Stock Code:1617

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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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.

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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)

See accompanying notes to parent company only financial statements.

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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 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.

(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;

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

- 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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
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.

(Continued)

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.

(Continued)

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

(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.

(Continued)

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

(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

(Continued)

JUNG SHING WIRE CO., LTD.
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- 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.

(Continued)

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.

(Continued)

(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.

(Continued)

(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.

(Continued)

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

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.

(Continued)

(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.

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(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

(Continued)

(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:

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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		-

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	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

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(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.

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Notes to the Financial Statements

(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.

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(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.

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Notes to the Financial Statements

(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.

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(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**

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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**

(Continued)

JUNG SHING WIRE CO., LTD.
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(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)**

		2022	2021
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)%

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	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

(Continued)

JUNG SHING WIRE CO., LTD.
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(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**

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JUNG SHING WIRE CO., LTD.
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	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 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.

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Notes to the Financial Statements

(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

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JUNG SHING WIRE CO., LTD.
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(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

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(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).

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(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.

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(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**

(Continued)

(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.

(Continued)

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(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

(Continued)

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(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)	**Exchange rate**	**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.

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(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	**Fair value**			
	Amount	**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

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	December 31, 2022				
	Carrying	Fair value			
	Amount	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	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
	$ 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).

(Continued)

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.

(Continued)

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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**

(Continued)

(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	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.

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JUNG SHING WIRE CO., LTD.
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(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.

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(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:

	January 1, 2022	Cash flows	Non-cash changes: Amortized discounted	Non-cash changes: 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**

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	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

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(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**
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**

(Continued)

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	-	-

(Continued)

(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**	**-**

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

(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**	**-**

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

(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			2021		
	Cost of Sale	Operating Expense	Total	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.

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

(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		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)

(Continued)

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

(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: Shares/Units (thousands)	Ending Balance: Carrying value	Ending Balance: Percentage of ownership (%)	Ending Balance: Fair value	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	
〃	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 %	-	

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

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				Trading terms Transactions with terms different from others		Notes/trade receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/ sales	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/trade receivable (payable)	
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 %	

(Continued)

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

(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		Amounts received in subsequent period	Loss allowance
					Amount	Actions taken		
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		Balance as of December 31			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	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

(Continued)

JUNG SHING WIRE CO., LTD.
Notes to the 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:

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

(Continued)

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

(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.

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

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.

JUNG SHING WIRE CO., LTD.

Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Contents	Description	Amount of original currency	Exchange rates	Amount	Notes
Cash	Cash and cash on hand			$ 250	
Bank deposits	Checking account deposits			176	
	Demand deposits			73,949	
	USD deposit	USD2,579,173.07	30.71	79,207	
	Japanese currency deposits	JPY2,765,760.44	0.2324	643	
	EUR deposit	EUR26.61	32.72	1	
	Hong Kong dollar deposits	HKD2,600,358.49	3.938	10,240	
	RMB deposit	CNY246,655.41	4.408	1,087	
	Time deposit	USD2,200,000	30.71	67,562	Note
				$ 233,115	

Note:The maturity is 2023.3.16.

JUNG SHING WIRE CO., LTD.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

The name of financial instrument	Description	shares	Face value	Total amounts	Cost	Fair value Price	Fair value Total amounts
Stock:							
BIN CHUAN ENTERPRISE CO., LTD.	OTC	55,299	$10	553	1,200	22	1,217
BRIM Biotechnology, Inc.	Emerging	1,128,229	10	11,282	36,806	38.17	43,064
NEOFLEX TECHNOLOGY CO., LTD.	Privately owned	12,401	10	124	-	-	-
AMIT WIRELESS INC.	Privately owned	527,158	10	5,272	-	-	-
JINGYUE MICROWAVE INTEGRATED CIRCUIT MANUFACTURING CO., LTD.	Privately owned	35,316	10	353	-	-	-
					$ 38,006		$ 44,281
Funds:							
Eastspring Inv Trgt Mlt 3-6Y EM Bd	Open-end funds	10,000	-	-	3,082	USD 10.2120	3,136
Jih Sun Vietnam Opportunity Fund	Open-end funds	400,000	-	-	4,000	7.14	2,856
Jih Sun Global Innovative Technology Bond Fund	Open-end funds	1,000,000	-	-	10,000	9.4922	9,492
					$ 17,082		$ 15,484
					$ 55,088		**$ 59,765**

JUNG SHING WIRE CO., LTD.

Statement of notes receivable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Customer	Description	Amount
Related party：		
TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	Business	$ 11,463
Non-related party：		
DAH JIN TECHNOLOGY CO., LTD,	Business	8,406
SANTAI DENKI INDUSTRY CO., LTD.	〃	3,039
Hong Lu co.,Ltd.	〃	2,031
Summit Elec-Tech Co., Ltd.	〃	1,949
SHEN TIEN CO., LTD.	〃	1,198
Other (less than 5%)		6,676
		$ 34,762

Statement of trade receivables

Customer	Description	Amount
Related party：		
TAIWAN FURUKAWA MAGNET WIRE CO., LTD.	The receivables yielded by sales	$ 16,324
DONGGUAN JUNG SHING WIRE CO., LTD	〃	9,638
DONGGUAN JUNG SHING ELECTRONICS CO., LTD.	〃	8,498
JUNG SHING TECHNOLOGIES (Vietnam) CO., LTD.	〃	3,443
FURUKAWA MAGNET WIRE CO., LTD.	〃	1,946
JUNG SHING WIRE (SUZHOU) CO., LTD.	〃	1,929
		$ 41,778
Non-related party：		
CYNTEC ELECTRONICS(SUZHOU) CO., LTD	〃	$ 17,858
TRUE VOICE INT'L. INC	〃	15,041
SANYO DENKI TAIWAN CO., LTD.	〃	13,487
T.D.S.(DONG GUAN) Ltd.	〃	12,766
TOKYO PARTS TRADING COMPANY	〃	12,096
Other (less than 5%)		166,318
		$ 237,566

JUNG SHING WIRE CO., LTD.

Statement of other receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other receivables - related parties			
LONGSUN TECHNOLOGIES CO., LTD.	Electricity receivables and rental income	$ 399	
JUNG SHING TECHNOLOGIES COMPANY LIMITED	Electricity receivables, sales revenue and rental income	891	
tax refund receivable	Business tax refund receivable	3,231	
Income receivable	Estimate of scrap copper and aluminum wire	509	
Other	Interests receivable and payment on behalf of others	228	
		$ 5,258	

Statement of inventories

Item	Amount		Notes
	Costs	Market price	
Finished goods	$ 62,294	59,207	Market price under their Net realizable value
Work in progress	12,658	12,658	〃
Raw materials	59,171	53,938	〃
Supplies	1,925	1,925	〃
Less: Allowance for reduction of inventory to market	(8,320)		
Total	**$ 127,728**		

Note: The inventory listed above is not guaranteed or pledged.

JUNG SHING WIRE CO., LTD.

Summary statement of prepayments and other current assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	
Prepaid expenses	Interest and insurance	$	345
Other	Temporary debits and office supplies		542
		$	**887**

JUNG SHING WIRE CO., LTD.

Statement of changes in investments under equity method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning balance shares	Beginning balance Amount	Increases shares	Increases Amount	Net income (losses) of investee	Accumulation adjustments	Adjustment by other equity methods	Balance at December 31, 2022 shares	Balance at December 31, 2022 Percentage	Balance at December 31, 2022 Amount	Market price or P/B ratio Unit price($)	Market price or P/B ratio Total price	Pledge or guarantee
long-term investments under the equity method													
JUNG SHING INTERNATIONAL CO., LTD.(BVI)	48,045	$ 855,701	-	-	50,142	12,966	-	48,045	100.00 %	918,809	19,123.92	918,809	None
LONGSUN TECHNOLOGIES CO., LTD.	2,998,910	9,351	-	-	1,295	-	-	2,998,910	99.96 %	10,646	3.550	10,646	None
Lising International (MAURITIUS)	7,300,000	351,506	-	-	12,067	5,294	-	7,300,000	100.00 %	368,867	50.53	368,867	None
JUNG SHING TECHNOLOGIES (Vietnam) CO., LTD.	-	213,045	-	-	(15,317)	17,754	-	-	100.00 %	215,482	-	215,482	None
JUNG SHING TECHNOLOGIES COMPANY LIMITED	11,192,046	98,725	-	-	(28,950)	-	-	11,192,046	74.61 %	69,775	6.230	70,289	None
Total		$ 1,528,328		-	19,237	36,014	-			1,583,579			

Statement of changes in property, plant and equipment

Please refer to note 6(h) for details.

Statement of investment property

Please refer to note 6(i) for details.

JUNG SHING WIRE CO., LTD.

Statement of refundable deposits

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other	Guarantee deposit for golf membership fees	$ 10,148

Statement of other non-current assets

Item	Description	Amount
Other	Prepayments for equipment	$ 6,332

Statement of short-term borrowings

Type of loan	Description	Amount	Contract term	Annual interest rate	Unused credit lines	Collateral
Credit loans	Taishin International Bank	$ 97,500	111.12.14~112.01.13	1.69%	100,000	None
Credit loans	Taipei Fubon Bank	150,000	111.11.01~112.01.31	1.79%	150,000	None
Credit loans	CTBC Bank	150,000	111.11.28~112.03.15	1.56%~1.8%	150,000	None
Credit loans	Cooperative Bank	70,000	111.12.26~112.01.25	1.701%	160,000	None
	Total	$ 467,500				

JUNG SHING WIRE CO., LTD.

Statement of notes and trade payables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Customer	Description	Amount	Notes
Related party：			
CUPRIME MATERIAL CO.,LTD.	Business	$ 32,026	
DONGGUAN JUNG SHING WIRE CO., LTD	〃	25,765	
LONGSUN TECHNOLOGIES CO., LTD.	〃	2,943	
Furukawa Electric Co., Ltd.	〃	250	
		$ 60,984	
Non-related party：			
Walsin Lihwa Corp.	Business	$ 23,550	
Fu Pao Chemical Co., Ltd.	〃	18,536	
Yee Fong Chemical & Industrial Co., Ltd.	〃	11,758	
HUA ENG WIRE AND CABLE CO., LTD.	〃	4,550	
Other (less than 5%)		2,860	
		$ 61,254	

JUNG SHING WIRE CO., LTD.

Statement of other payables and other current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other payables to related parties	Receipts under custody for sub subsidiary	$ 4,509
Other payables：		
Salary and bonus payable	Salaries payable of December 2022, annual bonuses payables and payables in lieu of untaken annual leave	33,289
Utilities payable	Utilities payable of December 2022	3,025
Insurance expense payables	Labor and Health insurance payable for employees	2,445
Payable on machinery and equipment	Payable on construction, machinery and equipment	4,633
Remuneration payables to employees, directors, and supervisors	Remuneration payable to directors and supervisors	1,569
Other payables	Pension, labor, benefit and interest payable	13,583
		58,544
Total		**$ 63,053**
Other current liabilities：		
Other	Receipts under custody and temporary credits	**$ 5,420**

JUNG SHING WIRE CO., LTD.

Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

		Amount				
Creditor	**Description**	**current portion**	**Long term borrowings**	**Term of contract**	**Interest rate**	**Collateral**
O-Bank	The working capital repaid in installments from 2022.5.1 onwards	$ 24,800	36,600	109.5.28~114.5.1	1.7178%	None
O-Bank	The working capital repaid in installments from 2022.5.1 onwards	17,200	24,900	109.10.29~114.5.1	1.7178%	None
Total		**$ 42,000**	**61,500**			

JUNG SHING WIRE CO., LTD.

Statement of bonds payable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Bonds name	Guarantor	Trustee	Issuance date	Interest rate	Total amount	Transferred/ repayment paid	Balance	Unamortized Discount	Carrying value	Redemption	Collateral	Note
Third secured domestic convertible bonds	None	Taishin International Bank	111.3.2	0%	$ 200,000	-	200,000	(11,062)	188,938	Note 1	None	-

Note 1：Please refer to note6 (k).

JUNG SHING WIRE CO., LTD.

Statement of operating revenue

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount	
Enameled wire	1,505,568.91(kg)	$	500,605
Heat resistant wire	256,431.59(kg)		117,559
Self-bonding wire	698,417.68(kg)		332,873
Copper wire	460,578.89(kg)		140,611
Litz Wires	381,864.98(kg)		162,172
Special wire	95,072.07(kg)		154,482
Other			334
Subtotal			1,408,636
Merchandise - enameled wires	284,640.78(kg)		102,622
Merchandise - copper wires	453,555(kg)		125,822
Product - Heat resistant wire	82,316.57(kg)		27,882
Product - Self-bonding wire	18,976.79(kg)		9,608
Products - insulation lacquer, paint	710,600(kg)		75,646
Product - Other			1,917
Subtotal			343,497
Sales revenue		**$**	**1,752,133**

JUNG SHING WIRE CO., LTD.

Statement of operating costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning inventory of raw materials	$ 48,038
Add: Purchase of raw materials	1,175,471
Transfer in of Supplies	907
Transfer in of finished goods	127,514
Transfer scrap copper wires into warehouse	775
Less: Raw materials, December 31	59,171
Scrap copper wire for sale	66,637
Transfer of merchandise	125,470
Transfer of expenses	606
Disposal of inventory	94
Direct material consumption	1,100,727
Supplies, January 1	2,179
Add: Purchase of supplies	15,461
Processed material and re contributed	228
Gain on physical inventory	71
Less: Supplies, December 31	1,925
Transfer of expenses	25
Transfer of raw materials	907
Consumption of supplies for the period	15,082
Direct labor	63,856
Manufacturing overhead	192,233
Manufacturing cost	1,371,898
Add: Beginning WIP goods	16,842
Less: Work in process, December 31	12,658
Scrap copper wire is reduced to work in progress	775
Costs of finished goods	1,375,307
Add: Beginning finished goods	85,763
Less: Finished goods, December 31	62,294
Revenues from scrap copper wires	2,004
Transfer of raw materials	127,514
Transfer of expenses	319
Inventories loss	419
Disposal of inventory	12,256
Cost:	1,256,264
Add: Beginning merchandise	3,360
Purchase for the period	201,793
Transfer in of raw materials	125,470
Less: Ending merchandise	-
Transfer of assets	3,081
Cost of goods purchased and sold	327,542
Less: Scraps income	752
Add: Write-down of inventories	3,776
Loss on disposal of inventory	8,201
Inventories loss, net	348
Total operating costs	**$ 1,595,379**

JUNG SHING WIRE CO., LTD.

Statement of operating expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development expense
Wages and salaries	$ 24,492	61,376	8,297
Rent expense	247	-	-
Stationery supplies	54	49	-
Travel expenses	149	677	-
Inland Freight	1,554	-	-
Repairs and maintenance expense	522	1,553	-
Entertainment expense	343	2,919	-
Advertisement expense	342	-	-
Insurance expense	2,457	4,686	-
Donation	-	13,115	-
Taxes	225	1,091	-
Depreciation	154	5,232	-
Meals	853	1,076	-
Employee benefits	319	525	-
Export fees	7,341	-	-
Fuel costs	910	243	-
Professional service fees	-	3,318	-
Other	3,349	15,332	2,498
	$ 43,311	**111,192**	**10,795**

JUNG SHING WIRE CO., LTD.

Statement of non-operating income and expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(t) for the information of non-operating income and expenses in the parent company only financial statements.