inv Trgt Mlt 3-6Y EM Bd	-	Current financial assets at fair value through profit or loss	10,000	3,136	-	3,136	10,000	-	
〃	Jih Sun Vietnam Opportunity Fund	-	〃	400,000	2,856	-	2,856	400,000	-	
〃	Jih Sun Global Innovative Technology Bond Fund	-	〃	1,000,000	9,492	-	9,492	1,000,000	-	
〃	Shares of BIN CHUAN ENTERPRISE CO., LTD.	-	〃	55,299	1,217	0.05 %	1,217	55,299	0.05%	
〃	Shares of BRIM Biotechnology, Inc.	-	〃	1,128,229	43,064	1.21 %	43,064	1,128,229	1.24%	
〃	Shares of NEOFLEX TECHNOLOGY CO., LTD.	-	〃	12,401	-	0.32 %	-	12,401	0.32%	
〃	Shares of AMIT WIRELESS INC.	-	〃	527,158	-	3.10 %	-	527,158	3.10%	
〃	Shares of JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	-	〃	35,316	-	0.59 %	-	35,316	3.53%	
JUNG SHING WIRE (SUZHOU) CO., LTD.	Structured deposits	-	〃	-	154,905	-	154,905	-	-	
LONGSUN TECHNOLOGIES CO., LTD.	Shares of JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	-	〃	736	-	0.07 %	-	736	0.07%	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

			Transaction details				Trading terms Transactions with terms different from others		Notes/trade receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase /Sale	Amount	Percentage of total purchases/ sales	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/trade receivable (payable)	Note
The Company	CUPRIME MATERIAL CO.,LTD.	The related parties	Purchase	267,460	19.40 %	1 months	Same as regular transaction	the actual business model considered	(32,026)	(26.20) %	
The Company	TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	The related parties	Sales	148,990	8.50 %	1 months	Same as regular transaction	the actual business model considered	27,788	8.85 %	
The Company	DONGGUAN JUNG SHING WIRE CO., LTD	Sub-subsidiary	Purchase	122,874	8.91 %	3 months	Same as regular transaction	the actual business model considered	(25,766)	(21.08) %	Note
DONGGUAN JUNG SHING WIRE CO., LTD.	FURUKAWA MAGNET WIRE CO., LTD.	The entity with significant influence over The Group	Sales	101,075	9.07 %	1 months	Same as regular transaction	the actual business model considered	1,747	0.96 %	

Note: Reconciliated in the preparation of consolidated report.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

					Overdue			
Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Amount	Actions taken	Amounts received in subsequent period	Loss allowance
DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Subsidiary to subsidiary.	101,358(Note)	-	-	-	-	-

Note: Reconciliated in the preparation of consolidated report.

(ix) Trading in derivative instruments:Please refer to notes 6(m)

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Transaction details			
				Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	DONGGUAN JUNG SHING WIRE CO., LTD	1	Sales	31,314	Sales prices for related parties were similar to those of the third-party customers. The collection period was 6 months for related parties.	0.87%
0	The Company	DONGGUAN JUNG SHING WIRE CO., LTD	1	Accounts receivable	9,638	6 months per the principles of the Company's credit policy	0.29%
0	The Company	DONGGUAN JUNG SHING WIRE CO., LTD	1	Purchase	122,874	The purchase price and payment terms for the purchase from related parties are not significantly different from those with third-party vendor. The collection period was 3 months for related parties.	3.43%
0	The Company	DONGGUAN JUNG SHING WIRE CO., LTD	1	Accounts payable	25,766	The collection period was 3 months for related parties.	0.78%
0	The Company	DONGGUAN JUNG SHING WIRE CO., LTD	1	Other payables	4,509	The collection period was 3 months for related parties.	0.14%
0	The Company	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	1	Sales	27,767	Sales prices for related parties were similar to those of the third-party customers. The collection period was 6 months for related parties.	0.78%
0	The Company	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	1	Accounts receivable	8,498	6 months per the principles of the Company's credit policy	0.26%
0	The Company	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	1	Purchase	6,222	The purchase price and payment terms for the purchase from related parties are not significantly different from those with third-party vendor. The collection period was 3 months for related parties.	0.17%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Transaction details: Account name	Transaction details: Total Amount	Transaction details: Trading terms	Transaction details: Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	JUNG SHING WIRE (SUZHOU) CO., LTD.	1	Sales	12,623	Sales prices for related parties were similar to those of the third-party customers. The collection period was 6 months for related parties.	0.35%
0	The Company	JUNG SHING WIRE (SUZHOU) CO., LTD.	1	Accounts receivable	1,929	6 months per the principles of the Company's credit policy	0.06%
.0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	1	Sales	11	Sales prices for related parties were similar to those of the third-party customers. The collection period was 3 months for related parties.	- %
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	1	Accounts payable	2,943	The collection period was 3 months for related parties.	0.09%
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	1	Miscellaneous (processing expenses)	19,556	The collection period was 3 months for related parties.	0.55%
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	1	Rent income	494	The collection period was 3 months for related parties.	0.01%
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	1	Other receivables	399	3 months per the principles of the Company's credit policy	0.01%
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	1	Sales	1	Sales prices for related parties were similar to those of the third-party customers. The collection period was 50 days for related parties.	- %
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	1	Endorsements and Guarantees	180,000	-	5.46%
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	1	Rent income	654	3 months per the principles of the Company's credit policy	0.02%
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	1	Other receivables	891	3 months per the principles of the Company's credit policy	0.03%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Transaction details			
				Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	1	Other income	195	3 months per the principles of the Company's credit policy	0.01%
0	The Company	JUNG SHINGTECHNOLOGIES (Vietnam) CO., LTD.	1	Sales	4,560	Sales prices for related parties were similar to those of the third-party customers. The collection period was 6 months for related parties.	0.13%
0	The Company	JUNG SHINGTECHNOLOGIES (Vietnam) CO., LTD.	1	Accounts receivable	3,443	6 months per the principles of the Company's credit policy	0.10%
0	The Company	JUNG SHINGTECHNOLOGIES (Vietnam) CO., LTD.	1	Endorsements and Guarantees	46,065	-	1.40%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Sales	20,331	Sales prices for related parties were similar to those of the third-party customers. The collection period was 1 months for related parties.	0.57%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Accounts receivable	1,562	1 months per the principles of the Company's credit policy	0.05%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Other receivables	1,833	1 to 3 months per the principles of the Company's credit policy	0.06%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Other receivables	101,358	The loan interest rate is at 4.35% per annum for a period of one year	3.07%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Other payables	84	The collection period was 1 months for related parties.	- %

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Transaction details			
				Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3)
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Rent income	1,727	1 months per the principles of the Company's credit policy	0.05%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Miscellaneous expenses	657	The collection period was 1 months for related parties.	0.02%
1	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Interest income	4,544	3 months per the principles of the Company's credit policy	0.13%
2	JUNG SHING WIRE (SUZHOU) CO., LTD.	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	3	Interest income	194	3 months per the principles of the Company's credit policy	0.01%

Note 1: Numbers are filled in as follows:
1. “0” represents the parent company.
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:
1. Transactions from parent company to subsidiary
2. Transactions from subsidiary to parent company
3. Transactions between subsidiaries

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Geographical information	Main businesses and products	Original investment amount		Balance as of December 31			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	shares	Percentage	Carrying value				
The Company	JUNG SHING INTERNATIONAL CO., LTD.	The British Virgin Islands	General import/export trade and investment business	715,470 (USD 23,442,793)	715,470 (USD 23,442,793)	48,045	100.00%	918,809	100%	50,142	50,142	Subsidiary
〃	LONGSUN TECHNOLOGIES CO., LTD.	Tainan City	Manufacture and sale of converters, DC converters, modules	29,989	29,989	2,998,910	99.96%	10,646	99.96%	1,295	1,295	Subsidiary
〃	Lising International	MAURITIUS	General import/export trade and investment business	241,985 (USD 7,300,000)	241,985 (USD 7,300,000)	7,300,000	100.00%	368,867	100%	12,067	12,067	Subsidiary
〃	JUNG SHINGTECHNOLOGIES (Vietnam) CO., LTD.	Hai Duong province, Vietnam	Production and sales of enameled wires	235,836 (USD 8,000,000)	235,836 (USD 8,000,000)	-	100.00%	215,482	100%	(15,317)	(15,317)	Subsidiary
〃	JUNG SHING TECHNOLOGIES COMPANY LIMITED	Tainan City	Manufacture 3D ceramic substrate of high thermal conductivity	111,921	111,921	11,192,046	74.61%	69,775	74.61%	(38,803)	(28,950)	Subsidiary
JUNG SHING INTERNATIONAL CO., LTD.	Hong Kong Big Star	Hong Kong Kowloon	General import/export trade and investment business	HKD $1,000,000	HKD $1,000,000	-	100.00%	8,953 (HKD $2,274 thousand)	100%	(1,845) (HKD $(485) thousand)	(1,845) (HKD $(485) thousand)	Sub subsidiary

Note: The above investments have been eliminated during the preparation of the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:

1. Transactions from parent company to subsidiary
2. Transactions from subsidiary to parent company
3. Transactions between subsidiaries

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Note: The above investments have been eliminated during the preparation of the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Note: The above investments have been eliminated during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
784,487 (Note2) (USD 24,979,220.34)	785,591 (Note1 and Note2) (USD 25,580,964.34)	1,262,578

Note: The conversion is based on the average exchange rate from January to December 2022 to NT dollars.

Note 1: Conversion at exchange rate on December 31, 2022.

Note 2: JUNG SHING INTERNATIONAL CO., LTD. acquired 25.0936% of equity interest in

Hong Kong Big Star Company that was held by TOTOKU ELECTRIC CO., LTD., Ltd. with its own capital of US$579 thousand, and indirectly acquired 25.0936% of equity interest in DONGGUAN JUNG SHING ELECTRONICS CO., LTD in mainland China. The investment was fully paid to TOTOKU ELECTRIC CO., LTD.and the investment was completed. As it is a private capital transfer, the accumulated amount of investment transferred from Taiwan to the mainland at the end of the period did not include this amount and was reported to the Investment and Review Committee of the Ministry of Economy Affairs for approval.

(iii) Significant transactions:

The significant inter company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:None

Shareholding Shareholder's Name	Shares	Percentage
Taya Wire & Cable Co., Ltd.	39,474,065	25.02%
FURUKAWA MAGNET WIRE CO., LTD. (Japan)	31,546,647	20.00%
Fu Pao Chemical Co., Ltd.	10,937,653	6.93%

Note 1: Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in The Company's financial reports that are not physically registered as delivered by The Company, the basis of the calculation may vary or vary.

Note 2: The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(14) Segment information:

(a) General information

The Group has a reporting segment: The wire department, which manufactures various kinds of degaussing rings, enameled wire and Litz wire.

The Group' s reported segments consist of strategic business units which provide essentially different products and services. They offer different products and services, and are managed separately because they require different technological and marketing strategies.

(b) Information about reportable segments and their measurement and reconciliations

The Group mainly engaged in the manufacture and processing of enameled wires and downstream products and the trading of related machinery and equipment. The reporting segment is electrical wires due to product category, and the other segments are manufacturing and trading of other products which do not meet the quantitative threshold to be reported.

Taxation or extraordinary activity is not able to be allocated to each reportable segment. The reportable amount is the same as the report used by the chief operating decision maker.

There were no material differences between the accounting policies adopted for the Consolidated Company' s operating segments and those described in Note 4. The profit and loss of the operating segment of The Group is measured by net profit of the term and as the basis for performance measurement.

The Group regards sales and transfers between segments as third party transactions. They are measured at market price.

The Group' s segment financial information is as follows:

	2022			
	Wire	**Other**	**Reconciliation and eliminations**	**Total**
Revenue from external customers	$ 3,542,219	39,159	-	3,581,378
Intersegment revenues	1	-	(1)	-
Total revenue	$ 3,542,220	39,159	(1)	3,581,378
Other significant non-cash items:				
Depreciation and amortization	$ 90,746	13,994	(813)	103,927
Segment (loss) benefits should be expressed	$ 105,907	(40,529)	(850)	64,528
Segment total assets	$ 3,109,560	189,246	(891)	3,297,915

	2021			
	Wire	**Other**	**Reconciliation and eliminations**	**Total**
Revenue from external customers	$ 4,602,132	17,502	-	4,619,634
Intersegment revenues	-	-	-	-
Total revenue	$ 4,602,132	17,502	-	4,619,634
Other significant non-cash items:				
Depreciation and amortization	$ 77,234	7,324	(813)	83,745
Segment (loss) benefits should be expressed	$ 276,103	(19,704)	(1,854)	254,545
Segment total assets	$ 3,446,700	169,551	(1,006)	3,615,245

(c) Product and service information

Revenues from external customers are detailed below:

Products and services	2022	2021
Enameled wire	$ 1,657,362	2,052,156
Self-bonding wire	750,056	1,000,025
Special wire	154,481	424,564
Heat resistant wire	117,559	169,927
Litz wire	381,440	260,121
Copper wire	140,611	214,536
Merchandise - enameled wires	102,622	86,396
Merchandise - copper wires	125,822	228,207
Other	151,425	183,702
	$ 3,581,378	4,619,634

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from the external customers:

Geographical information	2022	2021
Taiwan	$ 811,156	1,039,338
Mainland China	2,583,863	3,410,059
Japan	24,392	22,024
Philippines	72,001	83,205
Other countries	89,966	65,008
	$ 3,581,378	4,619,634

Non-current assets:

Geographical information	December 31, 2022	December 31, 2021
Taiwan	$ 904,193	902,176
Mainland China	159,931	158,076
Vietnam	165,703	167,393
	$ 1,229,827	1,227,645

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets and other assets, but do not include financial instruments and deferred tax assets.

(e) Major customer

There were no individual customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021.

Independent Auditors' Report

To the Board of Directors of JUNG SHING WIRE CO., LTD.:

Opinion

We have audited the financial statements of JUNG SHING WIRE CO., LTD.("the Company"), which comprise the balance sheet as of December 31, 2022 and 2021, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

Please refer to notes 4(g)"Inventories", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(e) "Inventories" of the notes to financial statements for the accounting policy on measuring inventory, assumptions used and uncertainties considered in determining the net realizable value and the evaluation of inventory.

Description of key audit matter:

The inventory amount of the Company is stated at the lower of cost or net realizable value, since the sales price of the Company' s products, enameled copper wire is affected by fluctuations in the price of its principal raw materials,copper; which may result in the risk of inventories cost being higher than the net realizable value. Therefore, the net realizable value assessment of inventories valuation has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understanding the variation of sale prices used by the management and changes in market price of inventory in a period after the reporting date, to ensure the appropriateness of the net realizable value, and engage in sampling procedure to confirm the accuracy of the statement on net realizable values of inventory.

- ●View inventory pool aging reports to analyze inventory pool aging changes for each period. Then engage in sampling procedure to confirm the accuracy of inventory pool aging report.
- ●Review the accuracy of the Company's past provision for inventories to assess the appropriateness of the current valuation method and assumptions.
- ●Assess whether the Company's disclosure of information relating to inventory provisions is appropriate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Po-Jen Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note (6)(a))	$ 233,115	8	368,351	11
1110	Current financial assets at fair value through profit or loss(note (6)(b))	59,765	2	34,680	1
1150	Notes receivable, net(notes (6)(c), (r)and (7))	34,762	1	63,653	2
1170	Trade receivable, net(notes (6)(c)and (r))	237,566	8	363,815	11
1181	Trade receivable due from related parties(notes (6)(c), (r)and (7))	41,778	1	40,295	1
1200	Other receivables, net(notes (6)(d)and (7))	5,258	-	22,509	1
1220	Current tax assets	6,879	-	12,952	-
130X	Inventories(note (6)(e))	127,728	4	151,638	4
1470	Prepayments and other current assets	887	-	1,412	-
	Total current assets	747,738	24	1,059,305	31
	Non-current assets:				
1550	Investments accounted for using equity method, net(notes (6)(f)and (g))	1,583,579	51	1,528,328	45
1600	Property, plant and equipment(notes (6)(h), (7), (8)and (9))	629,701	20	620,553	19
1760	Investment property, net(notes (6)(i)and (l))	143,531	5	146,857	5
1840	Deferred tax assets(note (6)(n))	5,989	-	9,049	-
1920	Refundable deposits	10,148	-	10,006	-
1975	Net defined benefit asset, non-current(note (6)(m))	4,105	-	-	-
1995	Other non-current assets, others(note (6)(h))	6,332	-	9,487	-
	Total non-current assets	2,383,385	76	2,324,280	69
	Total assets	$ 3,131,123	100	3,383,585	100

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Short-term borrowings(notes (6)(j)and (8))	$ 467,500	15	817,300	24
2110	Short-term notes and bills payable(notes (6)(j)and (8))	-	-	180,000	5
2170	Notes payables and trade payable	61,254	2	77,019	2
2180	Trade payable to related parties(note (7))	60,984	2	52,696	2
2200	Other payables(notes (6)(m)and (7))	63,053	2	111,249	3
2230	Current tax liabilities	-	-	20,656	1
2300	Other current liabilities	5,420	-	5,649	-
2322	Long-term borrowings, current portion(note (6)(j))	42,000	2	31,500	1
	Current liabilities Total	700,211	23	1,296,069	38
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss(notes (6)(b)and (k))	1,860	-	-	-
2530	Bonds payable(note (6)(k))	188,938	6	-	-
2540	Long-term borrowings(note (6)(j))	61,500	2	103,500	3
2570	Deferred tax liabilities(note (6)(n))	74,317	2	73,353	2
2640	Net defined benefit liability, non-current(note (6)(m))	-	-	6,437	-
	Non-current liabilities Total	326,615	10	183,290	5
	Total liabilities	1,026,826	33	1,479,359	43
	Owners' equity (notes (6)(g), (k)and (o)):				
3100	Capital stock	1,577,332	50	1,442,332	43
3200	Capital surplus	182,250	6	75,865	2
3300	Retained earnings	448,767	14	526,095	16
3400	Other equity interest	(104,052)	(3)	(140,066)	(4)
	Total equity	2,104,297	67	1,904,226	57
	Total liabilities and equity	$ 3,131,123	100	3,383,585	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the Year Ended December 31,			
		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue, net(notes (6)(r)and (7))**	$ 1,752,133	100	2,296,966	100
5000	**Operating costs(notes (6)(e), (m), (s), (7)and (12))**	1,595,379	91	1,988,455	87
5900	**Gross profit**	156,754	9	308,511	13
6000	**Operating expenses(notes (6)(l), (m), (p), (s), (7)and (12)):**				
6100	Selling expenses	43,311	2	49,046	2
6200	Administrative expenses	111,192	6	108,979	5
6300	Research and development expenses	10,795	1	13,030	-
6450	**Total operating expenses**	165,298	9	171,055	7
6900	**Net operating income (loss)**	(8,544)	-	137,456	6
7000	**Non-operating income and expenses(notes (6)(b), (k), (l), (p), (t), (7)and (12)):**				
7100	Interest income	651	-	179	-
7010	Other income	1,238	-	1,148	-
7020	Other gains and losses, net	59,099	4	5,482	-
7050	Finance costs, net	(10,502)	(1)	(9,060)	-
7070	Share of profit of subsidiary accounted for using equity method, net	19,237	1	106,216	4
	Total non-operating income and expenses	69,723	4	103,965	4
7900	**Profit before income tax**	61,179	4	241,421	10
7951	**Less: income tax expenses(note (6)(n))**	10,669	1	31,679	1
8200	**Profit**	50,510	3	209,742	9
8300	**Other comprehensive income(notes (6)(m), (n)and (o)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	2,465	-	(2,751)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	493	-	(550)	-
		1,972	-	(2,201)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8381	Share of other comprehensive income of subsidiary under the equity method - Exchange differences on translation of foreign financial statements	36,014	2	3,487	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		36,014	2	3,487	-
8300	**Other comprehensive income**	37,986	2	1,286	-
8500	**Total comprehensive income**	$ 88,496	5	211,028	9
	Earnings per share (Unit: NTD)(note (6)(q))				
9750	**Basic earnings per share**	$	0.33		1.45
9850	**Diluted earnings per share**	$	0.33		1.45

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2021	$ 1,442,332	75,660	62,813	139,483	202,798	405,094	(143,553)	1,779,533
Profit	-	-	-	-	209,742	209,742	-	209,742
Other comprehensive income	-	-	-	-	(2,201)	(2,201)	3,487	1,286
Total comprehensive income	-	-	-	-	207,541	207,541	3,487	211,028
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	14,590	-	(14,590)	-	-	-
Special reserve appropriated	-	-	-	4,070	(4,070)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(86,540)	(86,540)	-	(86,540)
Changes in a parent's ownership interest in a subsidiary	-	205	-	-	-	-	-	205
Balance at December 31, 2021	**1,442,332**	**75,865**	**77,403**	**143,553**	**305,139**	**526,095**	**(140,066)**	**1,904,226**
Profit	-	-	-	-	50,510	50,510	-	50,510
Other comprehensive income	-	-	-	-	1,972	1,972	36,014	37,986
Total comprehensive income	-	-	-	-	52,482	52,482	36,014	88,496
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	20,754	-	(20,754)	-	-	-
Reversal of special reserve	-	-	-	(3,487)	3,487	-	-	-
Cash dividends of ordinary share	-	-	-	-	(129,810)	(129,810)	-	(129,810)
Capital increase by cash	135,000	66,955	-	-	-	-	-	201,955
Recognized compensation costs on employee stock option	-	7,202	-	-	-	-	-	7,202
Share option-equity components recognized for convertible bonds issued	-	32,228	-	-	-	-	-	32,228
Balance at December 31, 2022	**$ 1,577,332**	**182,250**	**98,157**	**140,066**	**210,544**	**448,767**	**(104,052)**	**2,104,297**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 61,179	241,421
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	59,694	53,709
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,844)	675
Interest expense	10,502	9,060
Interest income	(651)	(179)
Dividend income	(91)	-
Share of profit of subsidiaries accounted for using equity method	(19,237)	(106,216)
Gain on disposal of property, plan and equipment	-	(9)
Unrealized foreign exchange loss (gain)	(933)	15,052
Compensation cost arising from share-based payments	7,202	-
Total adjustments to reconcile profit (loss)	53,642	(27,908)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	28,891	(13,953)
Decrease (increase) in trade receivable	123,901	(49,498)
Decrease (increase) in trade receivable due from related parties	(1,639)	3,008
Decrease (increase) in other receivable	17,336	(8,200)
Decrease (increase) in inventories	20,829	(42,654)
Decrease (increase) in prepayments and other current assets	525	(284)
Increase in net defined benefit assets	(4,105)	-
Total changes in operating assets	185,738	(111,581)
Changes in operating liabilities:		
Decrease in notes and trade payable	(15,765)	(23,661)
Increase in trade payable to related parties	8,600	12,220
Increase (decrease) in other payable	(42,423)	17,294
Increase (decrease) in other current liabilities	(229)	745
Decrease in net defined benefit liability	(3,972)	(13,083)
Total changes in operating liabilities	(53,789)	(6,485)
Total changes in operating assets and liabilities	131,949	(118,066)
Total adjustments	185,591	(145,974)
Cash inflow generated from operations	246,770	95,447
Interest received	566	99
Dividends received	91	-
Interest paid	(8,137)	(8,932)
Income taxes paid	(21,721)	(14,346)
Net cash flows from (used in) operating activities	217,569	72,268
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(31,149)	(35,011)
Proceeds from disposal of financial assets at fair value through profit or loss	10,877	152,846
Acquisition of investments accounted for using equity method	-	(103,202)
Acquisition of property, plant and equipment	(65,557)	(62,734)
Proceeds from disposal of property, plant and equipment	-	9
Acquisition of investment properties	-	(11,683)
Increase in refundable deposit	(142)	-
Decrease (increase) in other non-current assets	265	(7,432)
Net cash flows from (used in) investing activities	(85,706)	(67,207)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	230,000	270,000
Decrease in short-term borrowings	(579,800)	-
Decrease in short-term notes and bills payable	(180,000)	-
Proceeds from issuance of convertible bonds	218,925	-
Repayments of long-term borrowings	(31,500)	-
Cash dividends paid	(129,810)	(86,540)
Capital increase by cash	201,955	-
Net cash flows from (used in) financing activities	(270,230)	183,460
Effect of exchange rate changes on cash and cash equivalents	3,131	(13,867)
Net increase (decrease) in cash and cash equivalents	(135,236)	174,654
Cash and cash equivalents at beginning of period	368,351	193,697
Cash and cash equivalents at end of period	$ 233,115	368,351

See accompanying notes to parent company only financial statements.

JUNG SHING WIRE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

JUNG SHING WIRE CO., LTD. (the "Company").was incorporated in accordance with the Company Act of the Republic of China on July 17, 1971 and its foreign investment portion was approved under the Statute For Investment By Foreign Nationals in 1979. The Company's authorized share capital of foreign investors and its earnings allocated from the approved business scope are applied for settlement in the original currency. The registration address is at No.231, Sec. 3,Chung-cheng Rd.,Jen-teh District, Tainan City, Taiwan, R.O.C. The Company primarily is involved in the manufacture, process and sale of enameled copper wires.

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

These financial statements were authorized for issue by the Board of Directors on March 9, 2023.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Company's adoption of the new amendments, effective for annual period beginning on January 1, 2023, are expected to have the following impacts:

(i) Amendments to IAS 1 "Disclosure of Accounting Policies"

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Company may need to be evaluating and inspecting the financial statements to meet the adoption of the amendments.

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Company's consolidated financial statements.

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

● Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

● IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"

● IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

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

(2) Net defined benefit asset and liability measured at present value of defined benefit obligation less the fair value of plan assets.

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

(1) an investment in equity securities designated as at fair value through other comprehensive income;

(2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

(d) Classification of current and non-current assets and liabilities

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost and FVTPL.

The Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets measured at amortized cost

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

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

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

(2) Financial assets measured at fair value through profit or loss

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(3) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- ●the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- ●how the performance of the portfolio is evaluated and reported to the Company's management;
- ●the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

(5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivables and guarantee deposit paid, etc.).

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

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

A financial instrument is considered to be of low credit risk if its default risk is low, the debtor's ability to fulfill contractual cash flow obligations in the near future is strong and adverse changes in economic and operating conditions may (and are not necessarily) reduce the debtor's ability to fulfill contractual cash flow obligations in the longer term.

The time deposits held by the Company was determined as low credit risk since the trading and performing parties are the financial institutions above the investment grade.

The Company assumes that the credit risk on a financial asset has increased significantly

if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

(6) Derecognition of financial assets

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

When the Company enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

(ii) Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity instrument

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

(3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the

compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

(5) Derecognition of financial liabilities

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

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

(6) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company' s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost again. The depreciation expense is appropriated in accordance with the depreciable amount after the initial recognition. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment.

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

The property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(iii) Subsequent expenditure

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

(iv) Depreciation

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

Land is not depreciated.

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

(1)	Buildings and construction	3~60 years
(2)	Machinery and equipment	3~17 years
(3)	Transportation equipment	4~6 years
(4)	Other equipment	2~12 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

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

(i) As a leasee

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of employee dormitory and parking space rentals that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, except for goodwill, an impairment loss is reversed only to the extent that the asset’ s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

(m) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Companys main types of revenue are explained below.

(1) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’ s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

(1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), The Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss

(iii) Short-term employee benefits

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

(o) Income taxes

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

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(1) the same taxable entity; or

(2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

(p) Earnings per share

The Company discloses the Company’ s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(q) Segment Information

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

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

The preparation of the parent company only financial statements, in conformity with the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

The Company is likely to be facing economic uncertainty, such as COVID-19, natural disasters,the Ukraine–Russia conflict and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts。

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

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period

and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, there may be significant changes in the net realizable value of inventories. Refer to note 6(e) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash and cash on hand	$ 250	250
Check and demand deposits	165,303	368,101
Time deposits	67,562	-
Cash and cash equivalents in the statement of cash flows	$ 233,115	368,351

Refer to Note 6(u) for the exchangerate risk and sensitivity analysis of the financial assets of the Company.

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss, mandatorily measured at fair value－current ：		
Stocks listed on domestic markets	$ 1,217	-
Unlisted common shares	43,064	30,100
Open-end funds	15,484	3,033
Convertible bonds	-	1,547
Total	$ 59,765	34,680

	December 31, 2022
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value － non-current ：	
Embedded derivative － convertible bonds call and put options	$ 1,860

Please refer to note 6(t) for the amount of remeasurements at fair value through profit or loss.

Please refer to Note 6(v) for market risk.

The financial assets mentioned above were not pledged as collateral.

(c) Notes and trade receivable

	December 31, 2022	December 31, 2021
Notes receivable	34,762	63,653
Trade receivable—measured at amortized cost	237,566	363,815
Trade receivable due from related parties—measured at amortized cost	41,778	40,295
Less: Loss allowance	-	-
	$ 314,106	467,763

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of

lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provisions were determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average expected credit losses rate	Allowance provision for lifetime expected credit losses
Current	$ 314,106	-	-
0 to 90 days past due	-	-	-
More than one year past due	-	100%	-
	$ 314,106		-

	December 31, 2021		
	Gross carrying amount	Weighted average expected credit losses rate	Allowance provision for lifetime expected credit losses
Current	$ 466,041	-	-
0 to 90 days past due	1,722	-	-
More than one year past due	-	100%	-
	$ 467,763		-

For the years ended December 31, 2022 and 2021, there were no recognition or reversals of loss allowance for notes and trade receivables.

The financial assets mentioned above were not pledged as collateral.

(d) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 5,258	22,509
Less: Loss allowance	-	-
	$ 5,258	22,509

Please refer to note 6(u) for the credit risks.

The Company’ s other accounts receivable was not pledged as collateral.

(e) Inventories

	December 31, 2022	December 31, 2021
Merchandise	$ -	3,360
Finished goods	59,207	82,897
Work in progress	12,658	16,842
Raw materials	53,938	46,360
Supplies	1,925	2,179
Total	$ 127,728	151,638

For the years ended December 31, 2022 and 2021, the cost of inventory recognized as the cost of goods sold and expenses amounted to $1,583,806 and $1,985,837, respectively.

The write-down of inventories to net realizable value amounted to $3,776 and $271, for the years ended December 31, 2022 and 2021, respectively.

The Company' s inventories mentioned above were not pledged as collateral.

(f) Investments accounted for using equity method

A summary of the Company' s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	$ 1,583,579	1,528,328

Please refer to the consolidated financial statements for the year ended December 31, 2022.

The Company' s investment accounted for using the equity method were not pledged as collateral.

(g) Changes in ownership interest in a subsidiary

Acquisition of additional equity of subsidiary

JUNG SHING TECHNOLOGIES COMPANY LIMITED (hereinafter referred to as JUNG SHING TECHNOLOGIES) issued new shares of $62,000 for cash capital increase on February 23, 2021 as the base date. The Company acquired its equity interest in cash of $41,921. The Company' s shareholding of JUNG SHING TECHNOLOGIES decreased from 79.55% to 74.61% due to the non-proportional subscription. The Company' s shareholding in JUNG SHING TECHNOLOGIES remained unchanged in the year 2022.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from above mentioned changes in ownership interests in subsidiaries:

	December 31, 2021
Carrying amount of non-controlling interests acquired	$ 42,126
Consideration paid to non-controlling interest	(41,921)
Capital surplus - Changes in a parent's ownership interest in a subsidiary	$ 205

(h) Property, Plant and Equipment

The cost and accumulated depreciation of the property, plant and equipment for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportation equipment	Other equipment	Construction in process and testing equipment	Total
Costs:							
Balance at January 1, 2022	$ 304,595	147,675	447,319	18,032	156,339	15,169	1,089,129
Additions	-	6,540	18,577	320	23,080	11,028	59,545
Reclassification	-	661	10,701	-	3,296	(8,687)	5,971 (Note)
Disposal	-	(312)	-	-	(3,450)	-	(3,762)
Balance at December 31, 2022	$ 304,595	154,564	476,597	18,352	179,265	17,510	1,150,883
Balance at January 1, 2021	$ 304,595	146,385	413,801	18,493	147,711	7,363	1,038,348
Additions	-	1,290	33,261	-	13,505	15,120	63,176
Reclassification	-	-	7,122	-	1,297	(7,314)	1,105 (Note)
Disposals	-	-	(6,865)	(461)	(6,174)	-	(13,500)
Balance at December 31, 2021	$ 304,595	147,675	447,319	18,032	156,339	15,169	1,089,129
Accumulated depreciation:							
Balance at January 1, 2022	$ -	92,294	263,725	12,960	99,597	-	468,576
Depreciation for the year	-	5,049	33,992	1,740	15,587	-	56,368
Disposals	-	(312)	-	-	(3,450)	-	(3,762)
Balance at December 31, 2022	$ -	97,031	297,717	14,700	111,734	-	521,182
Balance at January 1, 2021	$ -	87,709	239,533	11,436	92,372	-	431,050
Depreciation for the year	-	4,585	31,057	1,985	13,399	-	51,026
Disposals	-	-	(6,865)	(461)	(6,174)	-	(13,500)
Balance at December 31, 2021	$ -	92,294	263,725	12,960	99,597	-	468,576
Carrying amounts:							
Balance at December 31, 2022	$ 304,595	57,533	178,880	3,652	67,531	17,510	629,701
Balance at December 31, 2021	$ 304,595	55,381	183,594	5,072	56,742	15,169	620,553
Balance at January 1, 2021	$ 304,595	58,676	174,268	7,057	55,339	7,363	607,298

Note ：Other non-current assets and inventories have been reclassified with $2,890 and $3,081 , respectively.

Please refer to note 8 for objects pledged to secure bank loans and short term borrowings as of December 31, 2022 and 2021.

(i) Investment property

The cost and accumulated depreciation of the investment property for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and Construction	Total
Cost:			
Balance at January 1, 2022(as December 31, 2022)	$ 91,241	109,516	200,757
Balance at January 1, 2021	$ 91,241	97,833	189,074
Additions	-	11,683	11,683
Balance at December 31, 2021	$ 91,241	109,516	200,757
Accumulated depreciation:			
Balance at January 1, 2022	$ -	53,900	53,900
Depreciation for the year	-	3,326	3,326
Balance at December 31, 2022	$ -	57,226	57,226
Balance at January 1, 2021	$ -	51,217	51,217
Depreciation for the year	-	2,683	2,683
Balance at December 31, 2021	$ -	53,900	53,900
Carrying amounts:			
Balance at December 31, 2022	$ 91,241	52,290	143,531
Balance at December 31, 2021	$ 91,241	55,616	146,857
Balance at January 1, 2021	$ 91,241	46,616	137,857
Fair value:			
Balance at December 31, 2022			$ 164,879
Balance at December 31, 2021			$ 167,562

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases are negotiated with the lessee for subsequent renewals annually, and no contingent rents are charged. Please refer to note 6(l) for further information.

The fair values of investment property for the years ended December 31, 2022 and 2021 were assessed by the valuation team of the Company based on valuation report by independent evaluators and considering actual transaction price of properties in the vicinity. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3. Fair value is assessed by the cost method.

The Company did not provide any of the aforementioned investment property as collateral.

(j) Long and short-term borrowings

The details were as follows:

	December 31, 2022			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Unsecured bank borrowings	TWD	1.56%~1.8%	2023~2025	$ 571,000
Current- Short-term borrowings				$ 467,500
Long-term borrowings, current portion				42,000
Noncurrent - long-term borrowings				61,500
Total				$ 571,000
Unused short-term credit lines				$ 832,500
Unused long-term credit lines				$ -
Unused short-term notes and bills payable				$ 230,000

	December 31, 2021			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Unsecured bank borrowings	TWD	0.81%~1.10%	2022~2025.	$ 952,300
Unsecured short-term notes and bills payable	TWD	0.45%~0.602%	2022	180,000
Total				$ 1,132,300
Current- Short-term borrowings				$ 817,300
Current - Short-term notes and bills payable				180,000
Long-term borrowings, current portion				31,500
Noncurrent - long-term borrowings				103,500
Total				$ 1,132,300
Unused short-term credit lines				$ 412,700
Unused long-term credit lines				$ -
Unused short-term notes and bills payable				$ -

For the collateral for bank loans, please refer to note 8.

(k) Bonds payable

	December 31, 2022
The details of the Company's bonds payable were as follows:	
Total convertible corporate bonds issued	200,000
Unamortized discounted corporate bonds payable	(11,062)
Corporate bonds issued balance at year-end	$ 188,938
Embedded derivative- Put option/redemption option (financial liabilities at fair value through profit or loss)	$ 1,860
Equity component − conversion options, included in capital surplus − stock options	$ 32,228

	2022
Embedded derivative- Put option/valuation losses on redemption option (Revaluation losses on financial liabilities measured at fair value through profit or loss)	$ 1,980
Interest expense (note)	$ 2,121

Note: The effective interest rate of the third issued unsecured convertible corporate bonds was 1.36%.

The Company issued the third domestic unsecured convertible corporate debt on March 2, 2022 and traded at Taipei Exchange, whose principal terms and conditions of issue are as follows:

(1)Total issuance amount: $200,000 thousand.

(2)Issue price: 111.80% of the nominal value of the share, with a par value of $100 thousand per share.

(3)Coupon rate: 0%

(4)Repayment method: Except for the bondholder of this convertible bond to convert into ordinary shares of the Company in accordance with Article 10 of this policy or to exercise put option in accordance with Article 19,and the Company engaged in early redemption pursuant to Article 18 or purchase the bonds back for cancellation from the premises of a securities trader, in addition of interest compensation based on the par value of the bond (100.6266% of the par value of the bond at maturity) in one time payment of cash.

(5)Duration: five years (March 2, 2022 to March 2, 2027.

(6)Conversion period:

The debtors may opt to have its bonds converted into the Company' s common share, from the day following the expiration of three months (June 3, 2022) after the issue of the convertible corporate debt, up to the expiry date (March 2, 2027), except for the following: A. the period during which the transfer of shares of the Company is suspended in accordance with the law; B.the period commencing from the date on which the transfer of bonus share issued ceases, the date on which the transfer of cash dividends ceases or 15 business days before the date on which the transfer of shares of cash capital increase ceases, until the date of record for the distribution of the rights/benefits; C.The period starts from the date of record of the capital decrease and ends on the date prior to the trading of the reissuance shares after the capital decrease; D. from the conversion cease date of changing par value of shares until the day before trading of reissuance shares with new shares.

(7)Conversion price and its adjustment:

The conversion price on issuance date was $18.5 per share. However, after the issue of this convertible bond, the conversion price shall be adjusted in accordance with the formula stipulated in the terms of issue if any of the following conditions is met:

A.In the event of an increase in the number of ordinary shares of the Company issued or through private placement, other than in the case of an exchange of ordinary shares for various securities issued or through private placement by the Company with options for conversion of ordinary shares or with share option ;or new shares issued for remuneration to employees.

B.When the Company issue cash dividends of ordinary shares

C.In the event that the Company reissues or engaged in private placement of securities of various securities which have the right to convert to ordinary shares or with share options at a conversion price or subscription price below the current price per share.

D.In the event of a reduction in the ordinary shares of the Company other than as a result of retirement of treasury share.

The conversion price of the Company on the bas day, May 31, 2022 was adjusted to $18.2 as the Company engaged in cash capital increase to issue common shares.

The Company approved to distribute its cash dividends in the general meeting of stockholders held on June 14, 2022. As a result, the conversion price decreased to $17.30 since August 3, 2022 (exdividend date).

(8)Put options:

The date on which the convertible bond has been issued for three years (March 2, 2025) is the base day on which the convertible bond holder will sell back the convertible bond in advance. The bondholders may require the Company to redeem the bonds in cash at 100.3755% of the principal amount of the bonds.

(9)Redemption right:

From the three months after the share issuance date (June 3, 2022) to the 40 day before the maturity date to the forty days prior to the expiry of the issue period (January 21, 2027),the conversion bond shall be recovered in principal amount subject to the terms of the Issue and Conversion Policy provided that the Company meets one of the following conditions, the principal amount between:

A.When the closing price of the Company’ s common shares on the TSE for a period of 30 consecutive trading days before redemption has exceeded 30% of the exchange price.

B.When the outstanding balance of the convertible bond is less than$20,000 thousand (10% of the total amount issued).

(10)In accordance of issuance and conversion policy, all convertible bonds recovered by the Company (including those purchased from the securities dealer’ s premises), repaid or converted will be write down and will not be sold or issued. Its accompanying conversion option will be eliminated.

(11)In accordance of issuance and conversion policy,the ordinary shares transferred from this convertible bond are traded on the Taiwan Stock Exchange from the delivery date and the new shares converted are subject to the same rights and obligations as the ordinary shares originally issued.

(l) Operating lease- lessor

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(i) sets out information about the operating leases of investment property. The contract does not set out for future minimum lease payable during the non-cancellable lease period.

For the years ended December 31, 2022 and 2021, the rental income from investment properties, maintenance and repair expenses were amounted to $1,147, $1,148, $1,077 and $485, respectively.

(m) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities and assets for defined benefit plans was as follows:

		December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$	9,221	29,403
Fair value of plan assets		(13,326)	(22,966)
Net defined benefit liabilities(assets)	**$**	**(4,105)**	**6,437**

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee' s retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2022 and 2021, the Company' s labor pension fund account balance at Bank of Taiwan amounted to $13,326 and $22,966, respectively. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Bureau of Labor Funds.

(2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Company were as follows:

		2022	2021
Defined benefit obligations at January 1	$	29,403	58,650
Benefits paid		(18,309)	(30,997)
Current service cost and interest cost		265	575
Settlement gain		(1,129)	(1,794)
Remeasurement on the net defined benefit liabilities		(1,009)	2,969
Defined benefit obligations at December 31	**$**	**9,221**	**29,403**

(3) Movements in fair value of defined benefit plan assets

The movements of the fair value of defined benefit plan assets of the Company were as follows:

		2022	2021
Fair value of plan assets at January 1	$	22,966	41,881
Interest income		214	355
Contributions paid by the employer		6,999	11,509
Benefits paid		(18,309)	(30,997)
Remeasurements of the net defined benefit asset		1,456	218
Fair value of plan assets at December 31	**$**	**13,326**	**22,966**

(4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2022	2021
Current service cost	$	45	135
Net interest of net defined benefit liabilities		6	85
Settlement gain		(1,129)	(1,794)
	$	**(1,078)**	**(1,574)**
Operating cost	$	(506)	(762)
Selling expenses		(254)	(322)
Administrative expenses		(320)	(359)
Research and development expense		2	(131)
	$	**(1,078)**	**(1,574)**

(5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2022	December 31, 2021
Discount Rate	0.750%	0.750%
Future salary increases	3.500%	3.500%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $471. The weighted average lifetime of the defined benefits plans is 12.95 years.

(6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	Increase %	Decrease %
December 31, 2022		
Discount Rate (Changes 0.25%)	(2.82)%	2.97%
Future salary increase rate (Changes 0.25%)	2.90%	(2.77)%

	Impact on the defined benefit obligations	
	Increase %	Decrease %
December 31, 2021		
Discount Rate (Changes 0.25%)	(3.82)%	3.99%
Future salary increase rate (Changes 0.25%)	3.82%	(3.69)%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021 amounted to $7,268 and $7,185, respectively.

(iii) Short-term Compensated absences liability

The Company's employee benefit liabilities were as follows:

		December 31, 2022	December 31, 2021
Compensated absences liability (recognized as other payables)	$	6,248	5,876

(n) Income taxes

(i) The components of income tax in the years 2022 and 2021 were as follows:

		2022	2021
Current tax expense			
Current period	$	5,569	24,837
Adjustment of current income tax for prior years		1,569	5,197
		7,138	30,034
Deferred tax expense			
Origination and reversal of temporary differences		3,531	1,645
Income tax expense	$	10,669	31,679

(ii) The gains (loss) on income tax recognized in other comprehensive income for the years 2022 and 2021 was as follows:

		2022	2021
Components of other comprehensive income that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	$	493	(550)

(iii) Income tax expense amounted to $0 was recognized directly in equity for 2022 and 2021.

(iv) Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

		2022	2021
Profit before tax	$	61,179	241,421
Income tax using the Company' s domestic tax rate		12,235	48,284
The unrealized difference in profit or loss from long-term investments accounted under equity method		(3,847)	(21,243)
Capital reduction to offset accumulated deficits of investee		-	(689)
Tax levied on securities transaction is suspended		(155)	(1,628)
Book- Tax differences on income and expenses		1,674	83
Unrealized gain (loss) of valuation on domestic financial assets at fair value through profit or loss		(807)	1,675
Adjustments for under provisions of prior years		1,569	5,197
	$	10,669	31,679

(v) Deferred tax assets and liabilities

Recognized deferred income tax assets and liabilities

Items of deferred tax assets and liabilities for 2022 and 2021 were as follows:

		Defined benefit plans	Unrealized exchange loss	Inventory valuation loss	Other	Total
Deferred Tax Assets:						
Balance at January 1, 2022	$	1,332	3,010	909	3,798	9,049
Recognized in profit or loss		(839)	(3,010)	755	527	(2,567)
Recognized in other comprehensive income		(493)	-	-	-	(493)
Balance at December 31, 2022	$	-	-	1,664	4,325	5,989

	Defined benefit plans	Unrealized exchange loss	Inventory valuation loss	Other	Total
Balance at January 1, 2021	$ 3,398	2,524	855	3,829	10,606
Recognized in profit or loss	(2,616)	486	54	(31)	(2,107)
Recognized in other comprehensive income	550	-	-	-	550
Balance at December 31, 2021	**$ 1,332**	**3,010**	**909**	**3,798**	**9,049**

	Unrealized gains on land revaluation	Defined benefit plans	Unrealized exchange gain	Financial assets Unrealized gains	Total
Deferred tax liabilities:					
Balance at January 1, 2022	$ 73,353	-	-	-	73,353
Recognized in profit or loss	-	777	187	-	964
Balance at December 31, 2022	**$ 73,353**	**777**	**187**	**-**	**74,317**
Balance at January 1, 2021	$ 73,353	-	-	462	73,815
Recognized in profit or loss	-	-	-	(462)	(462)
Balance at December 31, 2021	**$ 73,353**	**-**	**-**	**-**	**73,353**

(vi) The Company' s income tax returns for the years through 2020 were assessed by the tax authority.

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, the authorized common stock of the Company were $3,000,000 and $2,000,000, respectively, comprising 300,000 and 200,000 thousand shares, respectively, with a par value of $10 per share.The aggregate amount of the aforesaid authorized share capital was composed of ordinary shares only, and the issued shares were 1,577,332 and 1,442,332 thousand shares. All issued shares were paid up upon issuance.

The Company issued 13,500 thousand shares on November 11,2021 with a par value of $10 per share, and reserve 15%, which consist of 2,025 thousand shares in accordance to article of incorporation, and employees of the Company are entitled to subscription. The number of shares gave up for subscription or under subscribed by employees should authorize the Chairman to contact a specific person to subscribe the shares. This capital increase was approved by the Competent Authority on December 24, 2021 and the relevant statutory registration procedures were completed with the base day set as May 31, 2022. The total proceeds from capital increase amounting to $201,955 , after deductingshare capital amounting to $135,000, the difference amounting to $66,955 is accounted for as capital reserve.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2022	December 31, 2021
Additional paid in capital	$ 106,929	35,852
Treasury shares	33,451	33,451
Lapse of share options	8,781	5,701
Profit from donations accepted	656	656
Changes in a parent's ownership interest in a subsidiary	205	205
Share option －equity components recognized for convertible bonds issued	32,228	-
	$ 182,250	75,865

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii)Retained earnings

The Company' s articles of incorporation stipulate that 10% of annual net income after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside in accordance with applicable laws and regulations. The remaining balance of the annual net ncome, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors is approved during the stockholders' meeting. The Company has adopted a balanced dividend policy, while taken into account of the capital surplus, retained earnings and future profitability. The cash dividend is distributed in the amount not less than 5% of the total cash and share dividend issued for the year. However, if future earnings and capitals are more abundant, the cash dividend distribution percentage should be increased.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed

(2) Special reserve

In accordance with the guidelines of Financial Supervisory Commission, the difference between current-period earnings recognized under net reductions in shareholders' equity and undistributed prior-period earnings, from the current net income plus the other accounts beside current net income, including undistributed current earnings and the undistributed prior- period earnings should be appropriated to special reserve are recognized as reductions in other shareholders' equity accumulated from prior periods, should be appropriated to special reserve from undistributed prior-period earnings instead of being distributed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 14, 2022 and August 26, 2021, the appropriation of the earnings for 2021 and 2020 was resolved in the general meeting of shareholders. The amounts of dividends distributed to owners were as follows: The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	**Amount**	**Amount per share**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.9	129,810	0.6	86,540

On March 9, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings was as follows:

	2022	
	Amount per share	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.2	31,547

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$ (140,066)
The Company	36,014
Balance at December 31, 2022	$ (104,052)
Balance at January 1, 2021	$ (143,553)
The Company	3,487
Balance at December 31, 2021	$ (140,066)

(p) Share-based payment

As of December 31, 2022, share-based payment transactions of the Company are as follows:

	Cash injection reserved for employees
Grant date	111.4.6
Number of options granted (Unit: In thousand shares)	2,025,000
Contract term (days)	51
Recipients	Employee
Vesting conditions	Immediate vesting condition

(i) Measurable parameter of fair value at grant date

The Company adopted the Black-Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	2022.12.31
	Cash injection reserved for employees
Fair value at the grant date (NT dollars)	3.5567
Exercise price (NT dollars)	15
The expected life of the option (years)	51
Expected dividend	-
The risk-free rate (%)	0.32

(ii) The aforesaid information on the employee stock option was as follow:

	2022.12.31		
	Weighted average price (NT dollars)		**Number of share options (units)**
Outstanding at January 1	$	-	-
Number of options granted during the year		15	2,025,000
Implemented during the year		15	(1,159,000)
Expired during the year		15	(866,000)
Outstanding at December 31			-
Exercisable at December 31			-

(iii) Employee expense

For the year ended December 31, 2022, the Company’s recognized remuneration expenses amounting to $7,202 thousand as a result of the cash capital increase for employees subscription,are accounted for as operating costs and operating expenses for the period.

(q) Earnings per share

The Company’ s basic and diluted earnings per share were calculated as follows:

(In thousand of shares)

		2022	2021
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$	50,510	209,742
Weighted-average number of ordinary shares outstanding		152,148	144,233
Basic earnings per share	**$**	**0.33**	**1.45**
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$	50,510	209,742
Weighted-average number of ordinary shares outstanding (basic)		152,148	144,233
Effect of employee remuneration		40	116
Weighted average number of ordinary shares outstanding (diluted)		152,188	144,349
Diluted earnings per share	**$**	**0.33**	**1.45**

For the years 2022, the potential ordinary shares - convertible corporate bonds have an anti-dilutive effect, and hence they are not included in the calculation of the weighted average number of shares (diluted).

(r) Revenue from contracts with customers

(i) Details of revenue

		2022	2021
Primary geographical markets:			
Taiwan	$	772,127	1,021,884
Mainland China		822,143	1,104,975
Japan		24,392	22,024
Philippine		72,002	83,205
Other countries		61,469	64,878
	$	**1,752,133**	**2,296,966**

		2022	2021
Major products:			
Enameled wire		500,605	579,969
Self-bonding wire		342,481	427,167
Special wire		154,482	268,524
Heat resistant wire		117,559	169,927
Litz Wires		162,172	156,039
Copper wire		140,611	214,536
Merchandise - enameled wires		102,622	86,396
Merchandise - copper wires		125,822	228,207
Other		105,779	166,201
	$	**1,752,133**	**2,296,966**

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and trade receivable	$ 314,106	467,763	408,252
Less:Loss allowance	-	-	-
Total	**$ 314,106**	**467,763**	**408,252**

Please refer to Note 6(c) for the disclosure of trade receivable and the impairment.

(s) Employee compensation and directors' and supervisors' remuneration

The Company's article of incorporation requires that earnings shall first to be offset against any deficit, then, not fewer than 0.5% will be distributed as remuneration to its employees and no more than 3% to its directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The Company estimated its remuneration to employees amounting to $314 and $1,755 and directors' and supervisors' remuneration amounting to $1,255 and $7,521 for years ended December 31, 2022 and 2021, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's article. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares (considering ex-dividend effect) on the day preceding the Board of Directors' meeting. There is no difference between the amount of compensation to employee and directors recognized in the financial statements for 2022 and 2021 and the actual distribution. The related information is available on the Market observation Post System website.

(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	2022	2021
Interest income from bank deposits	**$ 651**	**179**

(ii) Other income

The Company's other income was as follows:

	2022	2021
Dividend income	$ 91	-
Rent income	1,147	1,148
	$ 1,238	**1,148**

(iii) Other gains and losses

The Company's other gains and losses were as follows:

		2022	2021
Proceeds from disposal of property, plant and equipment	$	-	9
Gains (losses) on financial assets at fair value through profit or loss		2,844	(675)
Net Foreign exchange gains (losses)		51,238	(4,420)
Other		5,017	10,568
	$	59,099	5,482

(iv) Finance costs

The details of the financial costs were as follows:

		2022	2021
Interest expense:			
Bank loan	$	(8,381)	(9,060)
Amortized discounted corporate bonds payable		(2,121)	-
	$	(10,502)	(9,060)

(u) Financial instruments

(i) Credit risk

(1) The maximum exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

(2) Concentration of credit risk

As sales are made to customers worldwide, the Company's exposure to credit risk concentration is expected to be low. To reduce credit risk, the Company continuously assesses the financial position of its customers, normally without a request for collateral.

(3) Credit risks of receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(c).

Other financial assets carried at amortized costs included other receivables. All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(f) for the Company determines whether credit risk is to be low risk). There was no impairments or reversals for the years ended December 31, 2022 and 2021.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying amounts	Cash flows	within 6months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Non-interest bearing liabilities	$ 185,291	185,291	185,291	-	-	-	-
Floating rate instruments	571,000	574,577	490,650	21,650	42,709	19,568	-
Fixed rate instrument	188,938	200,000	-	-	-	200,000	-
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss — non-current	1,860	1,860	-	-	-	1,860	-
	$ 947,089	961,728	675,941	21,650	42,709	221,428	-
December 31, 2021							
Non-derivative financial liabilities							
Non-interest bearing liabilities	$ 240,964	240,964	240,964	-	-	-	-
Floating rate instruments	952,300	958,464	829,910	21,719	43,427	63,408	-
Fixed rate instrument	180,000	180,152	180,152	-	-	-	-
	$ 1,373,264	1,379,580	1,251,026	21,719	43,427	63,408	-

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii)Currency risk

(1) Exposure of foreign currency risk

The Company' s significant exposure to foreign currency risk was as follows:

(Unit: currency in thousands)

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 10,520	30.71	323,063	21,858	27.68	605,019
HKD	2,895	3.938	11,402	3,294	3.549	11,689
CNY	247	4.408	1,087	249	4.344	1,080
Financial liabilities						
Monetary items						
USD	981	30.71	30,137	1,076	27.68	29,773

(2) Sensitivity analysis

The foreign currency risk mainly arose from the translation of cash and cash equivalents, trade receivable, financial assets at fair value through gain and loss, trade payable, and other payables. A strengthening (weakening) of 1% of the NTD against the USD, the HKD and the CNY at December 31, 2022 and 2021,assuming that all other variables remain constant, would have increased or decreased the profit after tax by $2,443 and $4,704, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

The exchange rates and amounts of conversion gains and losses (including realized and unrealized) of monetary items of the Company converted into functional currency were as follows:

	2022		2021	
	Exchange gain (loss)	**Exchanger ate**	**Exchange gain (loss)**	**Exchange rate**
TWD	$ 51,238	-	(4,420)	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.5%, the Company' s net income will decrease /increase by $2,284 and $3,809 for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Company' s variable rate bank borrowings.

(v) Other price risks

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
3% increase	$ -	1,434	-	795
3% decrease	$ -	(1,434)	-	(795)

(vi) Fair value of financial instruments

(1) Types and fair value of financial instruments

The carrying amount and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2022				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 1,217	1,217	-	-	1,217
Unlisted common shares	43,064	43,064	-	-	43,064
Open-end funds	15,484	15,484	-	-	15,484
	$ 59,765				
Financial assets at amortized cost					
Cash and cash equivalents	$ 233,115	-	-	-	-
Notes and trade receivable	314,106	-	-	-	-
Other receivables	5,258	-	-	-	-
Refundable deposits	10,148	-	-	-	-
	$ 562,627				
Financial liabilities at fair value through profit or loss					
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value	$ 1,860	-	1,860	-	1,860

	December 31, 2022				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 467,500	-	-	-	-
Trade payables	185,291	-	-	-	-
Bonds payable	188,938	-	188,140	-	188,140
Long-term borrowings (including current portion)	103,500	-	-	-	-
	$ 945,229				

	December 31, 2021				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Unlisted common shares	$ 30,100	-	-	30,100	30,100
Open-end funds	3,033	3,033	-	-	3,033
Convertible bonds	1,547	1,547	-	-	1,547
	$ 34,680				
Financial assets at amortized cost					
Cash and cash equivalents	$ 368,351	-	-	-	-
Notes and trade receivable	467,763	-	-	-	-
Other receivables	22,509	-	-	-	-
Refundable deposits	10,006	-	-	-	-
	$ 868,629				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 817,300	-	-	-	-
Short-term notes payables	180,000	-	-	-	-
Trade payables	240,964	-	-	-	-
Long-term borrowings (including current portion)	135,000	-	-	-	-
	$ 1,373,264				

The Company evaluates its assets and liabilities using the observable market inputs. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(2) Fair value valuation technique of financial instruments not measured at fair value

The Company' s financial instruments not measured at fair value are financial assets and liabilities measured at amortized cost, except for the carrying amount of financial instruments that approximate their fair value due to their short maturities or future prices close to their carrying amounts; the methods and assumptions adopted for other financial instrumnets are as belows:

There is quoted price generated by transactions, the recent transaction price and quoted price data are used as the basis for fair value measurement.However, if no quoted prices are available, the discounted cash flows are used to estimate fair values. The fair value is determined by using valuation techniques and calculated as the discounting value of the estimated cash flows.

The liability component of the Company' s convertible bond is estimated by valuation method. The fair value is evaluated based on the discounted cash flow.

(3) Valuation techniques for financial instruments measured at fair value

(3.1) Non-derivative instruments

Fair value measurement of financial instruments was based on quoted market prices if these prices were available in an active market. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non active market.

The Open-end fund and convertible bond held by the Company are measured at fair value according to standard provision and conditions; the fair value is measured using the quoted price in an active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the investee' estimated net worth per share and the average price-book ratio estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

(3.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. The right to buy back third convertible corporate debt of the Company was valuated under the binomial tree method.

(4) Transfers between Level 1 and Level 3

The Group held an investment in equity of BRIM Biotechnology, Inc. , which is classified as financial assets at fair value through profit or loss. The fair values were $43,064 thousand and $30,100 thousand as of December 31, 2022 and 2021, respectively. The fair value of the investment was categorized as level 3 as of December 31, 2021, because the shares were not listed on the exchange market and there were no recent observable arm' s length transactions in the shares. Because the equity shares of BRIM Biotechnology, Inc. is now listed on emerging stock board and thus have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy for the year ended December 31, 2022.

(5) Reconciliation of Level 3 fair values

	Financial assets at fair value through profit or loss	
	Designation as at fair value through profit or loss (designated at initial recognition)	
Balance at January 1, 2022	$	30,100
Transfers out of Level 3		(30,100)
Balance at December 31, 2022	**$**	**-**
Balance at January 1, 2021	**$**	**-**
Purchase		30,100
Balance at December 31, 2021	**$**	**30,100**

(6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company' s financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – Equity instruments investments".

Quantified information of significant unobservable inputs (Level 3) was as follows:

Contents	**Valuation technique**	**Significant unobservable inputs**	**Interrelationship between significant unobservable inputs and fair value measurement**
Financial assets at fair value through profit or loss – equity investments without an active market	Comparable listed companies approach	• P/B ratio multiplier (2021.12.31 is 6.48) • Discount for lack of market liquidity (2021.12.31 is 30%)	• The higher the price book ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit:

	Inputs	Upward or downward movement	Fair value Total gain/loss Favorable	Fair value Total gain/loss Unfavorable
Balance at December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	P/B ratio	1.00%	$ 384	(384)
Equity investments without an active market	Discount for lack of market liquidity	1.00%	$ 42	(42)

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(8) There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2021.

(v) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Company’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Risk management framework

The Company’ s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Company minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’ s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii)Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, bank deposits and investments.

(1) Trade receivable

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company’ s standard payment and delivery terms and conditions are offered. The review by the Company may include external ratings if available and verification from the bank. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(2) Bank deposits and investment

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by The Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

(3) Guarantees

The Company’ s policy provides only financial security to subsidiaries of more than 50% shareholding or entities engaged in transaction. As of December 31, 2022 and 2021, the Company’ s credit line of post-release duty payment provided by the bank were amounted to $226,065 and $110,000, respectively.

(iv) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Company. As of December 31, 2022 and 2021, the Company’s unused credit line were amounted to $1,062,500 and $412,700, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(1) Currency risk

The Company’s exposure to the risk of fluctuation in foreign currency exchange rates relates primarily to the Company’s sales and purchases that are denominated in a currency different from the functional currencies of the Company. The functional currency of the Company is mainly NTD. The currencies used in these transactions are denominated in NTD, USD, HKD, CNY and JPY. In addition, based on the principle of natural hedge and considering the foreign currency market status, the Company evaluates the requirement for individual foreign currency and the net currency exposure positions. (and the difference between foreign currency assets and liabilities)

Other monetary assets and liabilities denominated in foreign currencies are using the current exchange rates to maintain the net currency risk at the acceptable level.

(2) Interest rate risk

It is the policy of the Company to ensure that the interest rate of the borrowings is subject to fluctuation risk, to be assessed in the light of the international economic situation and market trend of interest rates and to select a floating or fixed interest rate when market interest rates rises. For one-year short-term borrowings, the assessment is adjusted to a fixed interest rate, while medium to long term borrowings are assessed to hedge risk by locking interest rate through interest rates swap.

(3) Other market price risks

Equity and fund price risk is the risk of future price uncertainty arising from equity instruments and funds held by the Company. The Company manages the price risk of equity instruments and funds by diverse investments and regularly understanding the financial position of the equity instruments and fund issuers.

(w) Capital management

The Board’s policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Company’ s debt to equity ratio at the reporting date was as follows:

		December 31, 2022	December 31, 2021
Total liabilities	$	1,026,826	1,479,359
Less: Cash and cash equivalents		233,115	368,351
Net liabilities	$	793,711	1,111,008
Total equity	$	2,104,297	1,904,226
Debt-to-equity ratio		38%	58%

As of December 31, 2022, the Company had not changed its capital management method.

(x) Investing and financing activities not affecting current cash flow

The reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	January 1, 2022	Cash flows	Amortized discounted	Other	December 31, 2022
Short-term borrowings	$ 817,300	(349,800)	-	-	467,500
Short-term notes payables	180,000	(180,000)	-	-	-
Bonds payable	-	218,925	2,121	(32,108)	188,938
Long-term borrowings (including current portion)	135,000	(31,500)	-	-	103,500
Total liabilities from financing activities	$ 1,132,300	(342,375)	2,121	(32,108)	759,938

		January 1, 2021	Cash flows	December 31, 2021
Short-term borrowings	$	547,300	270,000	817,300
Short-term notes payables		180,000	-	180,000
Long-term borrowings (including current portion)		135,000	-	135,000
Total liabilities from financing activities	$	862,300	270,000	1,132,300

(7) Related-party transactions

(a) Names and relationship with related parties

The following are subsidiaries and the entities that have had transactions with the Company during the periods covered in the financial statements.

Name of related parties	Relationship with the Company
LONGSUN TECHNOLOGIES CO., LTD. (hereinafter referred to as LONGSUN TECHNOLOGIES)	Subsidiary of the Company
JUNG SHING WIRE (Vietnam) CO., LTD. (hereinafter referred to as Jung Shing Vietnam)	Subsidiary of the Company
JUNG SHING TECHNOLOGIES COMPANY LIMITED(hereinafter referred to as JUNG SHING TECHNOLOGIES)	Subsidiary of the Company

DONGGUAN JUNG SHING WIRE CO., LTD (hereinafter referred to as DongGuan Jung Shing)	Sub-subsidiary of the Company
DONGGUAN JUNG SHING ELECTRONICS CO., LTD. (hereinafter referred to as DONGGUAN JUNG SHING ELECTRONICS)	Sub-subsidiary of the Company
JUNG SHING WIRE (SUZHOU) CO., LTD.(hereinafter referred to as SUZHOU JUNG SHING WIRE)	Sub-subsidiary of the Company
FURUKAWA MAGNET WIRE CO., LTD.	The entity with significant influence over the Company
Furukawa Electric Co., Ltd.	Other related parties
FURUKAWA SHANGHAI,LTD.	Other related parties
TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	Other related parties
CUPRIME MATERIAL CO.,LTD.	Other related parties
Jung shing wire social welfare and charity foundation (hereinafter referred to as Jung Shing Foundation)	The Chairman of the Company is the same as the Chairman of the donation recipient

(b) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales and uncollected receivables by the Company to related parties were as follows:

	Sales		**Amounts received in subsequent period**	
	2022	**2021**	**December 31, 2022**	**December 31, 2021**
The entity with significant influence over the Company	$ 22,971	21,612	1,946	2,889
Other related parties	148,990	145,375	27,787	21,021
Subsidiaries	4,571	4,553	3,443	3,223
Sub-subsidiary	71,705	112,370	20,065	27,115
	$ 248,237	283,910	53,241	54,248

	December 31, 2022	December 31, 2021
Notes receivable due from related parties	$ 11,463	13,953
Trade receivable due from related parties	41,778	40,295
	$ 53,241	54,248

The collection period was 6 months for subsidiaries for the years ended 2022 and 2021 in accordance with the Company’s credit term policy for sales made to related parties. Those with significant influence on the Company receive payment within approximately 30 to 60 days after the export of goods. The sales price is not comparable or significantly different from the normal purchase price of similar products.

(ii) Purchases from related parties

The amounts of significant purchases transactions and outstanding balances by the Company from related parties were as follows:

	Purchases		Payables to related parties	
	2022	2021	December 31, 2022	December 31, 2021
Other related parties - CUPRIME MATERIAL CO.,LTD.	$ 267,460	271,580	32,026	23,627
Other related party-other	17,325	27,196	250	-
Subsidiaries	-	81	-	-
Sub-subsidiary	129,096	129,862	25,765	25,296
	$ 413,881	428,719	58,041	48,923

The payment to related parties is wired within 30 to 60 days. The payment method for subsidiaries is 3 to 4 months according to the Company’ s policy principles. The purchase price is not comparable or significantly different from the normal purchase price of similar products.

(iii) Consigned out for processing

The amounts of process outsourcing between the Company and related parties were as follows:

	2022	2021
Subsidiary - LONGSUN TECHNOLOGIES	$ 19,556	24,026

The prices of the products processed by the Company's subsidiaries are not comparable. The payment terms of purchase transactions with related parties were not significantly different from those offered by other vendors. As of December 31, 2022 and 2021, the payable balances arising from such transactions amounted to $2,943 and $3,773, respectively and were recognized under trade payable - related parties.

(iv) Guarantees

The details of the Company’ s guaranties limit for subsidiary on bank borrowings were as follows:

	December 31, 2022	December 31, 2021
Subsidiary - JUNG SHING TECHNOLOGIES	$ 180,000	80,000
Subsidiary - LONGSUN TECHNOLOGIES	-	30,000
Subsidiary - Jung Shing Vietnam	46,065	-
	$ 226,065	80,000

(v) Transactions of property, plant and equipment

Acquisition of property, plant and equipment

The amount of acquisition of property, plant and equipment from related parties and the related unpaid balances is as follows:

	Amount		Other payables	
	2022	2021	December 31, 2022	December 31, 2021
Subsidiaries	$ -	2,948	-	-

(vi) Leases

The rental income of the Company arising from the leasing of its plant to related parties is recognized under non-operating income and expenses - other income, details are as follows:

	2022	2021
Subsidiary - LONGSUN TECHNOLOGIES	$ 493	494
Subsidiary - JUNG SHING TECHNOLOGIES	654	654
	$ 1,147	1,148

The receivables arising from the transactions mentioned above and prepayments of utilities expenses on behalf of related parties were recognized under other receivables, details were as follows:

	December 31, 2022	December 31, 2021
Subsidiary - LONGSUN TECHNOLOGIES	$ 399	391
Subsidiary - JUNG SHING TECHNOLOGIES	817	696
	$ 1,216	1,087

(vii) Sale revenue

The technical service fees received by the Company for the provision of technical services to related parties are included in non-operating income and expenses - other income, as follows:

	December 31, 2022	December 31, 2021
Subsidiary - JUNG SHING TECHNOLOGIES COMPANY LIMITED	$ 196	1,200
Sub- subsidiary - SUZHOU JUNG SHING WIRE	-	4,391
	$ 196	5,591

The receivables arising from the transactions mentioned above on behalf of related parties were recognized under other receivables, details were as follows:

	December 31, 2022	December 31, 2021
Subsidiary - JUNG SHING TECHNOLOGIES	$ 74	310

(viii) Donation(included administrative expenses)

	December 31, 2022	December 31, 2021
Other related parties－Jung Shing Foundation	$ 13,000	-

(ix) Other

As of December 31, 2022 and 2021, the payable balances arising from sporadic transactions and collecting payments on behalf of sub-subsidiary amounted to $4,509 and $4,747, respectively and were recognized under accounts payable.

As of December 31, 2021, the payable balances arising from such transactions amounted to $3 and were recognized under other payables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2022	2021
Short-term employee benefits	$ 19,557	30,132
Post-employment benefits	267	260
	$ 19,824	30,392

The Company provides company cars and dormitory of initial cost amounted to $25,697, respectively for key management personnel for the years ended on December 31, 2022 and 2021.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Land	Short-term loans and credit lines	$ 188,173	188,173
Buildings and Construction	Short-term loans and credit lines	18,207	15,090
		$ 206,380	203,263

(9) Significant commitments and contingencies:

The Company’ s unrecognized contractual commitments are as follows:

	December 31, 2022	December 31, 2021
Contracted for outstanding construction and equipment payments	$ 10,713	11,998
Bank guarantee promissory notes for scientific research and development grants	$ -	13,750
Outstanding standby letter of credit	$ 4,550	-

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By funtion By item	For the year ended December 31 2022 Cost of Sale	 Operating Expense	 Total	 2021 Cost of Sale	 Operating Expense	 Total
Employee benefits						
Salary	85,963	89,799	175,762	98,134	103,997	202,131
Labor and health insurance	9,431	6,642	16,073	9,086	6,514	15,600
Pension	3,079	3,111	6,190	2,743	2,868	5,611
Remuneration of directors	-	1,208	1,208	-	5,565	5,565
Others	4,116	3,332	7,448	4,365	3,298	7,663
Depreciation	50,982	5,386	56,368	45,901	5,125	51,026

Note : In 2022 and 2021, the depreciation expenses arising from investment property amounted to $3,326 and $2,683, respectively, and are recognized under other gains and losses of non-operating income and expenses.

The information about number of employees and employee benefit expenses for the years ended December 31, 2022 and 2021 was as follows:

	2022	2021
Number of employees	259	260
Number of Directors who are not concurrently employed	5	5
Average employee benefits expense	$ 809	906
Average employee salary expense	$ 692	793
Salary	-12.74%	
Remuneration to supervisors	451	2,421

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

(i) The remuneration of Directors Supervisors includes:

(1) The Company shall distribute the remuneration of its Directors and Supervisors at a rate not exceeding 3% of its profit for the year in accordance with the Articles of Association.

(2) Distributed by the participation levels and value of contribution of each Directors and Supervisors to the operation of the Company.

(3) The transportation allowance is paid to the board of supervisors who have attended.

(ii) The renumeration to General Manager, Vice General Manager, Manager and Employee includes salary, bonus and employee compensation:

(1) The remuneration paid by the Company to the general manager, deputy general manager and manager is in accordance with the remuneration policy for managing managers approved by the Remuneration Committee and the Board and based on their contribution made to the Company.

(2) The Company shall distribute the remuneration of its Directors and Supervisors at a rate not exceeding 0.5% of its profit for the year in accordance with the Articles of Association.

(3) The bonus is paid on the basis of the performance of the individual and personal contribution to the operation of the Company.

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on significant transactions required by the "IFRS" for the Company:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account title	Related party	Highest balance of financing to other parties during the period Amount	Ending Balance	Actual usage amount during the period Amount	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
1	JUNG SHING WIRE (SUZHOU) CO., LTD.	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Other receivables due from related parties	Yes	60,802	-	-	4.35%	Entity with short term financing needs	-	Operating capital	-	None	None	110,092 (30% of the net value of JUNG SHING WIRE (SUZHOU) CO., LTD.)	220,183 (60% of the net value of JUNG SHING WIRE (SUZHOU) CO., LTD.)
2	DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Other receivables due from related parties	Yes	126,156	123,393	101,358	4.35%	Entity with short term financing needs	-	Operating capital	-	None	None	209,561 (30% of net value of DONGGUAN JUNG SHING WIRE CO., LTD)	419,122 (60% of net value of DONGGUAN JUNG SHING WIRE CO., LTD)

(ii) Guarantees and endorsements for other parties:

No.	Name of Guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	LONGSUN TECHNOLOGIES CO., LTD.	(Note1)	420,960 (20% of the net value of the Company)	30,000	-	-	-	- %	1,262,578 (60% of the net value of the Company)	Y	-	-
0	The Company	JUNG SHING TECHNOLOGIES COMPANY LIMITED	(Note1)	〃	180,000	180,000	70,000	-	8.55%	〃	Y	-	-
0	The Company	JUNG SHING WIRE (Vietnam) CO., LTD.	(Note1)	〃	47,625	46,065	-	-	2.19%	〃	Y	-	-

Note 1: The Company directly and indirectly holds more than 50% of the shares with voting rights.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending Balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Eastspring Inv Trgt Mlt 3-6Y EM Bd	-	Current financial assets at fair value through profit or loss	10,000	3,136	-	3,136	
〃	Jih Sun Vietnam Opportunity Fund	-	〃	400,000	2,856	-	2,856	
〃	Jih Sun Global Innovative Technology Bond Fund	-	〃	1,000,000	9,492	-	9,492	
〃	Shares of BIN CHUAN ENTERPRISE CO., LTD.	-	〃	55,299	1,217	0.05 %	1,217	
〃	Shares of BRIM Biotechnology, Inc.	-	〃	1,128,229	43,064	1.21 %	43,064	
〃	Shares of NEOFLEX TECHNOLOGY CO., LTD.	-	〃	12,401	-	0.32 %	-	

Name of holder	Category and name of security	Relationship with company	Account title	Ending Balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Shares of AMIT WIRELESS INC.	-	Current financial assets at fair value through profit or loss	527,158	-	3.10 %	-	
〃	Shares of JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	-	〃	35,316	-	0.59 %	-	
JUNG SHING WIRE (SUZHOU) CO., LTD.	Structured deposits	-	〃	-	154,905	-	154,905	
LONGSUN TECHNOLOGIES CO., LTD.	Shares of JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	-	〃	736	-	0.07 %	-	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details: Purchase /Sale	Amount	Percentage of total purchases/ sales	Credit terms	Trading terms Transactions with terms different from others: Unit price	Credit terms	Notes/trade receivable (payable): Balance	Percentage of total notes/trade receivable (payable)	Note
The Company	CUPRIME MATERIAL CO.,LTD.	Other related parties	Purchase	267,460	19.40 %	1 months	Same as regular transaction	the actual business model considered	(32,026)	(26.20) %	
The Company	TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	Other related parties	Sales	148,990	8.50 %	1 months	Same as regular transaction	the actual business model considered	27,788	8.85 %	
The Company	DONGGUAN JUNG SHING WIRE CO., LTD	Sub-subsidiary	Purchase	122,874	8.91 %	3 months	Same as regular transaction	the actual business model considered	(25,766)	(21.08) %	
DONGGUAN JUNG SHING WIRE CO., LTD.	FURUKAWA MAGNET WIRE CO., LTD.	The entity with significant influence over The Company	Sales	101,075	9.07 %	1 months	Same as regular transaction	the actual business model considered	1,747	0.96 %	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Overdue: Amount	Overdue: Actions taken	Amounts received in subsequent period	Loss allowance
DONGGUAN JUNG SHING WIRE CO., LTD	DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Subsidiary to subsidiary.	101,358	-	-	-	-	-

(ix) Trading in derivative instruments:Please refer to notes 6(k)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Geographical information	Main businesses and products	Original investment amount: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31: shares	Percentage	Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	JUNG SHING INTERNATIONAL CO., LTD.	The British Virgin Islands	General import/export trade and investment business	715,470 (USD 23,442,793)	715,470 (USD 23,442,793)	48,045	100.00%	918,809	50,142	50,142	Subsidiary
〃	LONGSUN TECHNOLOGIES CO., LTD.	Tainan City	Manufacture and sale of converters, DC converters, modules	29,989	29,989	2,998,910	99.96%	10,646	1,295	1,295	Subsidiary
〃	Lising International	MAURITIUS	General import/export trade and investment business	241,985 (USD 7,300,000)	241,985 (USD 7,300,000)	7,300,000	100.00%	368,867	12,067	12,067	Subsidiary
〃	JUNG SHINGTECHNOLOGIES (Vietnam) CO., LTD.	Hai Duong province, Vietnam	Production and sales of enameled wires	235,836 (USD 8,000,000)	235,836 (USD 8,000,000)	-	100.00%	215,482	(15,317)	(15,317)	Subsidiary
〃	JUNG SHING TECHNOLOGIES COMPANY LIMITED	Tainan City	Manufacture 3D ceramic substrate of high thermal conductivity	111,921	111,921	11,192,046	74.61%	69,775	(38,803)	(28,950)	Subsidiary
JUNG SHING INTERNATIONAL CO., LTD.	Hong Kong Big Star Company	Hong Kong Kowloon	General import/export trade and investment business	HKD $1,000,000	HKD $1,000,000	-	100.00%	8,953 (HKD $2,274 thousand)	(1,845) (HKD $(485) thousand)	(1,845) (HKD $(485) thousand)	Sub subsidiary

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment Flow		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of investee	Percentage of ownership	Investment income (losses) (Note)	Carrying amount Note 1	Accumulated remittance of earnings in current period
					Outflow	Inflow						
DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	Production and sales of enameled wires and Litz wires	96,367 (HKD$23,600,000)	The Company reinvest Hong Kong Big Star Company through third party,JUNG SHING INTERNATIONAL and to commission Hong Kong Big Star Company to invest indirectly in DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	63,303	-	-	63,303	CNY 6,103 thousand	100.00 %	The financial statements were audited by the parent's external accountants and investment income amounting to $26,989 is recognized. Approximately CNY 6,103 thousand	214,448 (CNY 48,650 thousand)	-
DONGGUAN JUNG SHING WIRE CO., LTD	Production and sales of enameled wires and Litz wires	468,329 (HKD$120,000,000)	The Company indirectly invest in DONGGUAN JUNG SHING WIRE CO., LTD through third party,JUNG SHING INTERNATIONAL.	479,199	-	-	479,199	CNY 5,591 thousand	100.00 %	The financial statements were audited by the parent's external accountants and investment income is recognized. 24,721 (Approximately CNY 5,591 thousand)	698,713 (CNY 158,510 thousand)	-
JUNG SHING WIRE (SUZHOU) CO., LTD.	Production and sales of enameled wires	234,284 (HKD$56,850,983)	The Company indirectly invest in JUNG SHING WIRE (SUZHOU) CO., LTD. through third party,Lising International.	241,985	-	-	241,985	CNY 2,748 thousand	100.00 %	The financial statements were audited by the parent's external accountants and investment income amounting to $12,150 is recognized. Approximately CNY 2,748 thousand	369,796 (CNY 83,272 thousand)	153,618

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
784,487 (Note2) (USD 24,979,220.34)	785,591 (Note1 and Note2) (USD 25,580,964.34)	1,262,578

Note: The conversion is based on the average exchange rate from January to December 2022 to NT dollars.

Note 1: Conversion at exchange rate on December 31, 2022.

Note 2: JUNG SHING INTERNATIONAL CO., LTD. acquired 25.0936% of equity interest in Hong Kong Big Star Company that was held by TOTOKU ELECTRIC CO., LTD. with its own capital of US$579 thousand, and indirectly acquired 25.0936% of equity interest in DONGGUAN JUNG SHING ELECTRONICS CO., LTD. in mainland China. The investment was fully paid to TOTOKU ELECTRIC CO., LTD. and the investment was completed. As it is a private capital transfer, the accumulated amount of investment transferred from Taiwan to the mainland at the end of the period did not include this amount and was reported to the Investment and Review Committee of the Ministry of Economy Affairs for approval.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:

Shareholding Shareholder’s Name	Shares	Percentage
Taya Wire & Cable Co., Ltd.	39,474,065	25.02%
FURUKAWA MAGNET WIRE CO., LTD. (Japan)	31,546,647	20.00%
Fu Pao Chemical Co., Ltd.	10,937,653	6.93%

Note 1: Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in The Company's financial reports that are not physically registered as delivered by The Company, the basis of the calculation may vary or vary.

Note 2: The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders’ shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

VII. Review of Financial Conditions, Operating Results, and Risk Management

1. Analysis of financial status

Unit: NT$ thousands

Year/Item	2021	2022	Difference	
			Amount	%
Current Assets	2,358,417	2,024,845	(333,572)	-14%
Property, plant and equipment	1,122,489	1,145,042	22,553	2%
Other Assets	134,339	128,028	(6,311)	-5%
Total Assets	3,615,245	3,297,915	(317,330)	-9%
Current Liabilities	1,485,701	842,236	(643,465)	-43%
Long-term Liabilities	191,718	327,633	135,915	71%
Total Liabilities	1,677,419	1,169,869	(507,550)	-30%
Equity attributable to owners of the parent company	1,904,226	2,104,297	200,071	11%
Capital stock	1,442,332	1,577,332	135,000	9%
Capital surplus	75,865	182,250	106,385	140%
Retained Earnings	526,095	448,767	(77,328)	-15%
Other Equity	(140,066)	(104,052)	36,014	-26%
Non-controlling Equity	33,600	23,749	(9,851)	-29%
Total Equity	1,937,826	2,128,046	190,220	10%

1. Explanation of major changes: (The change ratio of the previous and later period is more than 20%, and the change amount exceeds NT$10 million):

(1) Decrease in current liabilities, increase in long-term liabilities and decrease in total liabilities: mainly due to cash capital increase, issuance of corporate bonds, and use of funds to repay short-term borrowings.

(2) Increase in capital surplus: mainly due to the premium from issuance of cash capital increase.

(3) Increase in retained earnings: mainly due to poor economic conditions in 2022 which resulted in profit reduction.

(4) Increase in other equity: due to the exchange difference in the translation of financial statements of foreign operating units.

2. Future response actions for those with significant impacts: none

2. Analysis of financial performance

Analysis on business performance Unit: NT$ thousands

Year/Item	2021	2022	Difference	
			Amount	%
Gross income	4,619,634	3,581,378	-1,038,256	-22%
Gross profits	555,963	251,901	-304,062	-55%
Operating profit (loss)	269,359	(42,579)	-311,938	-116%
Non operating income and expenses	(14,814)	107,107	121,921	823%
Income before taxes	254,545	64,528	-190,017	-75%
Net profits	205,866	40,659	-165,207	-80%

Explanation of major changes: (the change ratio of the previous and later period is more than 20%, and the change amount exceeds NT$10 million):

(1) Decrease in operating income, operating gross profit, operating profit and loss, net profit before tax and net profit for the current period: Affected by the epidemic and the US-China trade war in 2022, the global economy declined, and the demand for consumer electronics products declined slightly, which resulted in the company's 2022 annual sales. The sharp drop on sales resulted in a decrease in operating income, operating gross profit, operating profit and loss, net profit before tax and net profit for the period.

(2) Increase in non-operating income and expenses: mainly due to the increase in foreign currency exchange benefits.

3. Analysis of cash flow

(1) Cash flow analysis for the current year

Item	2021	2022	%
Cash flow ratio	6.32	40.13	535%
Cash Flow Adequacy Ratio (%)	59.74	85.97	44%
Cash Reinvestment Ratio (%)	0.23	5.79	2,417%

Analysis on the changes:

(1) Increase in cash flow ratio: it is due to the cash capital increase to repay short-term loans which resulted in the decrease of current liabilities.

(2) Cash Flow Adequacy Ratio and Cash Reinvestment Ratio: it is due to revenue decreased, inventories decreased and conservative capital expenditures. Also significantly reduction on cash dividends resulting in an increase in the ratio.

(2) Cash flow analysis for the coming year   Unit: NT$ thousands

Cash beginning of the year A	Estimated Net Cash Flow from Operating Activities B	Estimated annual net cash flow from investment and financing activities C	Cash Surplus (Deficit) A+B+C	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
702,666	250,000	(170,000)	782,666	-	-

1. Analysis of cash flow changes in the coming year:
   (1) Operation activities: Been influence by the U.S.-China war and inflation, the economy condition is still prudent and conservative. The Company will continue to strengthen the control of receivables and the level of inventory. It is expected that operation activities will generate net cash inflows.
   (2) Investment and financing activities: the Company will have net cash outflow due to cash dividend payment and repayment of bank loans.
2. Remedy for expected cash shortfall: None.

4. Major capital expenditure items and impact on financial activities: None.

5. Investment Policy, main causes for profits or losses and improvement plans for last year and the investment plans for the coming year

(1) Reinvestment Analysis: Unit: NT$ thousands

Re-investment companies	2022 Recognition of investment gains and losses	Main reasons for profit or loss	Improvement Program
JUNG SHING INTERNATIONAL CO., LTD.	50,142	Adjust product structure and improve profit	None
BIG STAR INVESTMENT LTD.	(1,845)	General administrative expenses, not including reinvestment benefits	None
Dongguan Jung Shing Electric Wire Co., Ltd.	24,721	Adjust product structure and improve profit	None
Dongguan Jung Shing Wire Co., Ltd.	26,989	Adjust product structure and improve profit	None
LONGSUN TECHNOLOGIES CO.,LTD.	1,295	Adjust product structure and improve profit	None
JUNG SHING WIRE (VIETNAM) CO.,LTD.	(15,317)	Business is not expended due to poor economic conditions.	Actively expand business
JUNG SHING TECHNOLOGIES COMPANY LIMITED	(28,950)	Business is not expended due to poor economic conditions.	Actively expand business
LEADER STAR INTERNATIONAL LTD.	12,067	Adjust product structure and improve profit	None
Jung Shing Electronics (Suzhou) Co., Ltd.	12,150	Adjust product structure and improve profit	None

(2) Investment plans for the coming years: None

6. Analysis and evaluation of risks in the most recent year and up to the publication date of this annual report

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on the Company's Profits and Losses, and Future Response Measures

1. Interest rate: The Company evaluates bank loan interest rates regularly or irregularly, and keeps an eye on changes in the international and domestic financial markets, and keeps in touch with banks to obtain more favorable loan interest rates and sufficient credit lines.
2. Exchange rate: Export business accounts for approximately 70% of the Company's revenue. As a result, the Company gradually increases the purchase of materials with foreign currency denomination and uses this as a natural risk avoidance method to achieve a partial offset effect. At the same time, depending on the funds demand and the exchange rate flustration, the Company balances capital needs and risk hedging in the form of Taiwan dollar loans and U.S. dollar fixed deposits. The Company will also observes the exchange rate information and discuss with banks' foreign exchange directors' the exchange rate trend from time to time and undertake forward foreign exchange risk hedging in a timely manner to reduce the impact of exchange rate changes.
3. Inflation: The Company currently has no significant impact from inflation. Although domestic prices and international copper prices are on the rising trend recently, the Company will have appropriate price changes. In addition, the Company will continue to work hard to reduce production costs so as to reduce the negative impact of inflation on market demand.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company does not engage in high-risk, high-leverage investment and capital lending to others; the behaviors of endorsement and guarantee are all handled in accordance with relevant laws and regulations.

(3) Future Research & Development Projects and Corresponding Budgets

1. Future R&D plans:

The Company will endeavor to the development and application of metal materials and organic/inorganic materials. The focus will be R&D on energy-saving and environmental protection products, robots and drones, such as wind power industry, solar energy industry, electric motorcycle industry, and other related products. With the input of R&D personnel and R&D equipment funds, it is expected to develop new products to increase profits.

2. Estimated research and development expenses in 2023:

Item	R&D Projects	Expected Research Expenditure
1.	System optimization of flat line equipment	NT$4,000,000

(4) Effects of and Response to Changes in Policies and Regulations Relating to the Company's Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and evaluate its impact on the company's financial and business situation. For the most recent year, changes in related laws did not have a significant impact on our operations.

(5) Effects of and Response to Changes in Technology and the Industry Relating to the Company's Finance and Sales

The Company pays close attention to the changes in technology related to its industry, and adjusts the direction of product development in a timely manner. There were no major technology changes for the most recent year that affected the company's finances and business.

(6) The Impact of Changes in Corporate Image on the Company's Risk Management, and the Company's Response Measures

The company has been committed to maintaining its corporate image over the years and has complied with laws and regulations. Up to now, there are no major events that has affected its corporate image.

(7) Expected Benefits and Possible Risks of Merger and Acquisition Plans and the Company's Responses: the Company has no plans for mergers and acquisitions.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: The company has no plans to expand the factory.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company did not have one single customer accounting for more than 10% of sales in recent years. In terms of purchased suppliers, the suppliers with more than 10% of the purchasers are local well-known suppliers of raw materials such as bare copper wires. The Company has signed a contract with them to ensure the supply source. The Company also purchased from other small and medium-sized suppliers for raw materials to diversify the source of supply, so there is no risk of concentration of purchases .

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: no such situations.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights: not applicable.

(12) Any major ongoing lawsuits, non-lawsuits or administrative lawsuit that have been determined or are still pending for the Company, its directors, supervisors, general managers, substantial responsible persons, shareholders with over 10% shareholdings, and affiliated companies which outcome may have a significant impact on shareholders' rights or stock prices, describe the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation, and the status of the settlement as of the publication date of the annual report: None

(13) Other Major Risks and Response Measures:

1) Information Security Policy and Management:

1. Objectives:

The Company established a dedicated information department to strengthen information security management, establish a safe and reliable electronic enterprise, and ensure the security of data, systems, equipment and networks. The department will conduct information security risk assessments in accordance with relevant laws and regulations, determine the level of security requirements for various information operations, and adopt appropriate and sufficient information security measures to ensure the safety of internal and external information collection, processing, transmission, storage and circulation.

2. Organization chart and responsibilities

Organisation Chart and Description of Responsibilities of Information Department
Department chief, Information Department
1 Formulation of e-policy 2. Establishing implementation plans 3. Preparation of the budget for the Information Department 4. Development of education and training programs 5. Decisions on hardware and software architecture
Information Devision 4 persons
1. Maintenance of network platforms and circuits 2. Network security management 3. Design and application development of electronic form 4. Maintenance of Windows Operating System 5. Maintenance of 0/400 operating system 6. Application analysis and programming for ERP system 7. Online counseling on ERP system 8. Daily maintenance of ERP system 9. Backup of operating system, application system, system program, application program and the database of operation process

3. Management Plan

(1) The Information Department formulates the implements the information security plans and regularly evaluates the implementation results for the following matters:

- Establishing information security management measures.
- Devision of responsibilities for information security.
- Personnel management and information security education and training.
- Computer system security management.
- Network security management.
- Access control system management.
- System and security management development and maintenance
- Information asset security management.
- Physical and environmental safety management.
- Business continuity operation plan management.
- Other information security management matters.

(2) Implementation of various management tasks:

Unit	Information Department	Information Security
Responsibilities	1.MAIL: Sending and receiving control, exception handling.	
	2. Anti-hacking and antivirus: Prevent computer from being invaded,data leakage, system abnormal and unable to operate.	
	3. Account management: system permission changes for new staff, resigned staff and system authority changes.	
	4. Network management: data sharing, internet control, exceptional traffic management.	
Responsibilities	Task	
MAIL	1. Sending and receiving control,	Irregular
	2. Spam filtering	Everyday
	3. Detection and elimination of account intrusion and hijacking	Irregular
	4. Exceptional email handling	Irregular
Anti-hacking and antivirus	1. Installation and updating of antivirus software	Irregular
	2. Information security notification and publicity	Irregular
	3. Troubleshooting for the Users' computers	Irregular
	4. Operating system patch update	Irregular
Account management	1. MAIL account management	Irregular
	2. AD account management	Irregular
	3. AS400 account management	Irregular
	4. Web page account management	Irregular
	5. Barcode system account management	Irregular
Network management	1. Resource Sharing Management	Irregular
	2. Internet control	Irregular
	3. Intrusion Prevention Detection and exceptional traffic handling	Irregular
	4. Firewall settings	Irregular

(3) Information Security Measures for Ransomware Attacks:

The WannaCry ransomware/worm continues to spread around the world. The worm will actively attack computer security vulnerabilities. As long as you are connected to the internet, there is a chance of being infected. The Information Department implements the following actions and provide recommends to all users to avoid virus attacks!

1. Use flash drive, external hard drive or cloud space to back up your important data.
2. Close network shared folder.
3. Do not click on unknown websites and files.
4. Download and install the patch from the Microsoft security patch page for ransomware/ WannaCry/Wcry to repair computer operating system-related vulnerabilities.
5. Turn on Windows Update of the computer operating system to upgrade the system and patch vulnerabilities at any time.

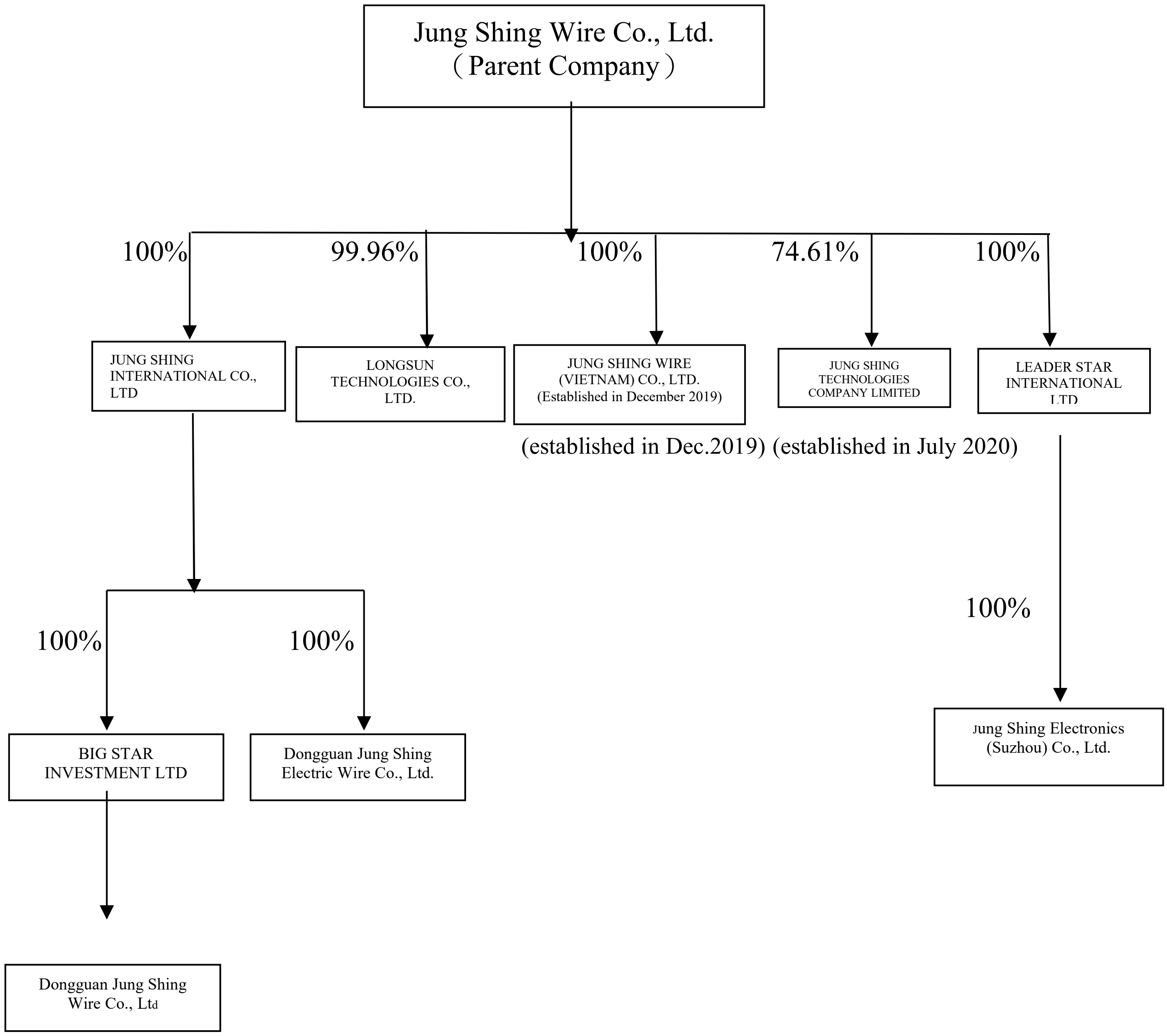
7、Other important matters：None。

VIII. Special Disclosure

1. Summary of Affiliated Companies

(1) Consolidated Business Report for Affiliated Companies

1. Organization chart of affiliated companies



2. Basic information of the affilicated companies:

Unit: thousand

Company Name	Established Date	Address	Paid-in Capital	Main Business Items
1. JUNG SHING INTERNATIONAL CO., LTD.	1996.12.03	Offshore Incorporation Limited P.O. Box 957, Offshore Incorporations Centre, Road Town. Tortola, British Virgin Islands.	USD23,443	Investment Business
2. BIG STAR INVESTMENT LTD.	1991.01.31	Room C, 16th Floor, Communication Center, No. 21 Hung To Road, Kwun Tong, Kowloon, Hong Kong	HKD1,000	General import and export business
3. Dongguan Jung Shing Electric Wire Co., Ltd.	1994.02.02	No. 125, Huanshi South Road, Maling Industrial Zone, Qinghutou Management Zone, Tangxia Town, Dongguan City, Guangdong Province, China	HKD23,600	Manufacture and sales of degaussing coils, enameled wires and stranded wires
4. Dongguan Jung Shing Wire Co., Ltd.	1998.08.06	No. 125, Huanshi South Road, Maling Industrial Zone, Qinghutou Management Zone, Tangxia Town, Dongguan City, Guangdong Province, China	HKD120,000	Manufacture of enameled wire and dipped tin wire
5. Jung Shing Electronics (Suzhou) Co., Ltd.	2001.01.15	No. 558, Yundong Avenue, Economic Development Zone, Wujiang City, Jiangsu Province, China	HKD56,851	Manufacturing and sales of degaussing coils, enameled wires, and stranded wires
6. LONGSUN TECHNOLOGIES CO.,LTD.	2002.08.14	No. 51, Huangong Road, Yongkang District, Tainan City	NTD30,000	Manufacturing and sales of inverters, DC converters, and modules
7.LEADER STAR INTERNATIONAL LTD.	2006.08.11	Suite 802,St James Court St Denis Street, Port Louis, Mauritius	USD7,300	Investment Business
8. JUNG SHING WIRE (VIETNAM) CO.,LTD. (Established in December 2019)	2019.12.10	Lot B3-1, Cong Hoa Industrial Park, Cong Hoa Ward, Chi Linh City, Hai Duong Province Vietnam.	USD5,800	Manufacturing and sales of degaussing coils, enameled wires, and stranded wires
9. JUNG SHING TECHNOLOGIES COMPANY LIMITED (Established in July 2020)	2020.7	No. 51, Huangong Road, Yongkang District, Tainan City	NTD150,000	Production and sales of high heat dissipation 3D ceramic substrates

3. For those presumed to have control and subordination, the same shareholders' information: Not applicable.

4. Names of directors, supervisors and general managers of affiliated companies and their shareholding or capital contribution to the company

Unit：Shares；%

Company Name	Title	Name or Representative	Share holding situations	
			Shares	%
1. JUNG SHING INTERNATIONAL CO.,LTD.	Director	Jung Shing Wire Co., Ltd. Legal representative: Wang Dongze Wang Dongzheng	42,345	100.00
2. BIG STAR INVESTMENT LTD.	Director	Jung Shing International Co., Ltd. Legal representative:： Wang Dongzheng	0 0	0.00 0.00
3. Dongguan Jung Shing Electric Wire Co., Ltd.	Chairman Vice Chairman General Manager Director Supervisor	Wang Dongze Wang Dongzheng Chen Rujun Qiu Shouji Wu Mingzhang	0 0 0	0.00 0.00 0.00
4. Dongguan Jung Shing Wire Co., Ltd.	Chairman Vice Chairman General Manager Director Supervisor	Wang Dongze Wang Dongzheng Chen Rujun Xue Wenfa Xue Tiande	0 0 0	0.00 0.00 0.00
5. Jung Shing Electronics (Suzhou) Co., Ltd.	Chairman Vice Chairman Concurrently General Manater Director Supervisor	Wang Dongze Wang Dongzheng Huang Weimin Chen Rujun	0 0 0	0.00 0.00 0.00
6. LONGSUN TECHNOLOGIES CO., LTD.	Chairman Director Director Director Director Supervisor	Jung Shing Wire Co., Ltd. Legal Representative: Qiu Shouji Wang Dongxian Wang Dongze Huang Weimin Wu Mingzhang Xue Tiande	2,998,910	99.96
7. LEADER STAR INTERNATIONAL LTD.	Director	Jung Shing Wire Co., Ltd. Legal Representative: Wang Dongze Wang Dongzheng	7,300,000	100.00
8.JUNG SHING WIRE (VIETNAM) CO., LTD.	Director	Jung Shing Wire Co., Ltd. Legal Representative: Wang Dongze	—	100.00
9. JUNG SHING TECHNOLOGIES COMPANY LIMITED	Director	Jung Shing Wire Co., Ltd. Legal Representative: Wang Dongze Xue Tiande	11,192,000	74.61

5.Operating Overview on Affiliated Companies

Unit: NT$thousand

Company Name	Paid-in Capital	Total Assets (Note3)	Total Liabilities (註3)	Net Worth (註3)	Operating Revenue (註3)	Operating Profits (註3)	Profit or Loss (after tax) (註3)
1. JUNG SHING INTERNATIONAL CO.,	NTD 719,935 USD 23,443	NTD 918,809 USD 29,919	NTD 0 USD 0	NTD 918,809	NTD 0 USD 0	(NTD 110) (USD 4)	NTD 50,142
2. BIG STAR INVESTMENT LTD.	NTD 3,938 HKD 1,000	NTD 97,952 HKD 24,874	NTD 88,999 HKD 22,600	8,953	NTD 0 HKD 0	(NTD 1,730) (HKD 480)	(NTD 1,845)
3. Dongguan Jung Shing Electric Wire Co., Ltd.	NTD 92,937 HKD 23,600	NTD 335,341 CNY 76,076	NTD 120,893 CNY 27,426	214,448	NTD 551,430 CNY 127,028	NTD 27,621 CNY 6,363	NTD 26,989
4. Dongguan Jung Shing Wire Co., Ltd	NTD 472,560 HKD 120,000	NTD 730,894 CNY 165,811	NTD 32,181 CNY 7,301	698,713	NTD 1,094,100 CNY 252,039	(NTD 11,948) (CNY 2,752)	NTD 24,721
5. Jung Shing Electronics (Suzhou) Co., Ltd.	NTD 223,879 HKD 56,851	NTD 409,826 CNY 92,973	NTD 42,761 CNY 9,701	367,065	NTD 305,102 CNY 70,284	NTD 4,953,649 CNY 1,141,131	NTD 12,150
6. LONGSUN TECHNOLOGIES CO., LTD (股)	NTD 29,989	20,976	10,586	10,390	19,686	2,341	NTD 1,295
7. LEADER STAR INTERNATIONAL LTD.	NTD 224,183 USD 7,300	NTD 368,867 USD 12,011	NTD 0 USD 0	368,867	NTD 0 USD 0	(NTD 87) (USD 3)	NTD 12,067
8. JUNG SHING WIRE (VIETNAM) CO., LTD	NTD 245,680 USD 8,000	NTD 226,411 VND 174,162,892	NTD 10,929 VND 8,407,044	215,482	NTD 26,184 VND 21,819,612	(NTD 14,990) (VND 12,491,754)	(NTD 15,317)
9. LONGSUN TECHNOLOGIES CO., LTD (	NTD 111,921	192,092	99,227	92,865	39,159	(39,114)	(NTD 28,950)

Note 1: All affiliated companies should be disclosed, regardless of their size. .

Note 2: If the affiliated company is a foreign company, the relevant figures should be converted into NT dollars based on the exchange rate on the reporting date.

Note 3: The foreign currency exchange rate is based on 2022.12.31.

USD:NTD＝1：30.71

CNY:NTD＝1：4.408

HKD:NTD＝1：3.938

VND:NTD＝1：0.0013

(2) Reports on Affiliations: None

2. The company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None
3. Holding or disposal of shares of the Company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None
4. Any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None
5. Other matters that require additional description: None

Jung Shing Wire Co., Ltd.
Chairman: Wang Dongze