

**FIRICH ENTERPRISES CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Firich Enterprises Co., Ltd.

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Firich Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Valuation of allowance for inventory valuation losses

Description

For the description of accounting policy on inventory valuation, please refer to Note 4(13). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(5). As of December 31, 2022, the Group's inventories and allowance for inventory valuation losses amounted to NT\$1,093,097 thousand and NT\$206,066 thousand, respectively.

Since the industry involves rapidly changing technology and were affected by market price, there was higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventories were measured at the lower of cost and net realisable value, and measured the net realisable value in accordance with historical data of inventory clearance in order to provide losses for inventories that were over a certain age. The Group's determination of net realisable value for inventories on balance sheet date involves subjective judgements and estimates which have a material effect on the financial statements. As a result, we determined the valuation of allowance for inventory valuation losses as one of the key audit matters for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures in relation to allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
2. Verified the appropriateness of system logic in inventory aging analysis report and net realised value report by using the system, and confirmed whether the report information was consistent with its policies.
3. Checked the appropriateness of estimate basis that was adopted for each net realised value, re-verified the information that we obtained like market price, purchase price, and historical information of inventory clearance, and recalculated and evaluated the reasonableness of the information used by management in determining allowance for inventory valuation losses.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of the subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$2,304,906 thousand and NT\$1,625,083 thousand, constituting 33.5% and 25.1% of consolidated total assets as at December 31, 2022 and 2021, respectively, and the operating revenue of NT\$325,314 thousand and NT\$249,534 thousand, constituting 12.0% and 9.8% of consolidated total operating revenue for the years then ended, respectively. Share of profit(loss) of associates and joint ventures accounted for using the equity method amounted to NT\$68,703 thousand and NT\$(34,680) thousand, constituting 11.6% and (53.2%) of consolidated total comprehensive income for the years ended December 31, 2022 and 2021, respectively.

Other matter - Parent company only financial statements

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Firich Enterprises Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Firich

Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 Firich Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Firich Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Firich Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements,

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,220,661	18	\$ 1,350,034	21
1150	Notes receivable, net	6(4)	557	-	-	-
1170	Accounts receivable, net	6(4)	478,570	7	521,164	8
1180	Accounts receivable - related parties	6(4) and 7	33,828	-	51,071	1
1200	Other receivables		26,932	-	45,583	1
1210	Other receivables - related parties	7	24,422	-	13,955	-
1220	Current tax assets	6(29)	488	-	28,742	-
130X	Inventories, net	6(5)	887,031	13	955,840	15
1410	Prepayments		63,674	1	48,954	1
1460	Non-current assets classified as held for sale, net	6(12)	36,549	1	-	-
1470	Other current assets		649	-	7,763	-
11XX	Current Assets		2,773,361	40	3,023,106	47
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	500,753	7	549,473	8
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	471,570	7	449,515	7
1550	Investments accounted for using the equity method	6(6)(11)	2,371,709	35	1,676,669	26
1600	Property, plant and equipment, net	6(7) and 8	301,910	4	340,033	5
1755	Right-of-use assets	6(8) and 7	77,123	1	26,700	-
1760	Investment property, net	6(9) and 8	-	-	8,599	-
1780	Intangible assets, net	6(10)	177,577	3	186,801	3
1840	Deferred income tax assets	6(29)	160,217	2	169,796	3
1900	Other non-current assets	6(13)	55,705	1	51,053	1
15XX	Non-current assets		4,116,564	60	3,458,639	53
1XXX	Total assets		\$ 6,889,925	100	\$ 6,481,745	100

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FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14) and 8	\$ 1,426,271	21	\$ 1,625,528	25
2130	Current contract liabilities	6(22) and 7	42,213	1	39,299	1
2170	Accounts payable		323,913	5	432,860	7
2180	Accounts payable - related parties	7	150	-	3,314	-
2200	Other payables		155,762	2	148,343	2
2220	Other payables - related parties	7	7,975	-	10,940	-
2230	Current income tax liabilities	6(29)	37,824	-	25,677	-
2280	Current lease liabilities	7	13,003	-	10,658	-
2300	Other current liabilities		153,809	2	37,842	1
21XX	Current Liabilities		2,160,920	31	2,334,461	36
Non-current liabilities						
2530	Bonds payable	6(15)	500,000	8	500,000	8
2570	Deferred income tax liabilities	6(29)	2,471	-	-	-
2580	Non-current lease liabilities		64,506	1	14,734	-
2600	Other non-current liabilities	6(16)	16,643	-	20,565	-
25XX	Non-current liabilities		583,620	9	535,299	8
2XXX	Total Liabilities		2,744,540	40	2,869,760	44
Equity attributable to owners of parent						
	Share capital	6(17)(18)				
3110	Share capital - common stock		2,960,915	43	2,775,315	43
	Capital surplus	6(19)				
3200	Capital surplus		1,115,833	16	1,325,054	20
	Retained earnings	6(20)				
3310	Legal reserve		189,170	3	174,380	3
3320	Special reserve		842,691	12	764,600	12
3350	Unappropriated retained earnings		318,318	5	147,909	2
	Other equity interest	6(21)				
3400	Other equity interest		(950,227)	(14)	(1,213,430)	(19)
3500	Treasury stocks	6(17)(18)	(372,478)	(6)	(388,632)	(6)
31XX	Equity attributable to owners of the parent		4,104,222	59	3,585,196	55
36XX	Non-controlling interest		41,163	1	26,789	1
3XXX	Total equity		4,145,385	60	3,611,985	56
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 6,889,925	100	\$ 6,481,745	100

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2022		2021	
Items		Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 2,714,971	100	\$ 2,554,581	100
5000	Operating costs	6(5)(17)(27)(28) and 7	(1,921,654)	(71)	(1,798,477)	(70)
5900	Operating margin		793,317	29	756,104	30
5910	Unrealised profit from sales		(635)	-	(1,300)	-
5920	Realised profit from sales		1,300	-	335	-
5950	Net operating margin		793,982	29	755,139	30
	Operating expenses	6(7)(8)(9)(10)(16) (17)(27)(28)				
6100	Selling expenses		(216,969)	(8)	(186,773)	(7)
6200	General and administrative expenses		(348,492)	(13)	(315,709)	(13)
6300	Research and development expenses		(73,815)	(2)	(82,472)	(3)
6450	Expected credit impairment losses	12(2)	(27,306)	(1)	(32,836)	(1)
6000	Total operating expenses		(666,582)	(24)	(617,790)	(24)
6900	Operating profit		127,400	5	137,349	6
	Non-operating income and expenses					
7100	Interest income	6(23)	6,509	-	2,141	-
7010	Other income	6(24)	9,120	-	11,185	1
7020	Other gains and losses	6(2)(11)(25)	196,842	7	97,831	4
7050	Finance costs	6(26)	(31,345)	(1)	(28,154)	(1)
7055	Expected credit impairment losses	12(2)	(3,593)	-	(16,912)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(6)	84,993	3	(22,879)	(1)
7000	Total non-operating income and expenses		262,526	9	43,212	2
7900	Profit before income tax		389,926	14	180,561	8
7950	Income tax expense	6(29)	(64,984)	(2)	(40,644)	(1)
8200	Profit for the year		\$ 324,942	12	\$ 139,917	7

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FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss) (Net)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(16)	\$ 4,001	-	\$ 1,121	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	22,955	1	7,043	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)(29)	(2,332)	-	21,420	1
8310	Components of other comprehensive income that will not be reclassified to profit or loss		24,624	1	29,584	1
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	243,866	9	(104,254)	(4)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		243,866	9	(104,254)	(4)
8300	Other comprehensive income (loss) for the year		\$ 268,490	10	(\$ 74,670)	(3)
8500	Total comprehensive income for the year		\$ 593,432	22	\$ 65,247	4
	Profit (loss), attributable to:					
8610	Owners of the parent		\$ 311,960	12	\$ 146,115	7
8620	Non-controlling interest		12,982	-	(6,198)	-
			\$ 324,942	12	\$ 139,917	7
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 579,522	21	\$ 71,877	4
8720	Non-controlling interest		13,910	1	(6,630)	-
			\$ 593,432	22	\$ 65,247	4
	Basic earnings per share					
9750	Basic earnings per share	6(30)	\$ 1.10		\$ 0.52	
	Diluted earnings per share					
9850	Diluted earnings per share	6(30)	\$ 1.10		\$ 0.51	

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Notes	Retained Earnings					Other equity interest		Treasury stocks	Total	Non-controlling interest	Total equity
	Share capital - common stock	Capital surplus -Total	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Year ended December 31, 2021											
Balance at January 1, 2021	\$ 2,775,315	\$ 1,454,004	\$ 386,229	\$ 764,600	(\$ 211,849)	(\$ 618,334)	(\$ 517,006)	(\$ 388,632)	\$ 3,644,327	\$ 31,361	\$ 3,675,688
Profit (loss) for the year	-	-	-	-	146,115	-	-	-	146,115	(6,198)	139,917
Other comprehensive income (loss)	6(21)	-	-	-	894	(103,822)	28,690	-	(74,238)	(432)	(74,670)
Total comprehensive income (loss)		-	-	-	147,009	(103,822)	28,690	-	71,877	(6,630)	65,247
Appropriation of 2020 accumulated deficits	6(20)	-	-	-	-	-	-	-	-	-	-
Legal reserve used to offset accumulated deficits		-	-	(211,849)	211,849	-	-	-	-	-	-
Cash dividends from capital surplus	6(19)	-	(132,271)	-	-	-	-	-	(132,271)	-	(132,271)
Change in ownership of subsidiaries	6(21)	-	-	-	(2,243)	185	-	-	(2,058)	2,058	-
Effect of changes in net equity of associates accounted for using the equity method	6(19)	-	3,321	-	-	-	-	-	3,321	-	3,321
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)(21)	-	-	-	3,143	-	(3,143)	-	-	-	-
Balance at December 31, 2021	\$ 2,775,315	\$ 1,325,054	\$ 174,380	\$ 764,600	\$ 147,909	(\$ 721,971)	(\$ 491,459)	(\$ 388,632)	\$ 3,585,196	\$ 26,789	\$ 3,611,985
Year ended December 31, 2022											
Balance at January 1, 2022	\$ 2,775,315	\$ 1,325,054	\$ 174,380	\$ 764,600	\$ 147,909	(\$ 721,971)	(\$ 491,459)	(\$ 388,632)	\$ 3,585,196	\$ 26,789	\$ 3,611,985
Profit for the year	-	-	-	-	311,960	-	-	-	311,960	12,982	324,942
Other comprehensive income	6(21)	-	-	-	3,201	242,938	21,423	-	267,562	928	268,490
Total comprehensive income		-	-	-	315,161	242,938	21,423	-	579,522	13,910	593,432
Distribution of 2021 retained earnings	6(20)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	14,790	(14,790)	-	-	-	-	-	-
Special reserve		-	-	78,091	(78,091)	-	-	-	-	-	-
Cash dividends		-	-	-	(53,029)	-	-	-	(53,029)	-	(53,029)
Cash dividends from capital surplus	6(19)	-	(26,514)	-	-	-	-	-	(26,514)	-	(26,514)
Stock dividends from capital surplus	6(19)	185,600	(185,600)	-	-	-	-	-	-	-	-
Treasury stocks transferred to employees	6(17)(18)(19)	-	2,893	-	-	-	-	16,154	19,047	464	19,511
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)(21)	-	-	-	1,158	-	(1,158)	-	-	-	-
Balance at December 31, 2022	\$ 2,960,915	\$ 1,115,833	\$ 189,170	\$ 842,691	\$ 318,318	(\$ 479,033)	(\$ 471,194)	(\$ 372,478)	\$ 4,104,222	\$ 41,163	\$ 4,145,385

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 389,926	\$ 180,561
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(7)(8)(9)(10)(27)	63,448	83,109
Expected credit impairment loss	12(2)	30,899	49,748
Provision for decline in market value and obsolescence of inventories	6(5)	21,941	24,765
Share-based payments compensation costs	6(17)	3,360	-
Gains on financial assets at fair value through profit or loss	6(2)(25)	(177,405)	(252,759)
Losses on disposal of investments	6(25)	-	838
Share of (profit) loss of associates and joint ventures accounted for using the equity method	6(6)	(84,993)	22,879
Loss on disposal of property, plant and equipment	6(25)	77	16
Gain on lease modification	6(8)	(471)	(287)
Impairment loss	6(6)(11)(25)	69,703	117,048
Interest income	6(23)	(6,509)	(2,141)
Interest expense	6(26)	31,345	28,154
Dividends income	6(24)	(2,201)	-
Unrealised profit from sales		635	1,300
Realised profit from sales		(1,300)	(335)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(557)	13
Accounts receivable, net		15,163	(69,959)
Accounts receivable, net - related parties		17,159	(23,321)
Other receivables		18,651	7,856
Other receivables - related parties		198	955
Inventories		42,777	(303,974)
Prepayments		(14,720)	19,004
Other current assets		7,114	(357)
Changes in operating liabilities			
Current contract liabilities		2,914	16,932
Accounts payable		(108,947)	239,900
Accounts payable - related parties		(3,164)	2,905
Other payables		7,419	33,018
Other payables - related parties		(2,965)	10,940
Other current liabilities		93	(12,006)
Cash inflow generated from operations		319,590	174,802
Interest received	6(23)	6,509	2,141
Interest paid		(29,373)	(22,838)
Income tax paid		(13,508)	(6,690)
Net cash flows from operating activities		283,218	147,415

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FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other receivables due from related parties	7	(\$ 11,695)	\$ 17,096
Increase in non-current financial assets at fair value through profit or loss		(7,663)	(45,560)
Proceeds from capital reduction of non-current financial assets at fair value through profit or loss		-	28,415
Proceeds from disposal of non-current financial assets at fair value through profit or loss		64,557	-
Increase in non-current financial assets at fair value through other comprehensive income		(768)	(2,668)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	1,668	4,286
Acquisition of investments accounted for using the equity method	6(6)	(337,800)	(5,854)
Acquisition of property, plant and equipment	6(7)	(13,816)	(33,016)
Proceeds from disposal of property, plant and equipment		2	-
Increase in advance receipts - disposal of assets		115,874	-
Acquisition of intangible assets	6(10)	(1,334)	(1,644)
(Increase) decrease in refundable deposits		(2,588)	2,839
Dividends received		7,263	6,270
Proceeds from liquidation of subsidiaries		-	13,950
Net cash flows used in investing activities		(186,300)	(15,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(31)	(203,089)	-
Increase in short-term borrowings	6(31)	-	30,515
Proceeds from treasury stocks acquired by employees	6(17)	16,151	-
Decrease in lease liabilities	6(31)	(17,587)	(14,282)
Cash dividends from capital surplus	6(19)	(26,514)	(132,271)
Repayments of long-term borrowings (including current portion)		-	(87,500)
Proceeds from issuance of corporate bonds	6(15)	-	500,000
Repayment of corporate bonds		-	(546,600)
Increase (decrease) in other non-current liabilities		79	(1,285)
Cash dividends paid	6(20)	(53,029)	-
Net cash flows used in financing activities		(283,989)	(251,423)
Effect of exchange rate changes on cash and cash equivalents		57,698	(44,218)
Net decrease in cash and cash equivalents		(129,373)	(164,112)
Cash and cash equivalents at beginning of year	6(1)	1,350,034	1,514,146
Cash and cash equivalents at end of year	6(1)	\$ 1,220,661	\$ 1,350,034

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

FIRICH ENTERPRISES CO., LTD AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Firich Enterprises Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) mainly engages in the assembly, manufacture, import and export of business oriented computer and its peripheral equipment.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 16, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC

Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture.

Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Firich Enterprises Co., Ltd.	Firich International Co., Ltd.	Investment holdings of overseas companies	100	100	
Firich Enterprises Co., Ltd.	AKAM Group B.V.	Supply of information software and electronic information and wholesale of computer and business machinery equipment	100	-	Note
Firich International Co., Ltd.	Firich (Hong Kong) International Co., Ltd.	Investment holdings of overseas companies	100	100	
Firich (Hong Kong) International Co., Ltd.	Crimson Technology (Shanghai) Inc.	International and entrepot trade	100	100	
Crimson Technology (Shanghai) Inc.	Shanghai Lisi Trading Co., Ltd.	Supply of information software and electronic information and wholesale and retail of computer and business machinery	100	100	
Firich International Co., Ltd.	Cai Rui Trading Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Firich International Co., Ltd.	Firich Investment Ltd.	Investment holdings of overseas companies	100	100	
Firich Investment Ltd.	Firich Information Technologies PVT Ltd.	Research and development of software and sale of computer peripherals	100	100	
Firich International Co., Ltd.	AKAM Group B.V.	Supply of information software and electronic information and wholesale of computer and business machinery equipment	-	100	Note
AKAM Group B.V.	AKAM Netherlands B.V.	Supply of information software and electronic information and wholesale of computer and business machinery equipment	100	100	
AKAM Group B.V.	AKAM Belgium BVBA	Supply of information software and electronic information and wholesale of computer and business machinery equipment	99	99	
AKAM Netherlands B.V.	AKAM Belgium BVBA	Supply of information software and electronic information and wholesale of computer and business machinery equipment	1	1	
Firich Enterprises Co., Ltd.	Firich USA Inc.	International and entrepot trade	100	100	
Firich Enterprises Co., Ltd.	Firich UK Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	82.50	82.50	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Firich Enterprises Co., Ltd.	TopRich Co., Ltd.	International and entrepot trade	100	100	
Firich Enterprises Co., Ltd.	Tiga Gaming Inc.	Wholesale and retail of information software	52.22	52.22	
TopRich Co., Ltd.	Tiga Gaming Inc.	Wholesale and retail of information software	1.74	1.74	
Tiga Gaming Inc.	Tiga Rus LLC	Information software service, wholesale and retail of computer and business machinery equipment	100	100	
Tiga Gaming Inc.	Link Triumph Co., Ltd.	Investment holdings of overseas companies	100	100	
Link Triumph Co., Ltd.	Dazhe Information Technology Co., (Shanghai) Ltd.	Supply of information software and electronic information and wholesale and retail of computer and business machinery equipment	100	100	
Crimson Technology (Shanghai) Inc.	Shuo Cai Technologies Corp.	Supply of information software and electronic information and wholesale and retail of computer and business machinery equipment	100	100	
Firich Enterprises Co., Ltd.	Firich Korea Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	100	100	

Note: Firich International Co., Ltd. sold 100% equity interest of AKAM Group B.V. to the Company on December 31, 2022. As a result, AKAM Group B.V. became a wholly-owned subsidiary of the Company. The aforementioned transaction pertains to a reorganisation and is accounted for using the book value method.

Certain non-significant subsidiaries included in consolidated financial statements were based on

the financial statements which were audited by other independent auditors. Total assets of these subsidiaries amounted to \$672,148 and \$255,658 as of December 31, 2022 and 2021, respectively, and net operating revenue of these subsidiaries amounted to \$325,314 and \$249,534 for the years then ended, respectively.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to \$41,163 and \$26,789, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest December 31, 2022		Non-controlling interest December 31, 2021	
		Amount	Ownership(%)	Amount	Ownership(%)
Tiga Gaming Inc.	Taiwan	\$ 34,441	46.04	\$ 20,718	46.04

Summarised financial information of the subsidiaries:

Balance sheets

	Tiga Gaming Inc.	
	December 31, 2022	December 31, 2021
Current assets	\$ 101,854	\$ 77,855
Non-current assets	7,764	9,956
Current liabilities	(34,088)	(42,069)
Non-current liabilities	(723)	(743)
Total net assets	\$ 74,807	\$ 44,999

Statements of comprehensive income

	Tiga Gaming Inc.	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 99,567	\$ 73,831
Profit(loss) before income tax	\$ 26,725	(\$ 18,216)
Profit(loss) for the year	\$ 26,723	(\$ 18,216)
Other comprehensive income(loss), net of tax	\$ 2,077	(\$ 410)
Total comprehensive income(loss) for the year	\$ 28,800	(\$ 18,626)

Statements of cash flows

	Tiga Gaming Inc.	
	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by(used in) operating activities	\$ 30,447	(\$ 11,245)
Net cash used in investing activities	(71)	(536)
Net cash used in financing activities	(905)	(4,369)
Effect of exchange rates on cash and cash equivalents	2,074	(409)
Increase(decrease) in cash and cash equivalents	31,545	(16,559)
Cash and cash equivalents, beginning of year	51,143	67,702
Cash and cash equivalents, end of year	<u>\$ 82,688</u>	<u>\$ 51,143</u>

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its

classification.

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value.
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime expected credit losses at each reporting date.

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using the equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a

change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 ~ 50 years
Machinery and equipment	2 ~ 7 years
Office equipment	2 ~ 5 years
Others	2 ~ 8 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(19) Intangible assets

A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3~5 years.

B. Customer relationship acquired in a business combination are recognised at fair value at acquisition date. Customer relationship is an assets with useful life, and are amortised on a straight-line basis over their finite useful lives of 5 years.

C. Goodwill arises in a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and those resulting from operating and non-operating activities.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

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

(25) Provisions

Provisions (including warranties, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. The Company and its domestic subsidiaries' additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Cash dividends are recorded as liabilities resolved by the Board of Directors in accordance with Article 240 of the amended Company Act and the Articles of Incorporation. Stock dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells business oriented computer and peripherals and wholesale and retail of liquor. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler'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 wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Services providing

- (a) The Group provides services relating to business oriented computer support and maintenance, information software and electronic information supply. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the period of actual service used relative to the total period of service to be provided. The

customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) Some contracts include multiple deliverables, such as the installation of hardware and software. In most cases, the installation is simple, does not include an integration service and could be performed by another supplier. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sales of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

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

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of

inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 4,345	\$ 4,558
Checking accounts and demand deposits	1,176,777	1,293,348
Time deposits	39,539	52,128
	<u>\$ 1,220,661</u>	<u>\$ 1,350,034</u>

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

B. The Group has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Emerging stocks	\$ 97,422	\$ -
Unlisted stocks	-	158,299
Open-end fund	-	3,000
	<u>97,422</u>	<u>161,299</u>
Valuation adjustment	403,331	388,174
	<u>\$ 500,753</u>	<u>\$ 549,473</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	<u>\$ 177,405</u>	<u>\$ 252,759</u>

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	\$ 651,119	\$ 650,351
Emerging stocks	60,742	6,488
Unlisted and unemerging stocks	299,132	353,896
	1,010,993	1,010,735
Valuation adjustment	(539,423)	(561,220)
	<u>\$ 471,570</u>	<u>\$ 449,515</u>

- A. The Group has elected to classify Summit Ascent Holding Limited and other equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$471,570 and \$449,515 as at December 31, 2022 and 2021, respectively.
- B. Aiming to satisfy the operating capital needs, the Group sold \$1,668 and \$4,286, respectively, of equity instruments at fair value and resulted in cumulative gains on disposal of \$1,158 and \$3,143, respectively, during the years ended December 31, 2022 and 2021.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

Equity instruments at fair value through other comprehensive income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Fair value change recognised in other comprehensive income	<u>\$ 22,955</u>	<u>\$ 7,043</u>
Cumulative gains reclassified to retaind earnings due to derecognition	<u>\$ 1,158</u>	<u>\$ 3,143</u>
Dividend income recognised in profit or loss		
Held at end of period	<u>\$ 840</u>	<u>\$ -</u>

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Notes and accounts receivable

A. Non-related parties

	December 31, 2022	December 31, 2021
Notes receivable	\$ 557	\$ -
Less: Allowance for doubtful accounts	-	-
	<u>\$ 557</u>	<u>\$ -</u>
	December 31, 2022	December 31, 2021
Accounts receivable	\$ 653,292	\$ 669,887
Less: Allowance for doubtful accounts	(174,722)	(148,723)
	<u>\$ 478,570</u>	<u>\$ 521,164</u>

B. Related parties

	December 31, 2022	December 31, 2021
Accounts receivable - related parties	\$ 33,912	\$ 51,071
Less: Allowance for doubtful accounts	(84)	-
	<u>\$ 33,828</u>	<u>\$ 51,071</u>

C. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2022	December 31, 2021
Not past due	\$ 331,915	\$ 356,114
Past due		
Up to 30 days	74,017	75,269
31 to 90 days	8,304	37,982
91 to 180 days	9,350	16,636
Over 181 days	89,369	86,234
	<u>\$ 512,955</u>	<u>\$ 572,235</u>

The above ageing analysis was based on past due date.

D. As of December 31, 2022 and 2021, accounts receivable (including related parties) and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables (including related parties) from contracts with customers and notes receivable amounted to \$511,387.

E. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents are notes and accounts receivable (including related parties) by the Group was \$512,955 and \$572,235, respectively.

F. The Group does not hold any collateral as security.

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

(5) Inventories

December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 627,233	(\$ 46,846)	\$ 580,387
Finished goods	465,864	(159,220)	306,644
	<u>\$ 1,093,097</u>	<u>(\$ 206,066)</u>	<u>\$ 887,031</u>

December 31, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 713,327	(\$ 65,014)	\$ 648,313
Finished goods	477,984	(170,457)	307,527
	<u>\$ 1,191,311</u>	<u>(\$ 235,471)</u>	<u>\$ 955,840</u>

The cost of inventories recognised as expense for the period:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cost of goods sold	\$ 1,892,591	\$ 1,764,996
Loss on decline in market value	21,941	24,765
(Gain) loss on physical inventory	(228)	107
Cost of goods sold	<u>\$ 1,914,304</u>	<u>\$ 1,789,868</u>

Allowance for inventory valuation loss had decreased as the Group continued to dispose obsolete inventories.

(6) Investments accounted for using the equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates:		
Oriental Regent Ltd.	\$ 1,121,078	\$ 943,679
Mcorporation Co., Ltd.(Note 2)	430,000	-
Beijing Intradak Systems Technology Co., Ltd.	183,378	170,330
LotRich Information Co., Ltd.	163,859	162,690
JIA HUA KANG JIAN Co., Ltd.(Note1)	97,022	-
FEC Italia S.r.l.	14,418	11,060
AquaLab Inc.	6,755	6,591
FEC Deutschland Gmbh	5,870	7,572
FEC Japan Co., Ltd.	5,492	5,492
Grab and Go Solutions, Inc.(Note1)	690	-
	<u>2,028,562</u>	<u>1,307,414</u>
Receivables for investments in associates -		
Associates :		
Oriental Regent Ltd.	<u>582,058</u>	<u>524,629</u>
	<u>2,610,620</u>	<u>1,832,043</u>
Less: Accumulated impairment	(<u>238,911</u>)	(<u>155,374</u>)
	<u>\$ 2,371,709</u>	<u>\$ 1,676,669</u>

Note 1: Investment of the Group newly added in the first quarter of 2022.

Note 2: The Group originally held 18% equity interest of Mcorporation Co., Ltd. and recorded as non-current financial assets at fair value through profit or loss. The Group additionally purchased 18.75% equity interest in the fourth quarter of 2022 and therefore directly held 36.75% equity interest. The Group is the single largest shareholder of Mcorporation Co., Ltd. Given that two other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of Mcorporation Co., Ltd., the Group has no control, but only has significant influence, over the investee and accounted for the investee using the equity method.

For the years ended December 31, 2022 and 2021, share of profit (loss) of associates and joint ventures accounted for using the equity method is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Associates:		
Oriental Regent Ltd.	\$ 71,517	(\$ 33,429)
Beijing Intradak Systems Technology Co., Ltd.	10,273	2,892
LotRich Information Co., Ltd.	6,231	5,624
JIA HUA KANG JIAN Co., Ltd.	(2,978)	-
FEC Italia S.r.l.	2,815	3,249
AquaLab Inc.	164	(1,251)
FEC Deutschland GmbH	(2,719)	36
FEC Japan Co., Ltd.	-	-
Grab and Go Solutions, Inc.	(310)	-
	<u>\$ 84,993</u>	<u>(\$ 22,879)</u>

A. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2022	December 31, 2021		
Oriental Regent Ltd.	Hong Kong	20%	20%	Financial investment	Equity method
Mcorporation Co., Ltd.	Korea	36.75%	18%	"	"
LotRich Information Co., Ltd.	Taiwan	30%	30%	Financial investment and lottery machine distributor	"
Beijing Intradak Systems Technology Co., Ltd.	Mainland China	20%	20%	"	"

- (b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Oriental Regent Ltd.	
	December 31, 2022	December 31, 2021
Current assets	\$ 3,111,661	\$ 2,288,872
Non-current assets	2,862,465	2,629,690
Current liabilities	(185,520)	(149,910)
Non-current liabilities	(101,710)	(106,021)
Non-controlling interests	(8,874)	(6,829)
Total net assets	<u>\$ 5,678,022</u>	<u>\$ 4,655,802</u>
Share in associate's net assets	\$ 1,252,188	\$ 1,036,142
Concession	450,948	432,166
Accumulated impairment	(174,155)	(105,474)
Carrying amount of the associate	<u>\$ 1,528,981</u>	<u>\$ 1,468,308</u>
	Mcorporation Co., Ltd.(Note)	
	December 31, 2022	December 31, 2021
Current assets	\$ 260,147	\$ -
Non-current assets	133,851	-
Current liabilities	(14,442)	-
Non-current liabilities	(59,909)	-
Total net assets	<u>\$ 319,647</u>	<u>\$ -</u>
Share in associate's net assets	\$ 121,363	\$ -
Intangible assets	21,746	-
Goodwill	286,891	-
Carrying amount of the associate	<u>\$ 430,000</u>	<u>\$ -</u>
	LotRich Information Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	\$ 436,343	\$ 466,372
Non-current assets	201,185	151,230
Current liabilities	(91,331)	(75,302)
Total net assets	<u>\$ 546,197</u>	<u>\$ 542,300</u>
Share in associate's net assets	\$ 163,859	\$ 162,690
Carrying amount of the associate	<u>\$ 163,859</u>	<u>\$ 162,690</u>

Beijing Intradak Systems Technology Co., Ltd.			
	December 31, 2022		December 31, 2021
Current assets	\$	426,434	\$ 384,762
Non-current assets		19,638	26,443
Current liabilities	(	86,544)	(103,894)
Non-current liabilities	(	333)	(4,312)
Total net assets	\$	359,195	\$ 302,999
Share in associate's net assets	\$	71,839	\$ 60,600
Goodwill		111,539	109,730
Accumulated impairment	(	59,264)	(44,408)
Carrying amount of the associate	\$	124,114	\$ 125,922

Statement of comprehensive income

Oriental Regent Ltd.			
	For the year ended December 31, 2022		For the year ended December 31, 2021
Revenue	\$	1,418,916	\$ 956,143
Profit (loss) for the year from continuing operations	\$	496,215	(\$ 37,112)
Total comprehensive income (loss)	\$	496,215	(\$ 37,112)

Mcorporation Co., Ltd.(Note)			
	For the year ended December 31, 2022		For the year ended December 31, 2021
Revenue	\$	209,437	\$ -
Profit for the year from continuing operations	\$	41,056	\$ -
Total comprehensive income	\$	41,056	\$ -

LotRich Information Co., Ltd.			
	For the year ended December 31, 2022		For the year ended December 31, 2021
Revenue	\$	215,202	\$ 217,104
Profit for the year from continuing operations	\$	20,770	\$ 18,748
Total comprehensive income	\$	20,770	\$ 18,748
Dividends received from the associate	\$	5,062	\$ 6,270

	Beijing Intradak Systems Technology Co., Ltd.	
	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue	\$ 398,591	\$ 376,974
Profit for the year from continuing operations	\$ 51,366	\$ 14,459
Total comprehensive income	\$ 51,366	\$ 14,459

Note: The Group accounted for Mcorporation Co., Ltd. using the equity method for the fourth quarter of 2022.

- (c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$124,755 and \$25,223, respectively.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit (loss) for the year from continuing operations	(\$ 3,028)	\$ 2,034
Other comprehensive income (loss) (net value after tax)	895	(1,891)
Total comprehensive income (loss)	(\$ 2,133)	\$ 143

- (d) Receivables for investments in associates are based on investment agreements. Loans to Oriental Regent Ltd. are based on the shareholding ratio of each shareholder and do not bear interest. The duration of the loans are 3 years and are renewable for another 3 years at the end of the term. If loans are not repaid at the end of the term, they are converted to ordinary shares based on the shareholding ratio of each shareholder. The conversion price is based on the consolidated net asset of the financial statements after adoption of IFRS. If shares are transferred during the life of loans, the loans should be transferred to the transferee based on the transfer ratio. Thus, the loans are considered as part of the long-term equity investments, as of December 31, 2022, the Group hold the ratio of shareholder loans issued by Oriental Regent Ltd. is 25%.
- (e) For the years ended December 31, 2022 and 2021, the Group's associate, Oriental Regent Ltd., recognised assumed interest expense at HK\$26,970 thousand and HK\$25,278 thousand for the abovementioned borrowings from shareholders, respectively. Nevertheless, the Group did not recognise interest expense given that the borrowings from shareholders were part of long-term equity investment. Meanwhile, the Group made adjustments to decrease relevant interest expense based on the Group's accounting policies when recognising the share of profit (loss) of associates and joint ventures accounted for using the equity method of Oriental Regent Ltd. As of December 31, 2022, the Group had received those borrowings lent to shareholders

amounting to \$476,005 (US\$ 15,500 thousand).

- (f) The Group acquired the licence which is recognised by the associate, Oriental Regent Ltd., amounting to US\$21,364 thousand, and the Group amortised the licence over the casino licence's estimated useful life. For the years ended December 31, 2022 and 2021, amortisation on licence both amounted to US\$929 thousand.
 - (g) The Group has assessed the value of its investee accounted for using the equity method, FEC Japan Co., Ltd. for the prior year, as impaired and the possibility for recovery was remote. Thus, accumulated impairment loss of \$5,492 was recognised as of December 31, 2022.
 - (h) The Group has assessed the value of its investee accounted for using equity method, Beijing Intradak Systems Technology Co., Ltd. for the years ended December 31, 2022 and 2021, as the recoverable amount is less than the carrying amount, the impairment loss was recognised. As of December 31, 2022 and 2021, the accumulated impairment loss of \$59,264 and \$44,408 was recognised, respectively.
 - (i) The Group has assessed the value of its investee accounted for using equity method, Oriental Regent Ltd. for the year ended December 31, 2022, as the recoverable amount is less than the carrying amount, thus, the impairment loss was recognised. As of December 31, 2022 and 2021, the accumulated impairment loss of \$174,155 and \$105,474 was recognised, respectively.
- B. For the years ended December 31, 2022 and 2021, the Group's investee company accounted for using the equity method was based on the investee's financial statements audited by other independent auditors. The share of profit of associates and joint ventures accounted for using the equity method for the years ended December 31, 2022 and 2021 amounted to \$68,703 and (\$34,680), respectively. As of December 31, 2022 and 2021, the related investment balance accounted for under the equity method was stated at \$2,062,758 and \$1,369,425, respectively.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Others		Total
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	
<u>At January 1, 2022</u>							
Cost	\$ 129,105	\$ 271,285	\$ 216,081	\$ 82,655	\$ 68,289	\$ 4,021	\$ 771,436
Accumulated depreciation	-	(111,209)	(199,249)	(64,036)	(54,038)	(2,871)	(431,403)
	<u>\$ 129,105</u>	<u>\$ 160,076</u>	<u>\$ 16,832</u>	<u>\$ 18,619</u>	<u>\$ 14,251</u>	<u>\$ 1,150</u>	<u>\$ 340,033</u>
<u>2022</u>							
Opening net book amount as at January 1	\$ 129,105	\$ 160,076	\$ 16,832	\$ 18,619	\$ 14,251	\$ 1,150	\$ 340,033
Additions	-	-	9,799	3,382	635	-	13,816
Disposals - cost	-	-	-	(648)	(542)	(255)	(1,445)
Disposals - accumulated depreciation	-	-	-	623	488	255	1,366
Reclassifications(Note)	-	(28,636)	-	-	-	278	(28,358)
Depreciation charge	-	(6,794)	(10,330)	(6,634)	(1,528)	(852)	(26,138)
Net exchange differences	734	1,332	202	375	(7)	-	2,636
Closing net book amount as at December 31	<u>\$ 129,839</u>	<u>\$ 125,978</u>	<u>\$ 16,503</u>	<u>\$ 15,717</u>	<u>\$ 13,297</u>	<u>\$ 576</u>	<u>\$ 301,910</u>
<u>At December 31, 2022</u>							
Cost	\$ 129,839	\$ 189,263	\$ 231,215	\$ 87,579	\$ 68,475	\$ 4,044	\$ 710,415
Accumulated depreciation	-	(63,285)	(214,712)	(71,862)	(55,178)	(3,468)	(408,505)
	<u>\$ 129,839</u>	<u>\$ 125,978</u>	<u>\$ 16,503</u>	<u>\$ 15,717</u>	<u>\$ 13,297</u>	<u>\$ 576</u>	<u>\$ 301,910</u>

Note : The reclassifications of buildings and structures refer to transfers to non-current assets held for sale.

	Land	Buildings and structures	Machinery	Office equipment	Others		Total
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	
<u>At January 1, 2021</u>							
Cost	\$ 130,574	\$ 284,267	\$ 203,928	\$ 74,474	\$ 68,287	\$ 3,741	\$ 765,271
Accumulated depreciation	-	(110,122)	(186,741)	(64,696)	(51,592)	(1,908)	(415,059)
	<u>\$ 130,574</u>	<u>\$ 174,145</u>	<u>\$ 17,187</u>	<u>\$ 9,778</u>	<u>\$ 16,695</u>	<u>\$ 1,833</u>	<u>\$ 350,212</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 130,574	\$ 174,145	\$ 17,187	\$ 9,778	\$ 16,695	\$ 1,833	\$ 350,212
Additions	-	-	15,022	17,355	358	281	33,016
Disposals - cost	-	-	(1,432)	(5,446)	-	(1)	(6,879)
Disposals - accumulated depreciation	-	-	1,432	5,430	-	1	6,863
Reclassifications	-	(3,818)	-	-	-	-	(3,818)
Depreciation charge	-	(8,388)	(15,330)	(7,911)	(2,558)	(964)	(35,151)
Net exchange differences	(1,469)	(1,863)	(47)	(587)	(244)	-	(4,210)
Closing net book amount as at December 31	<u>\$ 129,105</u>	<u>\$ 160,076</u>	<u>\$ 16,832</u>	<u>\$ 18,619</u>	<u>\$ 14,251</u>	<u>\$ 1,150</u>	<u>\$ 340,033</u>
<u>At December 31, 2021</u>							
Cost	\$ 129,105	\$ 271,285	\$ 216,081	\$ 82,655	\$ 68,289	\$ 4,021	\$ 771,436
Accumulated depreciation	-	(111,209)	(199,249)	(64,036)	(54,038)	(2,871)	(431,403)
	<u>\$ 129,105</u>	<u>\$ 160,076</u>	<u>\$ 16,832</u>	<u>\$ 18,619</u>	<u>\$ 14,251</u>	<u>\$ 1,150</u>	<u>\$ 340,033</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements — lessee

- A. The Group leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 24 to 120 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of office premises. On December 31, 2022 and 2021, the Group had no payments of lease commitments for short-term leases.
- C. The carrying amount of right-of-use assets and depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	<u>\$ 77,123</u>	<u>\$ 26,700</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	<u>\$ 17,448</u>	<u>\$ 17,405</u>

- D. For the years ended December 31, 2022 and 2021, the addition to right-of-use assets was \$64,594 and \$23,264, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 1,972</u>	<u>\$ 361</u>
Expense on short-term lease contracts	<u>\$ 16,760</u>	<u>\$ 15,855</u>

- F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases was \$34,347 and \$30,137, respectively.
- G. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$0 and \$287, respectively, in profit from lease modification (shown as '7020 Other gains and losses') for the years ended December 31, 2022 and 2021.

(9) Investment property

	<u>Buildings and structures</u>
<u>At January 1, 2022</u>	
Cost	\$ 23,245
Accumulated depreciation	(14,646)
	<u>\$ 8,599</u>
<u>2022</u>	
Opening net book amount as at January 1	\$ 8,599
Reclassifications(Note)	(8,032)
Depreciation charge	(739)
Net exchange differences	172
Closing net book amount as at December 31	<u>\$ -</u>
<u>At December 31, 2022</u>	
Cost	\$ -
Accumulated depreciation	-
	<u>\$ -</u>

Note: The reclassifications refer to transfers to non-current assets held for sale.

	<u>Buildings and structures</u>
<u>At January 1, 2021</u>	
Cost	\$ 13,098
Accumulated depreciation	(7,663)
	<u>\$ 5,435</u>
<u>2021</u>	
Opening net book amount as at January 1	\$ 5,435
Depreciation charge	3,818
Net exchange differences	(624)
Closing net book amount as at December 31	(30)
	<u>\$ 8,599</u>
<u>At December 31, 2021</u>	
Cost	
Accumulated depreciation	\$ 23,245
	(14,646)
	<u>\$ 8,599</u>

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

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Rental income from the investment property	<u>\$ 1,658</u>	<u>\$ 1,378</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 739</u>	<u>\$ 624</u>

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was \$0 and \$131,623, respectively, which was estimated based on the closing price in the neighbouring area and classified as Level 3 fair value.

C. Information about the investment property that were pledged to others as collaterals is provided in Note 8.

(10) Intangible assets

	Software	Goodwill	Customer relationship	Total
<u>At January 1, 2022</u>				
Cost	\$ 181,142	\$ 146,686	\$ 31,624	\$ 359,452
Accumulated amortisation	(144,587)	-	(28,064)	(172,651)
	<u>\$ 36,555</u>	<u>\$ 146,686</u>	<u>\$ 3,560</u>	<u>\$ 186,801</u>
<u>2022</u>				
Opening net book amount as at January 1	\$ 36,555	\$ 146,686	\$ 3,560	\$ 186,801
Additions	1,334	-	-	1,334
Disposals - cost	(59,698)	-	-	(59,698)
Disposals - accumulated amortisation	59,698	-	-	59,698
Amortisation charge	(15,561)	-	(3,562)	(19,123)
Net exchange differences	<u>2,341</u>	<u>6,222</u>	<u>2</u>	<u>8,565</u>
Closing net book amount as at December 31	<u>\$ 24,669</u>	<u>\$ 152,908</u>	<u>\$ -</u>	<u>\$ 177,577</u>
<u>At December 31, 2022</u>				
Cost	\$ 132,689	\$ 152,908	\$ -	\$ 285,597
Accumulated amortisation	(108,020)	-	-	(108,020)
	<u>\$ 24,669</u>	<u>\$ 152,908</u>	<u>\$ -</u>	<u>\$ 177,577</u>

	Software	Goodwill	Customer relationship	Total
<u>At January 1, 2021</u>				
Cost	\$ 187,121	\$ 163,279	\$ 32,538	\$ 382,938
Accumulated amortisation	(126,697)	-	(21,734)	(148,431)
	<u>\$ 60,424</u>	<u>\$ 163,279</u>	<u>\$ 10,804</u>	<u>\$ 234,507</u>
<u>2021</u>				
Opening net book amount as at January 1	\$ 60,424	\$ 163,279	\$ 10,804	\$ 234,507
Additions	1,644	-	-	1,644
Amortisation charge	(23,477)	-	(6,452)	(29,929)
Net exchange differences	(2,036)	(16,593)	(792)	(19,421)
Closing net book amount as at December 31	<u>\$ 36,555</u>	<u>\$ 146,686</u>	<u>\$ 3,560</u>	<u>\$ 186,801</u>
<u>At December 31, 2021</u>				
Cost	\$ 181,142	\$ 146,686	\$ 31,624	\$ 359,452
Accumulated amortisation	(144,587)	-	(28,064)	(172,651)
	<u>\$ 36,555</u>	<u>\$ 146,686</u>	<u>\$ 3,560</u>	<u>\$ 186,801</u>

Details of amortisation on intangible assets are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Operating costs	\$ 995	\$ 411
Selling expenses	3,673	3,381
General and administrative expenses	8,346	20,029
Research and development expenses	6,109	6,108
	<u>\$ 19,123</u>	<u>\$ 29,929</u>

Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2022	December 31, 2021
Computers and its peripherals	<u>\$ 152,908</u>	<u>\$ 146,686</u>

(11) Impairment of assets

- A. The Group recognised impairment loss for the years ended December 31, 2022 and 2021 amounting to \$69,703 and \$117,048, respectively. Details of such loss are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
	<u>Recognised in profit or loss</u>	<u>Recognised in profit or loss</u>
Impairment loss - investments accounted for using the equity method	\$ <u>69,703</u>	\$ <u>117,048</u>

- B. The impairment loss reported by operating segments is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
	<u>Recognised in profit or loss</u>	<u>Recognised in profit or loss</u>
Computers and its peripherals	\$ <u>69,703</u>	\$ <u>117,048</u>

- C. The recoverable amounts of the Group's investments accounted for using the equity method, Beijing Intradak Systems Technology Co., Ltd. and Oriental Regent Ltd. were lower than their carrying amounts under the Group's assessment, therefore, the Group recognised impairment loss amounting to \$69,703 and \$117,048, respectively, for the years ended December 31, 2022 and 2021.
- D. For the years ended December 31, 2022 and 2021, the above recoverable amount was determined based on the fair value. The calculation was based on the income approach and considered using pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The main assumptions used in calculating value in use are set out below:

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	<u>Growth rate</u>	<u>Discount rate</u>	<u>Growth rate</u>	<u>Discount rate</u>
Beijing Intradak Systems Technology Co., Ltd.	2.50%	12.00%	3.00%	11.71%
Oriental Regent Ltd.	2.00%	20.31%	2.00%	20.42%

The Group's goodwill is allocated to cash-generating units identified according to operating segment and tested annually for impairment. The recoverable amount was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount of all cash-generating units calculated using the value-in-use on December 31, 2022 and 2021 exceeded their carrying amount, so goodwill was not impaired. The key assumptions used

for value-in-use calculations are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
	Discount rate	Discount rate
Computers and its peripherals	8.79%	8.97%

(12) Non-current assets held for sale

On September 9, 2022, the Group's Board of Directors approved to sell property, plant and equipment and investment property. The transaction was expected to be completed in January 2023. The carrying amount of the non-current assets held for sale on December 31, 2022 was \$36,549.

A. Non-current assets held for sale:

	December 31, 2022	December 31, 2021
Property, plant and equipment	\$ 28,543	\$ -
Investment property	8,006	-
	<u>\$ 36,549</u>	<u>\$ -</u>

B. There was no impairment loss that shall be recognised as a result of the remeasurement of the non-current assets held for sale at the lower of it's carrying amount or fair value less costs to sell.

C. The Group completed the transfer on January 1, 2023 and disposed the non-current assets held for sale. The disposal proceeds amounted to RMB 56,500 thousand.

(13) Other non-current assets

	December 31, 2022	December 31, 2021
Refundable deposits	\$ 19,277	\$ 24,108
Overdue receivables	36,428	26,945
	<u>\$ 55,705</u>	<u>\$ 51,053</u>

A. The Group's subsidiary, Firich International Co., Ltd., sold its 100% reinvested subsidiary, Global Crossing Holding Ltd. to Crystal Advantage Co., Ltd. in September 2011 at an estimated selling price based on Global Crossing's latest financial statements audited by other independent auditors and appraisal reports by valuation experts. Referring to the transaction price the selling price was US\$24 million and loss on disposal of US\$360 thousand was recognised. Starting from December 15, 2012 to December 15, 2017, the proceeds from the sale shall be collected in 6 installments and is recorded as 'other non-current assets' and 'other receivables. As of December 31, 2022, Firich International Co., Ltd. had collected US\$19,700 thousand, and outstanding balance was US\$4,300 thousand.

B. The uncollected accounts receivable mentioned in item B was US\$4,300 thousand. On March 20, 2017 and December 20, 2018, the Group signed supplementary agreements with Crystal Advantage Co., Ltd through the subsidiary, Firich International Co., Ltd. The agreements stated that both parties agreed to extend to collect the balance of aforementioned accounts receivable before December 31, 2020. Crystal Advantage Co., Ltd. provided foreign listed stocks as collaterals for the accounts receivable in full amount, and the Group shall sell the collateral in

separate times to recover the remaining accounts receivable. As of December 31, 2022, the Group had assessed the outstanding amount of \$132,053, which was reclassified to overdue receivables to collect and manage continuously and recorded an allowance for loss of \$95,625. The remaining amount of \$36,428 was secured by full collateral.

C. Details of installment accounts receivable incurred from aforementioned disposal are as follows:

	December 31, 2022	December 31, 2021
Overdue receivables	\$ 132,053	\$ 119,024
Less: Allowance for uncollectible accounts (shown as “other non-current assets”)	(95,625)	(92,079)
	<u>\$ 36,428</u>	<u>\$ 26,945</u>

D. Information relating to credit risk on long-term installment accounts receivable is provided in Note 12(2).

(14) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings			
Taiwan	\$ 790,000	1.601%~2.164%	None
Others	166,271	3.038%~6.606%	”
Secured borrowings			
Taiwan	470,000	1.775%~1.990%	Note 1
	<u>\$ 1,426,271</u>		
Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings			
Taiwan	\$ 1,040,000	1.000%~1.259%	None
Others	150,356	2.155%~2.368%	”
Secured borrowings			
Taiwan	380,000	1.000%~1.100%	Note 1
Others	55,172	4.500%	Note 1、2
	<u>\$ 1,625,528</u>		

Note 1 : Property, plant and equipment - land and buildings.

Note 2 : Investment property - buildings.

(15) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	\$ 500,000	\$ 500,000
Less : Discount on bonds payable	-	-
	<u>\$ 500,000</u>	<u>\$ 500,000</u>

The terms of the first-time secured corporate bond in 2021 issued by the Company are as follows:

The Company issued \$500,000, 0.62% the first domestic secured corporate bonds, as approved by the regulatory authority. The bonds mature five years from the issue date (June 15, 2021 ~ June 15, 2026) and will be redeemed in cash at face value at the maturity date.

(16) Pensions

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 26,418)	(\$ 28,791)
Fair value of plan assets	<u>18,242</u>	<u>16,614</u>
Net defined benefit liability	<u>(\$ 8,176)</u>	<u>(\$ 12,177)</u>

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

	Present value of defined <u>benefit obligations</u>	Fair value of <u>plan assets</u>	Net defined <u>benefit liability</u>
2022			
Balance at January 1	(\$ 28,791)	\$ 16,614	(\$ 12,177)
Current service cost	(72)	-	(72)
Interest (expense) income	(190)	107	(83)
	<u>(29,053)</u>	<u>16,721</u>	<u>(12,332)</u>
Remeasurements:			
Return on plan assets	-	1,366	1,366
Change in demographic assumptions	2	-	2
Change in financial assumptions	1,608	-	1,608
Experience adjustments	<u>1,025</u>	<u>-</u>	<u>1,025</u>
	2,635	1,366	4,001
Pension fund contribution	-	155	155
Balance at December 31	<u>(\$ 26,418)</u>	<u>\$ 18,242</u>	<u>(\$ 8,176)</u>

	Present value of defined <u>benefit obligations</u>	Fair value of <u>plan assets</u>	Net defined <u>benefit liability</u>
2021			
Balance at January 1	(\$ 30,975)	\$ 17,677	(\$ 13,298)
Current service cost	(74)	-	(74)
Interest (expense) income	(107)	62	(45)
	<u>(31,156)</u>	<u>17,739</u>	<u>(13,417)</u>
Remeasurements:			
Return on plan assets	-	284	284
Change in demographic assumptions	(91)	-	(91)
Change in financial assumptions	1,070	-	1,070
Experience adjustments	<u>(142)</u>	<u>-</u>	<u>(142)</u>
	837	284	1,121
Pension fund contribution	-	119	119
Paid pension	<u>1,528</u>	<u>(1,528)</u>	<u>-</u>
Balance at December 31	<u>(\$ 28,791)</u>	<u>\$ 16,614</u>	<u>(\$ 12,177)</u>

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

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rate	1.30%	0.70%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021.

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

	Discount rate		Future salary increases	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 630)	\$ 653	\$ 640	(\$ 621)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 738)	\$ 767	\$ 747	(\$ 723)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the

balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$653.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	3,387
1-2 year(s)		797
2-5 years		2,583
Over 5 years		23,200
	\$	<u>29,967</u>

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Crimson Technology (Shanghai) Inc., Cai Rui Trading Co., Ltd., Dazhe Information Technology Co., (Shanghai) Ltd. and Shuo Cai Technologies Corp. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the years ended December 31, 2022 and 2021 were both 16%~20%. Other than the monthly contributions, the Group has no further obligations.

(c) Firich Korea Co., Ltd., FEC UK CO., Ltd., AKAM Group B.V., AKAM Netherlands B.V., Firich USA Inc. and Tiga Rus LLC have a defined contribution plan. Monthly contributions to an independent fund administered by The National Pension Service of Korea, Aviva plc, Nationale-Nederlanden Levensverzekering Maatschappij N.V., Automatic Data Processing Inc. and Government of the Russian Federation in accordance with local pension regulations are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2022 and 2021 were \$15,856 and \$16,253, respectively.

(17) Share-based payment

A. For the year ended December 31, 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stocks transferred to employees	2022.01.14	600,000	Not applicable	Vested immediately

(a) The share-based payment arrangements above are settled by equity.

(b) The Company had no share-based payment for the year ended December 31, 2021.

B. Details of the share-based payment arrangements are as follows:

	2022	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	600,000	27
Options exercised	(600,000)	27
Options outstanding at December 31	-	\$ -
Options exercisable at December 31	-	\$ -

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2022 was \$32.34 (in dollars).

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Treasury stocks transferred to employees	2022.01.14	\$ 33	\$ 27	34.97%	0.09 year	-	0.02%	\$ 5.60

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2022
Equity-settled	\$ 3,360

(18) Share capital

A. As of December 31, 2022, the Company's authorised capital was \$4,000,000, consisting of 400 million shares of ordinary stock, and the paid-in capital was \$2,960,915 with a par value of \$10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2022 (Note)	2021 (Note)
At January 1	264,543	264,543
Treasury stocks transferred to employees	600	-
Capitalisation of capital surplus	18,560	-
At December 31	283,703	264,543

Note: Each unit refers to one thousand shares.

B. Treasury stock

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	12,389 thousand	\$ 372,478

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	12,989 thousand	\$ 388,632

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(19) Capital surplus

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

For the year ended December 31, 2022							
	Share premium	Expired stock options	Treasury share transactions	Net change in equity of associates	Stock options	Other	Total
At January 1	\$ 1,302,989	\$ 14,534	\$ -	\$ 7,215	\$ -	\$ 316	\$ 1,325,054
Treasury stocks transferred to employees	-	-	2,893	-	-	-	2,893
Capitalisation of capital surplus	(185,600)	-	-	-	-	-	(185,600)
Capital surplus used to issue cash to shareholders	(26,514)	-	-	-	-	-	(26,514)
At December 31	<u>\$ 1,090,875</u>	<u>\$ 14,534</u>	<u>\$ 2,893</u>	<u>\$ 7,215</u>	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 1,115,833</u>

For the year ended December 31, 2021							
	Share premium	Expired stock options	Treasury share transactions	Net change in equity of associates	Stock options	Other	Total
At January 1	\$ 1,435,260	\$ 1,293	\$ -	\$ 3,894	\$ 13,241	\$ 316	\$ 1,454,004
Capital surplus used to issue cash to shareholders	(132,271)	-	-	-	-	-	(132,271)
Recognition of change in equity of associates in portion to the Company's ownership	-	-	-	3,321	-	-	3,321
Expired stock options	-	13,241	-	-	(13,241)	-	-
At December 31	<u>\$ 1,302,989</u>	<u>\$ 14,534</u>	<u>\$ -</u>	<u>\$ 7,215</u>	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 1,325,054</u>

On June 29, 2022, the shareholders of the Company during their meeting resolved to issue cash to shareholders from capital surplus in the amount of \$26,514 (\$0.1 (in dollars) per share) and 18,560 thousand common shares from capital surplus in the amount of \$185,600 (\$0.7 (in dollars) per share). On May 5, 2021, the Board of Directors proposed and approved a capital surplus distribution of \$132,271 with a par value of \$0.5 (in dollars) per share after the shareholders' approval of the deficit compensation for the year ended December 31, 2020. On July 30, 2021, the Company's deficit compensation for the year ended December 31, 2020 has been resolved by the shareholders, and the chairman of the Board of Directors set the effective date for the distribution of cash from capital surplus on September 28, 2021.

(20) Retained earnings

- A. The Company is currently in the stage of corporate growth. In the future, in accordance with its business expansion and capital needs, the Board of Directors will draw up a distribution plan, which will be distributed after the resolution at the shareholders' meeting.

In accordance with Article 240 paragraph 5 of the Company Act, the Company authorized that the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

The annual net earnings after final account, if any, shall be apportioned in the following order:

- (a) Payment of taxes and duties;
- (b) Covering prior years' accumulated deficit, if any;
- (c) Set aside 10% of the remaining amount as legal reserve and
- (d) Set aside a certain amount as special reserve, if any.

The remaining amount plus prior years' retained earnings shall be distributed as stockholders' bonus for 10% to 100% (including cash dividends that shall account for at least 10%), taking into account the capital budget and financial plan.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. On July 29, 2022, the shareholders have resolved the appropriation of earnings for the year ended December 31, 2021 is as follows:

	For the year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Appropriation of legal reserve	\$ 14,790	
Appropriation of special reserve	78,091	
Cash dividends	53,029	\$ 0.20
	<u>\$ 145,910</u>	

E. On May 5, 2021, the Board of Directors resolved not to distribute earnings but to distribute cash by capital surplus, please refer to Note 6(19) for details. On July 30, 2021, the shareholders have resolved the deficit compensation for the year ended December 31, 2020. The Company offset losses by legal reserve of \$211,849.

(21) Other equity interest

	For the year ended December 31, 2022		
	Unrealised (losses) gains on valuation	Currency translation	Total
At January 1	(\$ 491,459)	(\$ 721,971)	(\$ 1,213,430)
Revaluation	22,955	-	22,955
Revaluation - tax	(1,532)	-	(1,532)
Revaluation transferred to retained earnings, net	(1,158)	-	(1,158)
Currency translation differences	-	242,938	242,938
At December 31	<u>(\$ 471,194)</u>	<u>(\$ 479,033)</u>	<u>(\$ 950,227)</u>

	For the year ended December 31, 2021		
	Unrealised (losses) gains on valuation	Currency translation	Total
At January 1	(\$ 517,006)	(\$ 618,334)	(\$ 1,135,340)
Revaluation	7,043	-	7,043
Revaluation - tax	21,647	-	21,647
Revaluation transferred to retained earnings, net	(3,143)	-	(3,143)
Currency translation differences	-	(103,822)	(103,822)
Transfers of the Group's reorganisation	-	185	185
At December 31	<u>(\$ 491,459)</u>	<u>(\$ 721,971)</u>	<u>(\$ 1,213,430)</u>

(22) Operating revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from contracts with customers	\$ 2,714,971	\$ 2,554,581

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions :

	Taiwan	Europe and America region	Mainland China and other Asia region			
	Computers and its peripherals	Computers and its peripherals	Computers and its peripherals	Liquor wholesale	Eliminated by consolidation	Total
<u>2022</u>						
Revenue from external customer contracts	\$ 49,986	\$ 1,685,652	\$ 1,055,803	\$ 5,433	(\$ 81,903)	\$ 2,714,971
Inter-segment revenue	69,358	328,507	50,910	5,432	(454,207)	-
Total segment revenue	<u>\$ 119,344</u>	<u>\$ 2,014,159</u>	<u>\$ 1,106,713</u>	<u>\$ 10,865</u>	<u>(\$ 536,110)</u>	<u>\$ 2,714,971</u>
Timing of revenue recognition						
At a point in time	\$ 63,811	\$ 1,986,694	\$ 1,094,833	\$ 10,865	(\$ 494,890)	\$ 2,661,313
Over time	55,533	27,465	11,880	-	(41,220)	53,658
	<u>\$ 119,344</u>	<u>\$ 2,014,159</u>	<u>\$ 1,106,713</u>	<u>\$ 10,865</u>	<u>(\$ 536,110)</u>	<u>\$ 2,714,971</u>
<u>2021</u>						
Revenue from external customer contracts	\$ 50,645	\$ 1,510,480	\$ 1,006,822	\$ 23,472	(\$ 36,838)	\$ 2,554,581
Inter-segment revenue	40,845	344,333	153,653	29,150	(567,981)	-
Total segment revenue	<u>\$ 91,490</u>	<u>\$ 1,854,813</u>	<u>\$ 1,160,475</u>	<u>\$ 52,622</u>	<u>(\$ 604,819)</u>	<u>\$ 2,554,581</u>
Timing of revenue recognition						
At a point in time	\$ 51,046	\$ 1,837,968	\$ 1,149,854	\$ 52,622	(\$ 575,705)	\$ 2,515,785
Over time	40,444	16,845	10,621	-	(29,114)	38,796
	<u>\$ 91,490</u>	<u>\$ 1,854,813</u>	<u>\$ 1,160,475</u>	<u>\$ 52,622</u>	<u>(\$ 604,819)</u>	<u>\$ 2,554,581</u>

B. Contract liabilities

(a) Revenue recognised that was included in the contract liability balance at the beginning of the year

	For the year ended December 31, 2022	For the year ended December 31, 2021
Contract liabilities - advanced sales receipts	\$ 38,566	\$ 22,074

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities - advanced sales receipts	\$ 42,313	\$ 39,299	\$ 22,367

(23) Interest income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income from bank deposits	\$ 6,212	\$ 1,932
Other interest income	297	209
	<u>\$ 6,509</u>	<u>\$ 2,141</u>

(24) Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Rental revenue	\$ 1,658	\$ 1,378
Dividend income	2,201	-
Other income	5,261	9,807
	<u>\$ 9,120</u>	<u>\$ 11,185</u>

(25) Other gains and losses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Gains on financial assets at fair value through profit	\$ 177,405	\$ 252,759
Foreign exchange gains (losses)	90,601	(28,333)
Losses on disposal of property, plant and equipment	(77)	(16)
Losses on disposal of investments	-	(838)
Impairment losses	(69,703)	(117,048)
Other losses	(1,384)	(8,693)
	<u>\$ 196,842</u>	<u>\$ 97,831</u>

(26) Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense :		
Bank borrowings	\$ 26,273	\$ 22,838
Corporate bonds	3,100	1,679
Lease liabilities	1,972	361
Convertible bonds	-	3,276
	<u>\$ 31,345</u>	<u>\$ 28,154</u>

(27) Expenses by nature

	For the year ended December 31, 2022	For the year ended December 31, 2021
Change in inventory of finished goods and work in progress, raw materials and supplies used	\$ 1,723,023	\$ 1,625,200
Employee benefit expenses	419,091	415,590
Expected credit impairment losses	27,306	32,836
Depreciation charges on property, plant and equipment	26,138	35,151
Depreciation charges on right-of-use assets	17,448	17,405
Rental expenses	16,760	15,855
Transportation expenses	12,664	11,186
Amortisation charges on intangible assets	19,123	29,929
Depreciation charges on investment property	739	624
Other expenses	325,944	232,491
	<u>\$ 2,588,236</u>	<u>\$ 2,416,267</u>

(28) Employee benefit expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Wages and salaries	\$ 364,484	\$ 334,804
Labor and health insurance fees	29,229	28,367
Pension costs	16,011	16,372
Other personnel expenses	9,367	36,047
	<u>\$ 419,091</u>	<u>\$ 415,590</u>

- A. In accordance with the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 1% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved.
- B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$19,418 and \$9,260, respectively; while directors' remuneration was accrued at \$1,942 and \$926, respectively. The aforementioned amounts were recognised in salary expenses.
- For the year ended December 31, 2022, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 0.5% of distributable profit of current year as of the end of reporting period. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$19,418 and \$1,942, and the employees'

compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

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

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax:		
Current tax on profits for the year	\$ 50,313	\$ 30,899
Prior year income tax under estimation	4,954	-
Total current tax	55,267	30,899
Deferred tax:		
Origination and reversal of temporary differences	9,717 (	4,429)
Originated and reversal of taxable loss	-	14,174
Total deferred tax	9,717	9,745
Income tax expense	\$ 64,984	\$ 26,470

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 1,532	(\$ 21,647)
Remeasurement of defined benefit obligations	800	227
	\$ 2,332	(\$ 21,420)

B. Reconciliation between income tax expense and accounting profit or loss.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Tax calculated based on profit or loss before tax and statutory tax rate (Note)	\$ 58,859	\$ 24,306
Effects from items disallowed by tax regulation	1,752	36,943
Tax exempt income by tax regulation	(21,513)	(48,880)
Prior year income tax under estimation	4,954	-
Assessment of realisation of deferred tax assets	(8,705)	5,972
Temporary differences not recognised as deferred tax assets	4,729	14,288
Taxable loss not recognised as deferred tax assets	24,803	8,015
Effect from Alternative Minimum Tax		
Impact of change in the tax rate on temporary differences between current year and the year realised	105	-
Income tax expense	<u>\$ 64,984</u>	<u>\$ 40,644</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

For the year ended December 31, 2022					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect of exchange rate changes	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for obsolescence and market value decline	\$ 6,097	(\$ 3,467)	\$ -	\$ -	\$ 2,630
Over provision of allowance for doubtful accounts	18,773	(4,399)	-	-	14,374
Unrealised gross profit - Group	-	1,806	-	-	1,806
Unrealised gross profit - Subsidiaries	11,178	473	-	-	11,651
Unrealised expenses	4,603	10	(800)	(1)	3,812
Unrealised foreign exchange loss	1,877	(1,877)	-	-	-
Overseas investment losses	12,761	906	-	-	13,667
Unrealised loss on financial instruments	109,758	-	(1,532)	-	108,226
Deferred revenue	3,907	(698)	-	-	3,209
Others	842	-	-	-	842
	<u>169,796</u>	<u>(7,246)</u>	<u>(2,332)</u>	<u>(1)</u>	<u>160,217</u>
	<u>\$ 169,796</u>	<u>(\$ 7,246)</u>	<u>(\$ 2,332)</u>	<u>(\$ 1)</u>	<u>\$ 160,217</u>
-Deferred tax assets:					
Unrealised foreign exchange gain	\$ -	(\$ 2,471)	\$ -	\$ -	(\$ 2,471)

For the year ended December 31, 2021					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for obsolescence and market value decline	\$ 6,162	(\$ 65)	\$ -	\$ -	\$ 6,097
Over provision of allowance for doubtful accounts	18,799	(26)	-	-	18,773
Unrealised gross profit	8,427	2,751	-	-	11,178
Unrealised expenses	4,831	(5)	(227)	4	4,603
Unrealised foreign exchange loss	3,715	(1,838)	-	-	1,877
Overseas investment losses	12,761	-	-	-	12,761
Unrealised loss on financial instruments	88,406	(295)	21,647	-	109,758
Deferred revenue	-	3,907	-	-	3,907
Others	842	-	-	-	842
	143,943	4,429	21,420	4	169,796
Tax losses	14,174	(14,174)	-	-	-
	<u>\$ 158,117</u>	<u>(\$ 9,745)</u>	<u>\$ 21,420</u>	<u>\$ 4</u>	<u>\$ 169,796</u>

D. Expiration dates of unused tax losses are as follows:

December 31, 2022				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014	28,334	28,334	28,334	2024
2015	62,338	62,338	62,338	2025
2016	15,080	15,080	15,080	2026
2017	278	278	278	2027
2020	52,003	21,112	21,112	2030
2021	34,899	34,899	34,899	2031
December 31, 2021				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011	\$ 4,115	\$ 4,115	\$ 4,115	2021
2014	28,334	28,334	28,334	2024
2015	62,338	62,338	62,338	2025
2016	15,080	15,080	15,080	2026
2017	278	278	278	2027
2020	52,003	21,112	21,112	2030
2021	31,166	31,166	31,166	2031

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

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ 509,618	\$ 486,134

(30) Earnings per share

For the year ended December 31, 2022			
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 311,960	283,674	\$ 1.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 311,960	283,674	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	764	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 311,960	284,438	\$ 1.10
For the year ended December 31, 2021			
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 146,115	283,060	\$ 0.52
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 146,115	283,060	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	283	
Convertible bonds	2,621	5,643	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 148,736	288,986	\$ 0.51

(31) Changes in liabilities from financing activities

For the year ended December 31, 2022					
	Short-term borrowings	Long-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,625,528	\$ -	\$ 500,000	\$ 25,392	\$ 2,150,920
Changes in cash flow from financing activities	(203,089)	-	-	(17,587)	(220,676)
Impact of changes in foreign exchange rate	3,832	-	-	3,609	7,441
Interest expense	-	-	-	1,972	1,972
Additions	-	-	-	64,594	64,594
Profit from lease modification	-	-	-	(471)	(471)
At December 31	<u>\$ 1,426,271</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 77,509</u>	<u>\$ 2,003,780</u>
For the year ended December 31, 2021					
	Short-term borrowings	Long-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,597,174	\$ 87,500	\$ 543,324	\$ 16,861	\$ 2,244,859
Changes in cash flow from financing activities	30,515	(87,500)	(46,600)	(14,282)	(117,867)
Impact of changes in foreign exchange rate	(2,161)	-	-	(525)	(2,686)
Interest expense	-	-	3,276	361	3,637
Additions	-	-	-	23,264	23,264
Profit from lease modification	-	-	-	(287)	(287)
At December 31	<u>\$ 1,625,528</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 25,392</u>	<u>\$ 2,150,920</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
LotRich Information Co., Ltd. (LotRich)	Associate
AquaLab Inc. (AquaLab)	"
FEC Deutschland GmbH (FEC Deutschland)	"
FEC Japan Co., Ltd. (FEC Japan)	"
FEC ITALIA S.r.l. (FEC ITALIA)	"
Oriental Regent Ltd. (ORL)	"
G1 Entertainment LLC (G1)	"
Beijing Intradak Systems Technology Co., Ltd. (Intradak)	"
Grab and Go Solutions, Inc.(Grab)	"
Zenii Information System Co., Ltd. (Zenii)	Other related party
Yuanfeng Information Technology Ltd. (Yuanfeng)	"
FANA Management B.V. (FANA)	"
Software Solution Systems Ltd. (3S)	"

(2) Significant related party transactions and balances

A. Operating revenue

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Sales of goods:		
Associates	\$ 92,732	\$ 102,489
Other related parties	19,025	20,442
Sales of services:		
Associates	707	572
Other:		
Associates	49	238
	<u>\$ 112,513</u>	<u>\$ 123,741</u>

The sales prices of goods and services for LotRich have no similar transactions to compare with. The sales prices of goods and services are approximately the same as those with third-parties. The collection terms and determined in accordance with mutual agreement.

B. Purchases

	For the year ended December 31, 2022	For the year ended December 31, 2021
Purchases of goods:		
Associates	\$ 730	\$ 33,514
Purchases of services:		
Associates	-	348
	<u>\$ 730</u>	<u>\$ 33,862</u>

Goods purchased arise from lottery machine and peripheral products. Transaction price has no similar transaction to compare with. Payment period is based on mutual agreement.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
Associates		
FEC Deutschland	\$ 11,954	\$ 22,962
FEC ITALIA	13,275	18,015
Intradak	6,265	6,163
Other	296	270
Other related parties	2,122	3,661
Less: Allowance for doubtful accounts	(84)	-
	<u>33,828</u>	<u>51,071</u>
Other receivables - others:		
Associates	-	513
Other related parties	469	154
	<u>469</u>	<u>667</u>
Other receivables - transferred from accounts receivable		
Associates		
FEC Deutschland	24,983	13,288
Less: Allowance for doubtful accounts	(1,030)	-
	<u>23,953</u>	<u>13,288</u>
	<u>\$ 58,250</u>	<u>\$ 65,026</u>

- (a) Receivables due from related parties arise mainly from sale transactions, receipts under custody and payment on behalf of others. The receivables are unsecured in nature and bear no interest, and the receivables due from related parties have no provisions.
- (b) On December 31, 2022 and 2021, the Group reclassified overdue accounts receivable to other receivables in the amount of \$23,953 and \$13,288, respectively. The amounts of ageing past due that were 121~180 days and 181 days over the credit terms of non-related parties amounted to \$1,018, \$22,935, \$4,329 and \$8,959, respectively.

D. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
Associates		
Grab	\$ 143	\$ -
Intradak	-	3,314
Other	7	-
	<u>150</u>	<u>3,314</u>
Other payables:		
Other related parties:		
FANA	7,975	10,940
	<u>7,975</u>	<u>10,940</u>
	<u>\$ 8,125</u>	<u>\$ 14,254</u>

The accounts payable to related parties arise mainly from purchase transactions which were based on the agreed contracts, and the payables bear no interest. Other payables arise mainly from management service fees payable.

E. Lease transactions-lessee

(a) The Group leases buildings from 3S. Rental contracts are made for periods from September 2017 to September 2032. Rents are paid every quarter.

(b) Lease liability

i. Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other related parties	<u>\$ 18,208</u>	<u>\$ 1,150</u>

ii. Interest expense:

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Other related parties	<u>\$ 200</u>	<u>\$ 30</u>

F. Current contract liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	<u>\$ -</u>	<u>\$ 1,521</u>

Current contract liabilities arise from advance receipts from customers, and the price lists in force that would be available to third parties.

G. Endorsements and guarantees provided by related parties

Financing guarantee provided by related parties

As of December 31, 2022 and 2021, financing guarantees provided by key management were \$2,120,000 and \$1,970,000, respectively.

(3) Key management compensation

	For the year ended December 31, 2022	For the year ended December 31, 2021
Short-term employee benefits	\$ 20,436	\$ 17,690

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Property, plant and equipment:			
Land	\$ 111,478	\$ 111,478	Note
Buildings and structures	106,898	140,814	"
Investment property:			
Buildings and structures	-	8,599	"
	<u>\$ 218,376</u>	<u>\$ 260,891</u>	

Note: Guarantee for short-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to note 6(12).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. During 2022, the Group's strategy, which was unchanged from 2021, was to collectively consider the environment the Group was in, the growth stage, capital needs for future significant investment plans and the long-term financial plan.

The gearing ratios at December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total borrowings	\$ 1,926,271	\$ 2,125,528
Less: Cash and cash equivalents	(1,220,661)	(1,350,034)
Net debt	705,610	775,494
Total equity	4,145,385	3,611,985
Total capital	\$ 4,850,995	\$ 4,387,479
Gearing ratio	14.55%	17.68%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Finance assets mandatorily measured at fair value through profit or loss	\$ 500,753	\$ 549,473
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	471,570	449,515
Financial assets at amortised cost		
Cash and cash equivalents	1,220,661	1,350,034
Notes receivable	557	-
Accounts receivable (including related parties)	512,398	572,235
Other receivables (including related parties)	51,354	59,538
Overdue receivables	36,428	26,945
Guarantee deposits paid	19,277	24,108
	<u>\$ 2,812,998</u>	<u>\$ 3,031,848</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial assets at amortised cost		
Short-term borrowings	\$ 1,426,271	\$ 1,625,528
Accounts payable (including related parties)	324,063	436,174
Other payables (including related parties)	163,737	159,283
Corporate bonds payable (including current portion)	500,000	500,000
Guarantee deposits received	8,467	8,388
	<u>\$ 2,422,538</u>	<u>\$ 2,729,373</u>
Lease liabilities	<u>\$ 77,509</u>	<u>\$ 25,392</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from recognised assets and liabilities.
- ii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, KRW, RMB, RUB, INR, GBP and EUR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

December 31, 2022			
	Foreign currency		
	amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	20,954	30.710	\$ 643,497
KRW: NTD	5,342,023	0.025	133,551
HKD: NTD	710	3.938	2,796
GBP: NTD	128	37.090	4,748
RMB: NTD	16,032	4.408	70,669
EUR: USD	99	1.065	3,238
HKD: USD	396	0.128	1,557
RMB: USD	1,657	0.144	7,328
GBP: USD	301	1.208	11,166
USD: GBP	49	0.828	1,505
<u>Non-monetary items</u>			
SGD: NTD	24	22.880	543
HKD: NTD	11,333	3.938	44,628
KRW: NTD	22,494,120	0.025	562,353
HKD: USD	170,162	0.128	670,130
USD: NTD	75,126	30.710	2,307,121
EUR : NTD	7,703	32.720	252,148
GBP : NTD	761	37.090	28,232
RUB : NTD	18,117	0.437	7,917
INR : USD	56,068	0.012	20,662
RMB : USD	76,669	0.014	313,219
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	3,508	30.710	107,731
USD: RMB	8,000	6.957	245,332
USD: EUR	1,142	0.939	35,087

	December 31, 2021		
	Foreign currency		
	amount	Exchange	Book value
	(In thousands)	rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	34,609	27.680	\$ 957,977
KRW: NTD	6,189,329	0.024	148,544
HKD: NTD	926	3.549	3,286
GBP: NTD	138	37.300	5,147
RMB: NTD	28,411	4.344	123,417
EUR: USD	1,240	1.132	38,854
HKD: USD	395	0.128	1,400
RMB: USD	1,655	0.157	7,192
EUR: RUB	32	83.968	1,002
GBP: USD	300	1.348	11,194
USD: EUR	243	0.883	6,720
<u>Non-monetary items</u>			
SGD: NTD	24	20.460	486
HKD: NTD	9,598	3.549	34,062
KRW: NTD	7,576,375	0.024	181,833
HKD: USD	144,122	0.128	511,513
USD: NTD	85,165	27.680	2,357,355
EUR : NTD	595	31.320	18,632
GBP : NTD	700	37.300	26,093
RUB : NTD	26,574	0.373	9,912
INR : NTD	76,095	0.013	28,348
EUR : USD	6,918	1.132	216,775
RMB : USD	96,902	0.157	420,812
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	7,987	27.680	221,080
USD: RMB	8,000	6.374	221,509
USD: EUR	2,328	0.883	64,382

- iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to \$90,601 and (\$28,333), respectively.

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

For the year ended December 31, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	1%	\$ 5,148	\$ -
KRW: NTD	1%	1,068	-
HKD: NTD	1%	22	-
GBP: NTD	1%	38	-
RMB: NTD	1%	565	-
EUR: USD	1%	26	-
HKD: USD	1%	12	-
RMB: USD	1%	59	-
GBP: USD	1%	89	-
USD: GBP	1%	12	-
<u>Non-monetary items</u>			
<u>Monetary items</u>			
USD: NTD	1%	862	-
USD: RMB	1%	1,840	-
USD: EUR	1%	263	-

For the year ended December 31, 2021				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	1%	\$ 7,664	\$	-
KRW: NTD	1%	1,188		-
HKD: NTD	1%	26		-
GBP: NTD	1%	41		-
RMB: NTD	1%	987		-
EUR: USD	1%	311		-
HKD: USD	1%	11		-
RMB: USD	1%	58		-
EUR: RUB	1%	8		-
GBP: USD	1%	90		-
USD: EUR	1%	50		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NTD	1%	1,769		-
USD: RMB	1%	1,661		-
USD: EUR	1%	483		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done according to the limits set by the Group. The Group is not exposed to the commodity price risk.
- ii. The Group's investments in equity securities comprise of shares issued by the domestic listed and emerging companies and open-end funds. The prices of financial instruments would be effected by the changes of the future value of investee companies. If the prices of these financial instruments had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$25,038 and \$123, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$18,685 and \$2,180, respectively, as a result of other comprehensive income classified as equity investment at fair value through other

comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD, USD and KRW.
- ii. Based on the simulations performed, the impact on post-tax profit of a 0.1% shift would be a maximum increase of \$1,133 and \$1,291 or decrease of \$1,133 and \$1,291 for the years ended December 31, 2022 and 2021, respectively. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) Default or delinquency in interest or principal repayments;
 - (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable and other receivables (including related parties). On December 31, 2022 and 2021, the provision matrix is as follows:

December 31,2022			
Notes and accounts receivable			
(including related parties)	Expected loss rate	Total book value	Loss allowance
Not past due	0.08%~0.35%	\$ 332,168	\$ 253
Past due			
Up to 30 days	0.05%~10%	77,543	3,526
31 to 90 days	2%~30%	8,829	525
91 to 180 days	2%~50%	11,799	2,449
Over 181 days	2%~100%	257,422	168,053
		<u>\$ 687,761</u>	<u>\$ 174,806</u>
December 31,2022			
Other receivables			
(including related parties)			
(Note)	Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.08%~100%	\$ 27,401	\$ -
Over 120 days	0.08%~100%	164,455	104,074
		<u>\$ 191,856</u>	<u>\$ 104,074</u>

December 31, 2021

Notes and accounts receivable			
(including related parties)	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%~0.35%	\$ 356,405	\$ 291
Past due			
Up to 30 days	0.05%~10%	75,989	720
31 to 90 days	2%~30%	41,190	3,208
91 to 180 days	2%~50%	19,574	2,938
Over 181 days	2%~100%	227,800	141,566
		<u>\$ 720,958</u>	<u>\$ 148,723</u>

December 31, 2021

Other receivables			
(including related parties)			
(Note)	Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.05%~100%	\$ 46,250	\$ -
Over 120 days	0.05%~100%	132,312	92,079
		<u>\$ 178,562</u>	<u>\$ 92,079</u>

Note : Overdue receivables.

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable, accounts receivable and other receivables (including related parties) are as follows:

	For the year ended December 31, 2022	
	Notes and accounts receivable (including related parties)	Other receivables (including related parties) (Note)
At January 1 (Note)	\$ 148,723	\$ 92,079
Provision for impairment	27,306	3,593
Accounts receivable transferred to other receivables	(1,030)	1,030
Write-offs	(1,432)	(2,353)
Effect of foreign exchange	1,239	9,725
At December 31	<u>\$ 174,806</u>	<u>\$ 104,074</u>

	For the year ended December 31, 2021	
	Notes and accounts receivable (including related parties)	Other receivables (including related parties) (Note)
At January 1	\$ 141,929	\$ 77,537
Provision for impairment	32,836	16,912
Write-offs	(25,625)	-
Effect of foreign exchange	(417)	(2,370)
At December 31 (Note)	<u>\$ 148,723</u>	<u>\$ 92,079</u>

Note: The allowance for doubtful accounts of other receivables is included in the reclassifications of other non-current assets – overdue receivables on December 31, 2021.

(c) Liquidity risk

- i. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2022 and 2021, the Group held money market positions of \$1,220,661 and \$1,350,034, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate:		
Expiring within one year	<u>\$ 350,000</u>	<u>\$ 581,691</u>

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

Non-derivative financial liabilities:

	Less than 1	Between 1 and 2	Between 2 and 5	Over 5	
December 31, 2022	year	years	years	years	Total
Short-term borrowings	\$ 1,426,271	\$ -	\$ -	\$ -	\$ 1,426,271
Accounts payable (including related parties)	324,063	-	-	-	324,063
Other payables (including related parties)	163,737	-	-	-	163,737
Lease liabilities (including current and non-current)	14,928	12,936	27,580	31,194	86,638
Bonds payable	3,100	3,100	506,200	-	512,400
	Less than 1	Between 1 and 2	Between 2 and 5	Over 5	
December 31, 2021	year	years	years	years	Total
Short-term borrowings	\$ 1,625,528	\$ -	\$ -	\$ -	\$ 1,625,528
Accounts payable (including related parties)	436,174	-	-	-	436,174
Other payables (including related parties)	159,283	-	-	-	159,283
Lease liabilities (including current and non-current)	10,974	14,793	201	-	25,968
Bonds payable	3,100	3,100	509,300	-	515,500

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in convertible bonds and most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, lease liabilities and bonds payable are approximate to their fair values.

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

(a) The related information of natures of the assets and liabilities is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2022				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities	\$ 500,753	\$ -	\$ -	\$ 500,753
Financial assets at fair value through other comprehensive income - Equity securities	<u>382,739</u>	<u>-</u>	<u>88,831</u>	<u>471,570</u>
	<u>\$ 883,492</u>	<u>\$ -</u>	<u>\$ 88,831</u>	<u>\$ 972,323</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2021				
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ 3,080	\$ -	\$ 546,393	\$ 549,473
Financial assets at fair value through other comprehensive income - Equity securities	54,503	-	395,012	449,515
	<u>\$ 57,583</u>	<u>\$ -</u>	<u>\$ 941,405</u>	<u>\$ 998,988</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares and emerging stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)K.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted

accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. As the stocks of Summit Ascent Holding Ltd. were temporarily suspended for trading in the HKEX market during the period from May 12, 2022 to July 7, 2022, the Company transferred the fair value from Level 1 to Level 2 for the period when the event occurred and transferred the fair value from Level 2 back to Level 1 after the stocks were traded in the market again. For the year ended December 31, 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of level 3 for the years ended December 31, 2022 and 2021.

	For the years ended December 31	
	2022	2021
	Non-Derivative equity instrument	Non-Derivative equity instrument
At January 1	\$ 941,405	\$ 546,369
Gains recognised in profit or loss (Note 1)	82,074	253,775
Gains recognised in other comprehensive income or loss (Note 2)	(35,586)	105,813
Acquired in the year	-	42,560
Transfers out from Level 3	(909,829)	-
Effect of exchange rate changes	10,767	(7,112)
At December 31	<u>\$ 88,831</u>	<u>\$ 941,405</u>

Note 1: Recorded as other gains and losses.

Note 2: Recorded as unrealised valuation gain or loss of financial assets.

- G. As the stocks of J&V Energy Technology Co., Ltd. has been traded in the emerging stock market in January 2022, the Company transferred the fair value from Level 3 to Level 1 for the period when the event occurred. For the year ended December 31, 2021, there was no transfer into or out from Level 3.
- H. The Group originally held 18% equity interest of Mcorporation Co., Ltd. and recorded as non-current financial assets at fair value through profit or loss. The Group additionally purchased 18.75% equity interest in the fourth quarter of 2022 and therefore directly held 36.75% equity interest and accounted for using the equity method.

- I. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	\$ 82,651	Market comparable companies	Price to book ratio multiple	1.14	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	5,934	"	Price to book ratio multiple	1.56	"
			Discount for lack of marketability	40%	
Others	246				

	<u>Fair value at December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	\$ 117,751	Market comparable companies	Price to book ratio multiple	1.89	The higher the multiple, the higher the fair value
			Discount for lack of marketability	40%	The higher the discount for lack of marketability the lower the fair value
J&V Energy Technology Co., Ltd.	729,829	"	Price to book ratio multiple	2.43	The higher the multiple, the higher the fair value
			Enterprise value to net operating income ratio multiple	39.71	The higher the multiple, the higher the fair value
			Discount for lack of marketability	10%	The higher the discount for lack of marketability the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	6,422	"	Price to book ratio multiple	2.02	The higher the multiple, the higher the fair value
			Discount for lack of marketability	40%	The higher the discount for lack of marketability, the lower the fair value
Mcorporation Co., Ltd.	87,157	Discounted Cash Flow	Weighted average cost of capital	16.21%	The higher the discount rate, the lower the fair value
Others	246				

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurements. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 888	(\$ 888)
			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	\$ 5,464	(\$ 5,464)	\$ 3,950	(\$ 3,950)

(4) Other information

None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- I. Derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Chief Operating Decision-Maker considers the business from product type perspective; the reportable operating segments are as follows:

A. Computers and its peripherals : Mainly engaged in POS system hardware and software developments, manufacturing, sales and related after-sales services and maintenance services.

B. Other segments : Mainly engaged in wholesale of liquor, etc.

The Group's organisation, basis of department segmentation and principles for measurement of segment information for the period were not significantly changed.

(2) Measurement of segment information

The Group's operating segment profit or loss is measured by post-tax and is used as the basis for performance evaluation.

The Group does not provide the information about segment assets and liabilities to the Chief Operating Decision-Maker, thus, the amounts are disclosed as zero.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

For the year ended December 31, 2022	Computers and its peripherals	Other operating segments	Eliminated by consolidation (Note)	Total
Revenue from external customers	\$ 2,791,441	\$ 5,433	(\$ 81,903)	\$ 2,714,971
Inter-segment revenue	<u>448,775</u>	<u>5,432</u>	<u>(454,207)</u>	<u>-</u>
Total segment revenue	<u>\$ 3,240,216</u>	<u>\$ 10,865</u>	<u>(\$ 536,110)</u>	<u>\$ 2,714,971</u>
Segment (loss) income	<u>\$ 356,714</u>	<u>(\$ 6,725)</u>	<u>(\$ 25,047)</u>	<u>\$ 324,942</u>
Segment (loss) income included:				
Interest income	\$ 6,472	\$ 37	\$ -	\$ 6,509
Interest expense	(31,170)	(175)	-	(31,345)
Impairment loss	(69,703)	-	-	(69,703)
Depreciation and amortisation	(57,618)	(5,830)	-	(63,448)
Income tax expense	(64,984)	-	-	(64,984)
Investment (loss) income under the equity method	106,478	-	(21,485)	84,993

For the year ended December 31, 2021	Computers and its peripherals	Other operating segments	Eliminated by consolidation (Note)	Total
Revenue from external customers	\$ 2,567,948	\$ 23,472	(\$ 36,839)	\$ 2,554,581
Inter-segment revenue	<u>538,831</u>	<u>29,150</u>	<u>(567,981)</u>	<u>-</u>
Total segment revenue	<u>\$ 3,106,779</u>	<u>\$ 52,622</u>	<u>(\$ 604,820)</u>	<u>\$ 2,554,581</u>
Segment (loss) income	<u>(\$ 100,518)</u>	<u>(\$ 3,504)</u>	<u>\$ 243,939</u>	<u>\$ 139,917</u>
Segment (loss) income included:				
Interest income	\$ 2,103	\$ 38	\$ -	\$ 2,141
Interest expense	(28,059)	(95)	-	(28,154)
Impairment loss	(117,048)	-	-	(117,048)
Depreciation and amortisation	(79,770)	(3,339)	-	(83,109)
Income tax expense	(40,643)	(1)	-	(40,644)
Investment (loss) income under the equity method	(266,818)	-	243,939	(22,879)

Note: Inter-segment revenue and profit (loss) are offset.

(4) Information on products and services

	For the year ended December 31, 2022	For the year ended December 31, 2021
Computers and its peripherals revenue	\$ 2,709,538	\$ 2,531,109
Liquor wholesale revenue	5,433	23,472
	<u>\$ 2,714,971</u>	<u>\$ 2,554,581</u>

(5) Geographical information

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

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 49,986	\$ 394,777	\$ 50,645	\$ 252,738
European and American regions	1,685,652	88,357	1,510,480	33,666
China and other regions	979,333	73,476	993,456	275,729
	<u>\$ 2,714,971</u>	<u>\$ 556,610</u>	<u>\$ 2,554,581</u>	<u>\$ 562,133</u>

(6) Major customer information

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

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Segment	Revenue	Segment
A	<u>\$ 279,211</u>	Taiwan	<u>\$ 170,760</u>	Taiwan

FIRICH ENTERPRISES CO., LTD.
Loans to others
For the year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum outstanding	Balance at	Actual amount	Interest	Nature of	Amount of	Reason for short- term financing	Allowance for doubtful accounts	Collateral		Limit on loans	Ceiling on	Footnote
					balance during the year ended December 31, 2022	December 31, 2022 (Note 7)	drawn down (Note 6)	rate (%)	loans (Note 4)	with the borrower (Note 3)			Item	Value	granted to a single party (Note 4)	total loans granted (Note 5)	
0	Firich Enterprises Co., Ltd.	Firich USA Inc.	Other receivables	Yes	\$ 30,397	\$ 26,410	\$ 26,410	-	2	\$ 49,885	Operational needs	\$ -	-	\$ -	\$ 811,596	\$ 1,623,192	Note 2, 8
0	Firich Enterprises Co., Ltd.	Crimson Technology (Shanghai) Inc.	Other receivables	Yes	34,777	377	377	-	2	19,500	Operational needs	-	-	-	811,596	1,623,192	Note 2, 8
0	Firich Enterprises Co., Ltd.	Firich Korea Co., Ltd.	Other receivables	Yes	18,804	361	361	-	2	8,283	Operational needs	-	-	-	811,596	1,623,192	Note 2, 8
0	Firich Enterprises Co., Ltd.	Firich UK Co., Ltd.	Other receivables	Yes	6,799	-	-	-	2	83,009	Operational needs	-	-	-	811,596	1,623,192	Note 2, 8
0	Firich Enterprises Co., Ltd.	AKAM Netherlands B.V.	Other receivables	Yes	14,516	-	-	-	2	195,612	Operational needs	-	-	-	811,596	1,623,192	Note 2, 8
0	Firich Enterprises Co., Ltd.	FEC Deutschland GmbH	Other receivables	Yes	34,263	24,983	24,983	-	2	40,688	Operational needs	1,030	-	-	811,596	1,623,192	Note 2
1	Firich International Co., Ltd.	Crimson Technology (Shanghai) Inc.	Other receivables	Yes	158,750 (USD5,000 thousand)	153,550 (USD5,000 thousand)	138,195 (USD4,500 thousand)	-	2	-	Operational needs	-	-	-	524,972	1,049,943	None

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

Note 2: In accordance with Accounting Research and Development Foundation Interpretation 93-167, accounts receivable that pass the regular terms of third parties should be transferred to other receivables and the nature of receivables is considered as financing.
The credit line is approved by the Company’s Board of Directors.

Note 3: It is the amount of sales for the year ended December 31, 2022.

Note 4: (1) The limit on loans provided by the Company to a single party which trades with the Company shall not exceed the total transaction amount during the most recent year and the total transaction amount for the year until the date of financing, whichever is higher.
(2) The limit on loans provided by the Company to a single party for short-term financing shall not exceed 20% of the Company’s net assets based on the latest audited or reviewed financial statements of the Company (as of September 30, 2022).

Note 5: Accumulated amount of loans to others shall not be more than 40% of the Company’s net asset based on the latest audited or reviewed financial statements of the Company (as of September 30, 2022).

Note 6: Amounts denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate of USD\$1: NTD\$30.710 and RMB\$1: NTD\$4.408 prevailing on December 31, 2022.

Note 7: The authorised limit approved by the Company’s Board of Directors.

Note 8: The transactions were written off when preparing the consolidated financial statements.

FIRICH ENTERPRISES CO., LTD.
Provision of endorsements and guarantees to others
For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 5)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 6)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 6)	Provision of endorsements/ guarantees to the party in Mainland China (Note 6)	Footnote
0	Firich Enterprises Co., Ltd.	Crimson Technology (Shanghai) Inc.	(2)	\$ 811,596	\$ 392,530	\$ 153,550	\$ 153,550	\$ -	3.74	\$ 1,988,411	Y	N	Y	Note 3, 4

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

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor company owns directly more than 50% voting shares of the endorsed/guaranteed company.
- (3) The endorsed/guaranteed company that directly or indirectly holds more than 50% of the voting shares of the endorser/guarantor company.
- (4) The endorser/guarantor company directly or indirectly owns more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, all shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: The endorsement/guarantee amount provided by the Company to a single party shall not exceed 20% of the Company's net assets based on the latest audited or reviewed financial statements of the Company (as of September 30, 2022).

Note 4: The ceiling of endorsement/guarantee provided by the Company shall not exceed 49% of the Company's net assets based on the latest audited or reviewed financial statements of the Company (as of September 30, 2022).

Note 5: Amounts denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate of USD\$1: NTD\$30.710 and RMB\$1: NTD\$4.408 prevailing on December 31, 2022.

Note 6: 'Y' represents cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

FIRICH ENTERPRISES CO., LTD.
Holding of marketable securities at the end of the period
December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2022				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares (Note 4)	Book value (Note 3)	Ownership (%)	Fair value	Footnote
Firich Enterprises Co., Ltd.	Stock SinoCloud Group Limited	Not applicable	Financial assets at fair value through other comprehensive income - non-current	23,750	\$ 543	0.15	\$ 543	None
Firich Enterprises Co., Ltd.	Stock Summit Ascent Holdings Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	41,398	26,899	0.92	26,899	None
Firich Enterprises Co., Ltd.	Stock Crypto Flow Technology Limited	Not applicable	Financial assets at fair value through other comprehensive income - non-current	5,399	11,268	0.98	11,268	Note 6
Firich Enterprises Co., Ltd.	Stock Cai Hua Technology Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	87	-	0.26	-	Note 5
Firich Enterprises Co., Ltd.	Stock Rich Forest Leisure Development Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	4,160	-	5.10	-	None
Firich Enterprises Co., Ltd.	Stock Platinum Drink Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	950	-	19.00	-	None
Firich Enterprises Co., Ltd.	Stock Lealeahotel Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	7,676	52,115	9.25	52,115	None
Firich Enterprises Co., Ltd.	Stock Darwish Investments Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	288	-	1.22	-	None

				As of December 31, 2022				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares (Note 4)	Book value (Note 3)	Ownership (%)	Fair value	Footnote
Firich Enterprises Co., Ltd.	Stock Asia Renewable Energy (Cayman) Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	445	\$ 5,934	0.56	\$ 5,934	None
Firich Enterprises Co., Ltd.	Stock TIEN LI OFFSHORE WIND TECHNOLOGY CO., LTD.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	199	11,648	0.28	11,648	None
Firich Enterprises Co., Ltd.	Stock J&V Energy Technology Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	4,200	325,920	3.73	325,920	None
Firich Enterprises Co., Ltd.	Stock J&V Energy Technology Co., Ltd.	Not applicable	Financial assets at fair value through profit or loss - non-current	6,363	493,769	5.65	493,769	None
Firich International Co., Ltd.	Stock Pointsoft Japan Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	20	246	10.00	246	None
Firich International Co., Ltd.	Stock CSSB Limited.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	20	-	1.91	-	None
Crimson Technology (Shanghai) Inc.	Stock Shanghai Han League Management Consultants Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	-	-	18.18	-	None
TopRich Co., Ltd.	Stock Crypto Flow Technology Limited	Not applicable	Financial assets at fair value through other comprehensive income - non-current	2,580	5,385	0.47	5,385	Note 6
TopRich Co., Ltd.	Stock Summit Ascent Holdings Ltd.	Not applicable	Financial assets at fair value through other comprehensive income - non-current	1,656	1,076	0.04	1,076	None

				As of December 31, 2022				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares (Note 4)	Book value (Note 3)	Ownership (%)	Fair value	Footnote
TopRich Co., Ltd.	Stock Zenii Information System Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	1,845	\$ -	13.09	\$ -	None
TopRich Co., Ltd.	Stock Lealeahotel Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	4,500	30,536	5.42	30,536	None
TopRich Co., Ltd.	Stock J&V Energy Technology Co., Ltd.	Not applicable	Financial assets at fair value through profit or loss - non-current	90	6,984	0.08	6,984	None
TopRich Co., Ltd.	Stock Rich Forest Leisure Development Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	3,521	-	4.32	-	None

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 9 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Represents fair value less accumulated impairment for marketable securities measured at fair value; represents acquisition cost or amortized cost less accumulated impairment for marketable securities not measured at fair value.

Note 4: In thousands of shares.

Note 5: The business of Chi Hua Technology Co., Ltd. has been deregistered.

Note 6: Loto Interactive Limited has been renamed as Crypto Flow Technology Limited on October 12, 2022.

Table 4

FIRICH ENTERPRISES CO., LTD.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Firich Enterprises Co., Ltd.	AKAM Netherlands B.V.	Subsidiary	Sales	(\$ 195,612)	(9.89%)	Within 60 days	Note 1	Note 1	\$ 24,907	6.04%	Note 3
AKAM Netherlands B.V.	Firich Enterprises Co., Ltd.	Parent company	Purchases	195,612	64.51%	Within 60 days	Note 2	Note 2	(24,907)	54.19%	Note 3

Note 1: The sales price is similar with general sales price. Transaction terms are determined in accordance with mutual agreement.
Note 2: The purchase price is similar with general purchase price. Transaction terms are determined in accordance with mutual agreement.
Note 3: The transactions were written off when preparing the consolidated financial statements.

FIRICH ENTERPRISES CO., LTD.
Significant inter-company transactions during the reporting period
For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Firich Enterprises Co., Ltd.	AKAM Netherlands B.V.	1	Operating revenue	\$ 195,612	Note 4	7.20
0	Firich Enterprises Co., Ltd.	AKAM Netherlands B.V.	1	Accounts receivable	24,907	Note 4	0.36

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

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Note 4: Transaction terms are determined in accordance with mutual agreement.

Note 5: Transaction amounts that are not significant are not disclosed.

FIRICH ENTERPRISES CO., LTD.
Information on investees
For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022		Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (thousands of shares)	Ownership (%)	Book value				
Firich Enterprises Co., Ltd.	Firich International Co., Ltd.	Mauritius	Investment holdings of overseas companies	\$ 2,828,015	\$ 2,978,023	93,000	100.00	\$ 2,316,921	(\$ 91,527)	(\$ 91,527)		Note 3, 7
Firich Enterprises Co., Ltd.	AKAM Group B.V.	Netherlands	Information software and electronic information supply and wholesale of computer and business machinery equipment	234,116	-	18	100.00	231,860	-	-		Note 3, 5, 7
Firich Enterprises Co., Ltd.	Firich Korea Co., Ltd.	South Korea	Information software and electronic information supply and retail of electronic materials, computer and business machinery equipment	456,352	197,086	3,718	100.00	562,353	85,485	85,485		Note 1, 3, 7
Firich Enterprises Co., Ltd.	Firich USA Inc.	U.S.A	International trade and sales of computer and its peripherals	153,211	153,211	5,000	100.00	-	(13,812)	(13,812)		Note 3, 7
Firich Enterprises Co., Ltd.	Firich UK Co., Ltd.	England	Import and export of inventory, enterpot trade, sale of electronic products and consulting	32,862	32,862	825	82.50	28,232	3,877	3,198		Note 3, 7
Firich Enterprises Co., Ltd.	LotRich Information Co., Ltd.	Taiwan	Information process and wholesale and retail of electronic software and computer equipment	150,300	150,300	15,030	30.00	163,859	20,770	6,231		None
Firich Enterprises Co., Ltd.	TopRich Co., Ltd.	Taiwan	International and entrepot trade	108,000	108,000	10,800	100.00	56,206	729	729		Note 7
Firich Enterprises Co., Ltd.	AquaLab Inc.	Taiwan	Sewage disposal and wholesale and retail of pollution control	50,970	50,970	5,483	24.89	5,599	546	136		Note 1
Firich Enterprises Co., Ltd.	Tiga Gaming Inc.	Taiwan	Design, production and process of computer and peripherals, development and manufacturing of computer software and sale of product	177,021	177,021	13,747	52.22	38,903	26,723	13,955		Note 3, 7
Firich Enterprises Co., Ltd.	FEC Deutschland GmbH	Germany	Import and export of inventory, enterpot trade, sale of electronic products and consulting	18,445	18,445	9	35.00	5,870	(7,768)	(2,719)		None 3
Firich Enterprises Co., Ltd.	FEC ITALIA S.r.l.	Italy	Import and export of inventory, enterpot trade, sale of electronic products and consulting	7,008	7,008	90	24.50	14,418	11,488	2,815		None 3
Firich Enterprises Co., Ltd.	FEC Japan Co., Ltd.	Japan	Import and export of inventory, enterpot trade, sale of electronic products and consulting	5,340	5,340	0.40	26.67	-	-	-		Note 4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Investment income (loss)		
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (thousands of shares)	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Firich Enterprises Co., Ltd.	Grab and Go Solutions, Inc.	Taiwan	Information software data processing service industry, electronic component manufacturing industry and research and development service industry	\$ 1,000	\$ -	100	33.22	\$ 690	(\$ 933)	(\$ 310)	None
Firich Enterprises Co., Ltd.	Jia Hua Kang Jian Co., Ltd	Taiwan	International trade, general investment, venture capital industry, residential and building development, leasing and sales, factory development lease and sale business, real estate sale and lease business, investment consulting and management consulting	100,000	-	10,000	33.33	97,022	(8,904)	(2,978)	Note 1
Firich International Co., Ltd.	Firich (Hong Kong) International Co., Ltd.	Hong Kong	Investment holdings of overseas companies	759,658	759,658	15,500	100.00	226,166	(107,899)	(107,899)	Note 7
Firich International Co., Ltd.	Firich Investment Ltd.	Mauritius	Investment holdings of overseas companies	2,044,376	2,067,160	68,000	100.00	1,542,219	6,649	6,649	Note 7
Firich Investment Ltd.	Oriental Regent Ltd.	Hong Kong	Investment holdings of overseas companies	1,983,935	1,983,935	85	20.00	1,528,981	496,215	15,984	Note 2
Firich Investment Ltd.	Firich Information Technologies PVT Ltd.	India	Research and development of software and sales of computer and its peripherals	39,451	39,451	8,159	100.00	20,662	(7,740)	(7,740)	Note 7
Firich International Co., Ltd.	AKAM Group B.V.	Netherlands	Information software and electronic information supply and wholesale of computer and business machinery equipment	-	283,350	-	0.00	-	26,554	22,992	Note 5, 7
AKAM Group B.V.	AKAM Netherlands B.V.	Netherlands	Information software and electronic information supply and wholesale of computer and business machinery equipment	643	643	18	100.00	101,702	27,064	27,064	Note 7
AKAM Group B.V.	AKAM Belgium BVBA	Belgium	Information software and electronic information supply and wholesale of computer and business machinery equipment	722	722	20	99.00	1,626	558	552	Note 7
AKAM Netherlands B.V.	AKAM Belgium BVBA	Belgium	Information software and electronic information supply and wholesale of computer and business machinery equipment	7	7	0.20	1.00	16	558	6	Note 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022		Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (thousands of shares)	Ownership (%)	Book value				
TopRich Co., Ltd.	AquaLab Inc.	Taiwan	Sewage disposal and wholesale and retail of pollution control equipment	\$ 15,203	\$ 15,203	1,132	5.14	\$ 1,156	\$ 546	\$	28	Note 1
TopRich Co., Ltd.	Tiga Gaming Inc.	Taiwan	Design, production and process of computer and peripherals, development and manufacturing of computer software and sale of product	4,590	4,590	459	1.74	1,302	26,723		465	Note 7
Tiga Gaming Inc.	Tiga Rus LLC	Russia	Information software and wholesale and retail of computer and business machinery	57,413	57,413	-	100.00	7,917	(3,697)	(	3,697)	Note 7
Tiga Gaming Inc.	Link Triumph Co., Ltd.	Samoa	Investment holdings of overseas companies	4,691	4,691	-	100.00	253	(282)	(	282)	Note 7
Firich Korea Co., Ltd.	Mcorporation Co., Ltd.	South Korea	Providing big data and online advertisement platform	289,450	52,650	43	36.75	430,000	41,056		-	Note 1, 6

Note 1: The information is based on the investees' financial statements audited by the investees' appointed other auditors.

Note 2: Net profit (loss) of the investee for the year ended December 31, 2022 was valued based on the investees' financial statements audited by other auditors, and deducted its relevant imputed interest expenses based on the Company's accounting policies. Investment income (loss) recognised by the Company for the year ended December 31, 2022 was calculated based on the aforementioned adjusted net profit (loss) for the year ended December 31, 2022 and considering amortisation of license for the year ended December 31, 2022. Share of profit or loss of associates recognised by the Company amounted to \$71,517 and included the impairment loss recognised by the Company for the year ended December 31, 2022 amounting to (\$55,533). As of December 31, 2022, the carrying amount of the investee company included the accumulated impairment provisioned by the Company amounting to \$174,155.

Note 3: The carrying amount of investment at the end of the year included unrealised profit from sales at the end of the year.

Note 4: As of December 31, 2022, the accumulated impairment had been provided by the Company amounting to \$5,492.

Note 5: On December 31, 2022, Firich International Co., Ltd. sold 100% equity interest of AKAM Group B.V. to the Company.

Note 6: The Group originally held 18% equity interest of Mcorporation Co., Ltd. and recorded as non-current financial assets at fair value through profit or loss. The Group additionally purchased 18.75% equity interest in the fourth quarter of 2022 and therefore directly held 36.75% equity interest and accounted for using the equity method.

Note 7: The transactions were written off when preparing the consolidated financial statements.

FIRICH ENTERPRISES CO., LTD.
Information on investments in Mainland China
For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 5)	Investment method	Amount remitted from Taiwan						Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022 (Note 2)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 (Note 5)	to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 (Note 5)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 (Note 5)	Net income (loss) of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)				
					Remitted to Mainland China	Remitted back to Taiwan							
Crimson Technology (Shanghai) Inc.	International and entrepot trade	\$ 523,064	Note 1(2)	\$ 476,005	\$ -	\$ -	\$ 476,005	(\$ 107,899)	100.00	(\$ 107,899)	\$ 226,166	\$ -	Note 3, 10(1), 12
Shanghai Han League Management Consultants Ltd.	Consulting	29,123	Note 1(3)	-	-	-	-	-	18.18	-	-	-	Note 4, 11
Cai Rui Trading Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and business consulting	176,320	Note 1(2)	196,613	-	-	196,613	(6,725)	100.00	(6,725)	86,809	-	Note 3, 10(2). 12
Beijing Intradak Systems Technology Co., Ltd.	Information software and electronic information supply and wholesale and retail of computer and business machinery equipment	264,480	Note 1(3)	-	-	-	-	51,366	20.00	(3,897)	124,114	-	Note 3, 8, 11
Dazhe Information Technology Co., (Shanghai) Ltd.	Information software and electronic information supply and wholesale and retail of computer and business machinery equipment	4,408	Note 1(2)	4,570	-	-	4,570	(281)	100.00	(281)	244	-	Note 3, 10(3), 12
Shuo Cai Technologies Corp.	Information software and electronic information supply and wholesale and retail of computer and business machinery equipment	17,632	Note 1(3)	-	-	-	-	(2,203)	100.00	(2,203)	6,716	-	Note 3, 9, 11, 12

Note1: The investment methods are classified as follows:
(1)Direct indirect investment in Mainland China, please refer to Note 9.
(2)Through investing in an existing company in the third area, which then invested in the investee in Mainland China, please refer to Note 10.
(3) Other methods, please refer to Note 11.

Note 2: Book value of investments as of December 31, 2022 is the disclosure of profit or loss of investment amount recognised by investors and balance of long-term equity investment.
Note 3: Investment income (loss) recognised by the Company for the year ended December 31, 2022 is based on the financial statements audited by the Taiwan parent company’s appointed independent accountants.
Note 4: Recorded as Financial assets at fair value through other comprehensive income - non - current. As of December 31, 2022, the recorded accumulated impairment was (\$5,623).
Note 5: Amounts denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate of USD\$1: NTD\$30.710 and RMB\$1: NTD\$4.408 prevailing on December 31, 2022.
Note 6: The registration for the retirment of Bejing Bestinfo Technology Co., Ltd. was completed, and the investment amount had been returned to Firich International Co., Ltd.
However, the Company has not received the returned investment as of December 31, 2022, the accumulated amount remitted from Taiwan amounted to \$40,721.
Note 7: (1) The Group reinvested in the China companies: Suzhou Licang Win-Power Equipment Co., Ltd, Red Blades Wind Power Equipment (Ying Kou) Limited and Red Blades Wind Power Equipment (China) Co., Ltd., through financial assets at fair value through other comprehensive income-non-current-investee, Darwish Investments Ltd. As of December 31, 2022, the balance of the accumulated amount of remittance from Taiwan was \$61,419.
(2) Financial assets at fair value through other comprehensive income-non-current-investee, Darwish Investments Ltd. reorganised in 2018 and acquired 0.81% of shares in Red Windtek (Cayman) Holdings Company Limited through a share swap.
In addition, the company acquired 0.81% of shares in TIEN LI OFFSHORE WIND TECHNOLOGY CO., LTD. due to Redblades Windtek (Cayman) Holdings Company Limited had a recognition in 2019.
As of December 31, 2022, the company own 0.28% of share in TIEN LI OFFSHORE WIND TECHNOLOGY CO., LTD.

Note 8: As of December 31, 2022, accumulated impairment amounted to \$59,264. Investment income (loss) recognised by the Company for the year ended December 31, 2022 includes (\$14,170) of impairment loss recognised by the Company.
Note 9: It was invested by self-owned capital of Tiga Gaming Inc. On April 30, 2021, Tiga Gaming Inc. sold all of its shares to Crimson Technology (Shanghai) Inc. Tiga Gaming Inc. recovered the remaining investment amount.
In addition, Crimson Technology (Shanghai) Inc. brought equity from Tiga Gaming Inc. with its own funds.
Note 10: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(1) Through reinvesting in Firich International Co., Ltd. in a third area to invest in Firich (Hong Kong) International Co., Ltd., then invested in Mainland China through Firich (Hong Kong) International Co., Ltd.
(2) Through reinvesting in Firich International Co., Ltd. in a third area to invest in Mainland China.
(3) Through reinvesting in Link Triumph Co., Ltd. in a third area to invest in Mainland China.
Note 11: The investment amount was remitted from the own funds of Crimson Technology (Shanghai) Inc..
Note 12: The transactions were written off when preparing the consolidated financial statements.

FIRICH ENTERPRISES CO., LTD.
Information on investments in Mainland China
For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 2)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 1)	
Firich Enterprises Co., Ltd.	\$	774,758	\$	933,123	\$	2,487,231
Tiga Gaming Inc.		4,570		4,885		44,884

Note 1: In accordance with ‘Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China’ and ‘Rules on Review of 2008, Investment and Technology Cooperation in Mainland China’ amended by Investment Commission, Ministry of Economic Affairs effective on August 29, the ceiling of investment of investors (not as personal and small and medium enterprise) in Mainland China is the net assets of the investors or 60% of consolidated net assets, whichever is higher.

Note 2: Amounts denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate of USD\$1: NTD\$30.710 and RMB\$1: NTD\$4.408 prevailing on December 31, 2022.

FIRICH ENTERPRISES CO., LTD.
Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable) (Note 1)		Provision of endorsements/guarantees or collaterals		Financing		Interest during the year ended December 31,		Others
Investee in Mainland China	Amount	%	Amount	%	Balance as at December 31, 2022	%	Balance as at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance as at December 31, 2022	Interest rate	2022	
Crimson Technology (Shanghai) Inc.	\$ 19,500	0.99	\$ -	-	\$ 7,039	1.71	Note 2	Note 2	\$ 193,527	\$ 153,927	-	\$ -	Note 3

Note 1: Including transferred to other receivables.

Note 2: Please refer to Note 13(1) B. - Provision of endorsements and guarantees to others.

Note 3: The transactions were written off when preparing the consolidated financial statements.

FIRICH ENTERPRISES CO., LTD.
Major shareholders information
December 31, 2022

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Hsu, Ming-Jer	26,253,462	8.87%