

Ticker symbol: 8213

**TAIWAN PRINTED CIRCUIT  
BOARD TECHVEST CO., LTD.**

**PARENT COMPANY ONLY  
FINANCIAL STATEMENTS**

**With Independent Auditor's Report**

**For the Years Ended December 31, 2022 and 2021**

**Address: No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan  
City, Taiwan**

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## Independent Auditor's Report

To the Board of Directors and Shareholders of Taiwan Printed Circuit Board Techvest Co., Ltd.:

### Opinion

We have audited the accompanying parent company only financial statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (“the “Company”), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Timing of revenue recognition

Please refer to Note 4(13) “Revenue recognition”, and Note 6(19) “Revenue disclosures” of the financial statements.

Description of key audit matter:

Sales revenue is the leading indicator for investors, wherein the management assesses the Company's financial performance. The timing for the recognition of revenue is significant to the financial statements. Therefore, the test of the timing for recognition of revenue was one of our key audit matters. How the matter was addressed in our audit:

Our principal audit procedure included: random sampling of material sales before and after the year-end; assessing sales policies and revenue achievement by inspecting contracts with customers and verifying buyer's documents to confirm the accuracy of the timing for recognition of revenue.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements following the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misrepresentation may be the result of fraud or error. 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 based on these parent company only financial statements.

As part of an audit under the auditing standards in the Republic of China, we exercised professional judgment and professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)

March 24, 2023

#### Notes to Readers

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

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

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**Parent Company Only Balance Sheets**

**For the years ended December 31, 2022 and 2021**

**(Amounts in Thousands of New Taiwan Dollars)**

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 2,677,347	10	2,668,016	9	2100	Short-term debt (Note 6(9))	\$ 5,826,274	22	4,810,138	16
1110	Financial assets at fair value through profit or loss, current (Note 6(2))	-	-	399	-	2111	Short-term notes and bills payable (Note 6(10))	199,843	1	179,889	1
1170	Notes and accounts receivable from non-related parties, net (Note 6(3))	5,183,032	19	8,471,876	29	2120	Financial liabilities at fair value through profit or loss, current (Note 6(2))	-	-	40	-
1180	Accounts receivable due from related parties, net (Note 6(3) and 7)	100,716	1	46,093	-	2170	Notes and accounts payable	357,237	1	788,007	3
1200	Other receivables (Note 6(4) and 7)	48,393	-	79,391	-	2180	Accounts payable to related parties (Note 7)	3,700,798	14	6,058,198	21
1310	Inventories (Note 6(5))	517,634	2	626,297	2	2200	Other payables (Note 7)	1,433,141	5	1,794,181	6
1476	Other financial assets, current (Note 8)	68,209	-	74,296	-	2230	Current tax liabilities	230,293	1	138,476	-
1479	Other current assets, others	28,490	-	32,447	-	2322	Current portion of long-term debt (Note 6(12))	-	-	395,753	1
	<b>Total current assets</b>	<u>8,623,821</u>	<u>32</u>	<u>11,998,815</u>	<u>40</u>	2365	Refund liabilities, current (Note 6(11))	280,368	1	364,328	1
<b>Non-current assets:</b>						2280	Lease liabilities, current (Note 6(13))	16,153	-	20,302	-
1510	Financial assets at fair value through profit or loss, non-current (Note 6(2))	24,000	-	-	-	2300	Other current liabilities	8,191	-	12,227	-
1550	Investment accounted for using equity method (Note 6(6))	17,186,597	64	16,696,115	57		<b>Total current liabilities</b>	<u>12,052,298</u>	<u>45</u>	<u>14,561,539</u>	<u>49</u>
1600	Property, plant and equipment (Note 6(7) and 7)	878,355	4	887,572	3		<b>Non-current liabilities:</b>				
1755	Right-of-use assets (Note 6(8))	28,975	-	34,676	-	2540	Long-term debt (Note 12))	-	-	774,599	3
1980	Other financial assets, non-current (Note 8)	3,237	-	10,037	-	2580	Lease liabilities, non-current (Note 6(13))	13,020	-	14,630	-
1995	Other non-current assets	9,833	-	8,852	-	2600	Other non-current liabilities (Note 6(15))	47,367	-	242,737	1
	<b>Total non-current assets</b>	<u>18,130,997</u>	<u>68</u>	<u>17,637,252</u>	<u>60</u>		<b>Total non-current liabilities</b>	<u>60,387</u>	<u>-</u>	<u>1,031,966</u>	<u>4</u>
							<b>Total liabilities</b>	<u>12,112,685</u>	<u>45</u>	<u>15,593,505</u>	<u>53</u>
							<b>Equity: (Note 6(16))</b>				
						3110	Ordinary shares	2,712,425	10	2,712,425	9
						3200	Capital reserve	2,875,694	11	3,282,591	11
							Retained earnings:				
						3310	Legal reserve	1,729,758	7	1,504,059	5
						3320	Special reserve	974,883	4	875,898	3
						3350	Unappropriated retained earnings	7,068,687	26	6,868,499	23
							Others:				
						3410	Exchange differences on translation of foreign financial statements	(712,249)	(3)	(968,217)	(3)
						3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(7,065)	-	(6,667)	-
						3500	Treasury shares	-	-	(226,026)	(1)
							<b>Total equity</b>	<u>14,642,133</u>	<u>55</u>	<u>14,042,562</u>	<u>47</u>
	<b>Total assets</b>	<u>\$ 26,754,818</u>	<u>100</u>	<u>29,636,067</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 26,754,818</u>	<u>100</u>	<u>29,636,067</u>	<u>100</u>

See accompanying notes to the parent company only financial statements.

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**Parent Company Only Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

**(Amounts in Thousands of New Taiwan Dollars)**

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4110	<b>Operating revenue (Note 6(19) and 7)</b>	\$ 17,163,285	100	21,127,953	100
5110	<b>Cost of sales (Note 6(5) and 7)</b>	15,669,150	91	19,467,298	92
	<b>Gross profit</b>	<u>1,494,135</u>	9	<u>1,660,655</u>	8
	<b>Operating expenses:</b>				
6100	Sales and marketing expenses	632,574	4	608,788	3
6200	General and administrative expenses	506,865	3	708,189	4
6450	Expected credit loss (gain) (Note 6(3))	<u>(129,312)</u>	<u>(1)</u>	<u>36,292</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>1,010,127</u>	<u>6</u>	<u>1,353,269</u>	<u>7</u>
	<b>Net operating income</b>	<u>484,008</u>	<u>3</u>	<u>307,386</u>	<u>1</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest revenue	8,656	-	2,506	-
7010	Other income	731	-	421	-
7020	Other gains and losses (Note 6(21))	38,922	-	(51,902)	-
7050	Finance costs (Note 6 (21))	<u>(101,622)</u>	<u>-</u>	<u>(65,773)</u>	<u>-</u>
7070	Share of profit (losses) of subsidiaries, associates and joint ventures accounted for using equity method	<u>1,170,658</u>	<u>7</u>	<u>2,315,293</u>	<u>11</u>
	<b>Total non-operating income and expenses</b>	<u>1,117,345</u>	<u>7</u>	<u>2,200,545</u>	<u>11</u>
7900	<b>Income before income tax</b>	1,601,353	10	2,507,931	12
7951	<b>Less: Income tax expense (Note 6(15))</b>	<u>129,030</u>	<u>1</u>	<u>249,002</u>	<u>1</u>
	<b>Net income in the period</b>	<u>1,472,323</u>	<u>9</u>	<u>2,258,929</u>	<u>11</u>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that will not be reclassified into profit or loss</b>				
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method that will not be reclassified into profit or loss	1,500	-	3,560	-
8349	Less: Income tax related to items that will not be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total</b>	<u>1,500</u>	<u>-</u>	<u>3,560</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently into profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	255,968	1	(101,453)	(1)
8399	Less: Income tax related to items that may be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total</b>	<u>255,968</u>	<u>1</u>	<u>(101,453)</u>	<u>(1)</u>
8300	<b>Other comprehensive income (loss), net of income tax</b>	<u>257,468</u>	<u>1</u>	<u>(97,893)</u>	<u>(1)</u>
8500	<b>Total comprehensive income (loss) in the period</b>	<u>\$ 1,729,791</u>	<u>10</u>	<u>2,161,036</u>	<u>10</u>
	<b>Basic earnings per share (NTD) (Note 6(18))</b>				
9750	<b>Basic earnings per share (Unit: NTD)</b>	<u>\$ 5.44</u>		<u>8.60</u>	
9850	<b>Diluted earnings per share (Unit: NTD)</b>	<u>\$ 5.24</u>		<u>8.26</u>	

See accompanying notes to the parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Amounts in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Others			Treasury shares	Total equity
	Ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income			
<b>Balance on January 1, 2021</b>	\$ 2,712,425	3,119,032	1,308,160	1,133,730	5,463,917	(866,764)	(9,135)	(328,049)	12,533,316	
Net income in 2021	-	-	-	-	2,258,929	-	-	-	2,258,929	
Other comprehensive income (loss) in 2021	-	-	-	-	1,092	(101,453)	2,468	-	(97,893)	
Total comprehensive income (loss) in 2021	-	-	-	-	2,260,021	(101,453)	2,468	-	2,161,036	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	195,899	-	(195,899)	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(914,349)	-	-	-	(914,349)	
Reversal of special reserve	-	-	-	(257,832)	257,832	-	-	-	-	
Changes in ownership interests in subsidiaries	-	-	-	-	(3,023)	-	-	-	(3,023)	
Conversion of treasury shares	-	163,559	-	-	-	-	-	102,023	265,582	
<b>Balance on December 31, 2021</b>	2,712,425	3,282,591	1,504,059	875,898	6,868,499	(968,217)	(6,667)	(226,026)	14,042,562	
Net income in 2022	-	-	-	-	1,472,323	-	-	-	1,472,323	
Other comprehensive income (loss) in 2022	-	-	-	-	1,898	255,968	(398)	-	257,468	
Total comprehensive income (loss) in 2022	-	-	-	-	1,474,221	255,968	(398)	-	1,729,791	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	225,699	-	(225,699)	-	-	-	-	
Cash dividends on ordinary shares	-	(406,863)	-	-	(949,349)	-	-	-	(1,356,212)	
Special reserve	-	-	-	98,985	(98,985)	-	-	-	-	
Conversion of treasury shares	-	(34)	-	-	-	-	-	226,026	225,992	
<b>Balance on December 31, 2022</b>	\$ 2,712,425	2,875,694	1,729,758	974,883	7,068,687	(712,249)	(7,065)	-	14,642,133	

See accompanying notes to the parent company only financial statements.

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**Parent Company Only Cash Flow Statements**

**For the years ended December 31, 2022 and 2021**

**(Amounts in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 1,601,353	2,507,931
<b>Adjustments for:</b>		
Adjustments to reconcile net income (loss)		
Depreciation expense	90,650	68,192
Amortization expense	699	653
Expected credit loss (gain)	(129,312)	36,292
Net gain from financial assets and liabilities measured at fair value through profit or loss	-	(359)
Interest expense	101,622	65,773
Interest revenue	(8,656)	(2,506)
Share-based compensation cost	-	163,574
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,170,658)	(2,315,293)
Gain on disposal of property, plant and equipment	(3,216)	(2,724)
Loss on disposal of investments accounted for using equity method	-	33,463
Others	(6)	-
Total adjustments	<u>(1,118,877)</u>	<u>(1,952,935)</u>
Changes in assets and liabilities relating to operating activities:		
Net changes in assets relating to operating activities:		
Financial assets that are forced to be measured at fair value through profit or loss	399	1,409
Notes and accounts receivable	3,363,533	(1,632,775)
Other receivables	30,998	(28,983)
Inventories	108,663	(58,510)
Other current assets	(3,543)	(12,843)
Total net changes in assets relating to operating activities	<u>3,500,050</u>	<u>(1,731,702)</u>
Net changes in liabilities relating to operating activities:		
Financial liabilities held for trading	(40)	(1,589)
Notes and accounts payable	(2,788,170)	1,060,495
Other payables	(211,286)	231,458
Refund liabilities, current	(83,960)	49,786
Other current liabilities	(4,036)	4,134
Total net changes in liabilities relating to operating activities	<u>(3,087,492)</u>	<u>1,344,284</u>
Total net changes in assets and liabilities relating to operating activities	<u>412,558</u>	<u>(387,418)</u>
Total adjustments	<u>(706,319)</u>	<u>(2,340,353)</u>
Cash provided by operations	895,034	167,578
Interest received	8,656	2,506
Interest paid	(92,872)	(65,682)
Income taxes paid	(232,582)	(100)
<b>Net cash provided by operating activities</b>	<u>578,236</u>	<u>104,302</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at fair value through profit or loss	(24,000)	-
Acquisition of investments accounted for using equity method	(315,281)	(45,943)
Proceeds from capital reduction of invested companies accounted for using equity method	-	1,511,219
Acquisition of property, plant, and equipment	(236,724)	(241,453)
Disposal of property, plant, and equipment	21,301	1,615
Acquisition of intangible assets	(1,242)	(304)
Other financial assets	20,387	62,073
Other non-current assets	(438)	-
Dividends received	1,253,684	160,384
<b>Net cash provided by investing activities</b>	<u>717,687</u>	<u>1,447,591</u>
<b>Cash flows from financing activities:</b>		
Short-term debt	1,016,136	2,901,978
Short-term notes and bills payable	19,954	179,889
Proceeds from long-term debt	-	600,000
Repayment of long-term debt	(1,170,352)	(4,953,309)
Repayment of the principal portion of lease liabilities	(22,110)	(19,886)
Distribution of cash dividends	(1,356,212)	(914,349)
Treasury shares purchased by employees	225,992	102,008
<b>Net cash used in financing activities</b>	<u>(1,286,592)</u>	<u>(2,103,669)</u>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	9,331	(51,776)
<b>Cash and cash equivalents at beginning of year</b>	2,668,016	3,219,792
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,677,347</u>	<u>2,668,016</u>

See accompanying notes to the parent company only financial statements.

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**  
**For the years ended December 31, 2022 and 2021**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

**1. HISTORY AND ORGANIZATION**

Taiwan Printed Circuit Board Techvest Co., Ltd. (“the Company”) was incorporated as a company limited by shares on April 21, 1998 under the approval of the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City. On December 25, 2009, the Company’s shares were listed on the Taiwan Stock Exchange (TWSE). The Company is primarily involved in the business of producing and selling electronic components and printed circuit boards.

**2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS**

These parent company only financial statements were authorized for issue by the Board of Directors on March 14, 2023.

**3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS**

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

Effective January 1, 2022, the Company adopted the following newly revised International Financial Reporting Standards, which had no significant effect on its parent company only financial statements.

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

(2) Effect of new standards and amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

The Company has assessed that the application of the following newly revised IFRSs effective from January 1, 2023, would not have a significant effect on its parent company only financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendment to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(3) IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The new standards, interpretations issued and amended by the IASB but not yet endorsed by the FSC, and which may have relevance to the Company are as below:

<b>New, Revised or Amended Standards and Interpretations</b>	<b>Major Amendments</b>	<b>Effective Date of Introduction by IASB</b>
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	Under the current IAS 1 requirements, liabilities that have an unconditional right to defer settlement for at least twelve months after the reporting period should be classified as current. The amendment removes the requirement for the right to be unconditional, and instead requires that the right must exist and be substantive as of the end of the reporting period.  The amendment clarifies how entities should classify liabilities that are settled by issuing their own equity instruments (such as convertible bonds).	January 1, 2024
Amendment to IAS 1 - “Non-current Liabilities with Covenants”	After reconsideration of certain aspects of the 2020 amendment to IAS 1, the new amendment clarifies that only contractual terms in effect on or before the reporting date will impact the classification of liabilities as current or non-current, as per the revised criteria.  Contractual terms that come into effect after the reporting date (i.e., future terms) do not impact the classification of liabilities as of that reporting date. However, when non-current liabilities are constrained by future contractual terms, entities need to disclose information to help financial statement users understand the risk of repayment within twelve months after the reporting date.	January 1, 2024

The Company is continuously evaluating the impact of the above standards and interpretations on the Company's financial condition and results of operations, and the related impact will be disclosed upon completion of the evaluation.

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Company does not expect the following other newly issued and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements.

- Amendment to IFRS 10 and IAS 2 “Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures”
- Amendment to IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendment to IFRS 17 – “Comparative Information for Initial Application of IFRS 17 and IFRS 9”
- Amendment to IFRS 16 – “Sale and Leaseback Transaction Requirements”

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(1) Statement of compliance

These parent company only financial statements have been prepared following the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

- (a) Financial instruments at fair value through profit or loss are measured at fair value;
- (b) Financial assets at fair value through other comprehensive income are measured at fair value.

B. Functional and presentation currency

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(3) Foreign Currency

A. Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for the difference relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

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

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

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Company holds the asset primarily for the purpose of trading;
- C. The Company expects to realize the asset within twelve months after the reporting period;
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- A. The Company expects to settle the liability in its normal operating cycle;
- B. The Company holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period;
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

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

(6) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

- A. Financial assets

## Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

### (a) Financial assets measured at amortized cost

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### (b) Financial assets measured at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument by instrument basis.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

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

Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, Notes and trade receivables, other receivables, refundable deposits paid and other financial assets), debt investments measured at FVOCI, and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12 month ECL:

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

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

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

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument.

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

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

ECL is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL is discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The borrower will probably enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for financial assets because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income in stead of reducing the carrying amount of the asset.

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(e) Derecognition of financial assets

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

The Company enters transactions whereby it transfers its assets recognized in the balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In this case, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

(b) Equity transaction

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

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written offset).

(d) Financial liabilities

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

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

### **(e) Derecognition of financial liabilities**

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

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

### **(f) Offsetting of financial assets and liabilities**

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

### **C. Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

### **(7) Inventories**

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

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

### **(8) Subsidiaries**

The subsidiaries which the Company is holding for controlling are measured under the equity method in the financial statement. Under the equity method, the net income, other comprehensive income and equity in the financial statement are equivalent to the net income, other comprehensive income and equity which are attributable to the owners of the parent company in the financial statement.

The changes in ownership of the subsidiaries are recognized as an equity transaction.

### **(9) Property, plant, and equipment**

#### **A. Recognition and measurement**

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

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

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

#### **B. Subsequent costs**

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

#### **C. Depreciation**

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

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

(a) Buildings and structures	2 years~50 years
(b) Machinery and equipment	2 years~12 years
(c) Office and other equipment	2 years~12 years

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(10) Lease

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

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

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

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

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

- (a) Fixed payments, including in-substance fixed payments;
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) Amounts expected to be payable under a residual value guarantee; and
- (d) Payments for purchase or termination options that are reasonably certain to be exercised.

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

- (a) There is a change in future lease payments arising from the change in an index or rate;  
or
- (b) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or(c) Amounts expected to be payable under a residual value guarantee;
- (c) There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

**Notes to the Parent Company Only Financial Statements of  
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- (d) There is a change of its assessment on whether it will exercise an extension or termination option; or
- (e) There is any lease modifications.

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

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance Sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitories, warehouse, parts of the transportation and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(11) Intangible assets

A. Recognition and measurement

Intangible assets, including computer software, that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(12) Impairment of non-financial assets

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue recognition

Revenue from contracts with customers

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

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

### A. Sale of goods—electronic components

The Company manufactures and sells electronic components to customers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often recognizes revenue based on the total amount if the sale according to aggregate sales of electronic components is over a 6-months period and had a discount agreement previously or its highly possible to have sales discounts in marketing experience. The Company evaluates the amount of discounts at the day of the occurrence of that fact or the date of the balance sheet, offsets sales revenue or recognizes sales allowance, and recognizes the revenue only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expecting amount paid to customers relating to the unit price discounts and defects of the product is recognized as refund liabilities.

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

### B. Financing components

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

## (14) Employee benefits

### A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

### B. Short-term employee benefits

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(15) Share-based payment transaction

The equity-settled share-based payment agreement recognizes an expense and increases the relative equity over the vesting period of the award based on the fair value of the award on the vesting date. The expense recognized is adjusted for the number of awards that are expected to meet the service condition and the non-market vesting condition. The final amount recognized is based on the number of awards that meet the service conditions and non-marketable vesting conditions on the vesting date.

Non-vested conditions relating to share-based benefit awards are reflected in the measurement of the fair value of the share-based benefit awards at the vesting date and no adjustment is required to be made to verify the difference between the expected and actual results.

The amount of the fair value of the share appreciation rights payable to employees in cash settlements is recognized as an expense and an increase in the corresponding liability in the period in which the employees reach the point where they can receive unconditional compensation. The liability is remeasured at the fair value of the share appreciation rights at each reporting date and settlement date, and any change is recognized as profit or loss.

The share-based vesting date of the Company, such as the date of transfer of treasury shares to employees, is the date on which the Board of Directors approves the transfer of treasury shares to employees.

(16) Income taxes

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

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

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

It is measured using tax rates enacted or substantively enacted at the reporting date. Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- A. Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- B. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- C. Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

- A. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- (a) The same taxable entity; or

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(17) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

The Company's potentially dilutive ordinary shares include employee compensation.

(18) Segment information

The operating segment information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose segment information in parent company only financial statements.

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the parent company only financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

**6. STATEMENTS OF MAJOR ACCOUNTING ITEMS**

(1) Cash and cash equivalents

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash in hand	\$ 100	100
Cash in banks		
Demand deposits	1,701,242	2,667,916
Time deposits	976,005	-
Cash and cash equivalents in statement of cash flows	<b><u>\$ 2,677,347</u></b>	<b><u>2,668,016</u></b>

Please refer to Note 6(22) for the disclosure of credit, currency risks and interest analysis of the financial instruments of the Company.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Company's cash and cash equivalents have not been pledged as collaterals. Cash and cash equivalents are expressed not pledged.

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

A. Details were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Financial assets measured at fair value through profit or loss:		
Derivative instruments not used for hedging	\$ -	399
Non-derivative financial assets - Limited Partnership	24,000	-
<b>Total</b>	<b>\$ 24,000</b>	<b>399</b>
Financial liability measured at fair value through profit or loss:		
Derivative instruments not used for hedging	\$ -	<b>40</b>

Details on the determination of fair value of financial instruments, credit and liquidity risk associated with financial instruments, and fair value disclosures are provided in Note 6(22) of the financial statements.

B. Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held for trading financial instruments:

Forward exchange contracts:

	<b>December 31, 2021</b>			
	<b>Book value</b>	<b>Contract amount (in thousands of USD)</b>	<b>Currency</b>	<b>Maturity dates</b>
<u>Derivative financial assets</u>				
Forward exchange sold	\$ 399	USD 5,000	USD to TWD	Jan. 07, 2022
<u>Derivative financial liabilities</u>				
Forward exchange sold	\$ 40	USD 2,000	USD to TWD	Jan. 07, 2022

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(3) Notes and accounts receivable

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Notes receivable	\$ -	3,279
Accounts receivable	5,312,434	8,672,688
Less: Loss allowance	<u>(28,686)</u>	<u>(157,998)</u>
Total	<b><u>\$ 5,283,748</u></b>	<b><u>8,517,969</u></b>

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

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Not yet due	\$ 5,245,299	0.00%~1.46%	5,760
Overdue within 30 days	52,353	0.00%~100.00%	8,144
Overdue 31-90 days	14,445	0.00%~100.00%	14,445
Overdue 91 days above	<u>337</u>	100.00%	<u>337</u>
	<b><u>\$ 5,312,434</u></b>		<b><u>28,686</u></b>
	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Not yet due	\$ 8,517,361	0.00%~17.53%	94,171
Overdue within 30 days	125,300	0.00%~100.00%	30,552
Overdue 31-90 days	33,304	0.00%~100.00%	33,273
Overdue 91 days above	<u>2</u>	100.00%	<u>2</u>
	<b><u>\$ 8,675,967</u></b>		<b><u>157,998</u></b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 157,998	125,623
Recognized impairment (reversal of gains) loss	(129,312)	36,292
Amounts written off	-	(3,917)
Balance, end of year	<u>\$ 28,686</u>	<u>157,998</u>

Please refer to 6(22) for the credit and the currency risks of the Company's notes and accounts receivables.

The Company's notes and accounts receivable have not been pledged as collateral.

(4) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables	\$ 53,067	84,065
Less: Loss allowance	(4,674)	(4,674)
Total	<u>\$ 48,393</u>	<u>79,391</u>

As of December 31, 2022 and 2021, the Company assessed that no other receivables were overdue. For further credit and and currency risk information, please refer to note 6(22).

The Company's other receivables have not been pledged as collateral.

(5) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finished goods	\$ 341,596	432,537
Work in progress	147,934	154,946
Raw materials and supplies	28,104	38,814
Total	<u>\$ 517,634</u>	<u>626,297</u>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The details of the cost of sales of the Company were as follows:

	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 15,676,490	19,508,461
Inventory scrap loss	19,580	19,652
Loss (Gain) for market price decline, obsolete and slow-moving inventories	(3,581)	13,917
Revenue from the sale of scraps	(56,053)	(78,417)
Unallocated manufacturing expenses	32,714	3,685
Total	<u>\$ 15,669,150</u>	<u>19,467,298</u>

The Company has recognized inventory recovery gains due to the disappearance of factors that previously caused the net realizable value of inventory to be lower than cost, resulting in an increase in net realizable value. Inventory write-down and obsolescence losses are recognized as operating costs when the net realizable value of inventory is lower than cost due to inventory being obsolete or unusable.

The Company's inventories have not been pledged as collateral.

(6) Investments accounted for using the equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary	<u>\$ 17,186,597</u>	<u>16,696,115</u>

For information on subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2022.

The Company did not provide any investment accounted for using the equity method as collaterals for its loans.

In the fiscal year 2022 and 2021, the Board of Directors of the company's subsidiary resolved to distribute cash dividends of NTD1,253,684,000 and NTD160,384,000 respectively. In the fiscal year 2022, the Shareholders Meeting of the subsidiary company resolved to distribute stock dividends of NTD1,075,723,000.

To align with the Group's business expansion, diversification of production bases, and long-term business development needs, on December 21, 2022, the Company made a direct investment in Vietnam and established the Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. (also known as Chi Chau Vietnam), with an investment amount of NTD315,281,000.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(7) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	Land	Buildings and structures	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost or deemed cost:						
Balance on January 1, 2022	\$ 202,597	561,350	997,736	106,632	1,098	1,869,413
Additions	-	18,013	54,240	5,808	158	78,219
Disposals	-	-	(30,634)	(173)	-	(30,807)
Transfer (out) in	-	1,098	-	-	(1,098)	-
Balance on December 31, 2022	<u>\$ 202,597</u>	<u>580,461</u>	<u>1,021,342</u>	<u>112,267</u>	<u>158</u>	<u>1,916,825</u>
Balance on January 1, 2021	\$ 202,597	379,245	804,178	104,049	30,180	1,520,249
Additions	-	152,554	239,868	2,818	1,098	396,338
Disposal	-	(629)	(48,111)	(235)	-	(48,975)
Transfer (out) in	-	30,180	1,801	-	(30,180)	1,801
Balance on December 31, 2021	<u>\$ 202,597</u>	<u>561,350</u>	<u>997,736</u>	<u>106,632</u>	<u>1,098</u>	<u>1,869,413</u>
Accumulated depreciation and impairment loss:						
Balance on January 1, 2022	\$ -	274,663	618,294	88,884	-	981,841
Depreciation in the period	-	11,330	53,930	3,332	-	68,592
Disposals	-	-	(11,790)	(173)	-	(11,963)
Balance on December 31, 2022	<u>\$ -</u>	<u>285,993</u>	<u>660,434</u>	<u>92,043</u>	<u>-</u>	<u>1,038,470</u>
Balance on January 1, 2021	\$ -	268,967	625,880	86,157	-	981,004
Depreciation in the period	-	6,325	38,983	2,962	-	48,270
Disposals	-	(629)	(46,569)	(235)	-	(47,433)
Balance on December 31, 2021	<u>\$ -</u>	<u>274,663</u>	<u>618,294</u>	<u>88,884</u>	<u>-</u>	<u>981,841</u>
Book value						
December 31, 2022	<u>\$ 202,597</u>	<u>294,468</u>	<u>360,908</u>	<u>20,224</u>	<u>158</u>	<u>878,355</u>
January 1, 2021	<u>\$ 202,597</u>	<u>110,278</u>	<u>178,298</u>	<u>17,892</u>	<u>30,180</u>	<u>539,245</u>
December 31, 2021	<u>\$ 202,597</u>	<u>286,687</u>	<u>379,442</u>	<u>17,748</u>	<u>1,098</u>	<u>887,572</u>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Company's property, plant and equipment have not been pledged as collateral.

(8) Right-of-use assets

The cost and depreciation of the leasing transportation equipment of the Company were as follows:

	<b>Transportation equipment</b>
Cost:	
Balance on January 1, 2022	\$ 66,454
Additions	16,620
Decreases	(13,982)
Balance on December 31, 2022	<b><u>\$ 69,092</u></b>
Balance on January 1, 2021	\$ 53,171
Additions	20,553
Decrease	(7,270)
Balance on December 31, 2021	<b><u>\$ 66,454</u></b>
	<b>Transportation equipment</b>
Accumulated depreciation:	
Balance on January 1, 2022	\$ 31,778
Provisions	22,058
Decreases	(13,719)
Balance on December 31, 2022	<b><u>\$ 40,117</u></b>
Balance on January 1, 2021	\$ 19,126
Provisions	19,922
Decrease	(7,270)
Balance on December 31, 2021	<b><u>\$ 31,778</u></b>
Book value	
December 31, 2022	<b><u>\$ 28,975</u></b>
December 31, 2021	<b><u>\$ 34,676</u></b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(9) Short-term debt

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Unsecured bank loans	<b>\$ 5,826,274</b>	<b>4,810,138</b>
Unused short-term credit lines	<b>\$ 6,200,201</b>	<b>5,284,251</b>
Interest Rates (%)	<b>1.30%~5.08%</b>	<b>0.63%~0.91%</b>

Please refer to Note 6(22) for the information of liquidity, currency risks and interest analysis of short-term debt of the Company.

The Company did not provide any asset as collateral for its bank borrowings.

(10) Short-term notes and bills payable

		<b>December 31, 2022</b>	
	<b>Guarantors</b>	<b>Interest Rates</b>	<b>Amount</b>
Commercial promissory notes payable	Dah Chung Bills Finance Corporation	1.76%	\$ 200,000
Less: Short-term notes and bills payable discount			(157)
Total			<b>\$ 199,843</b>
		<b>December 31, 2021</b>	
	<b>Guarantors</b>	<b>Interest Rates (%)</b>	<b>Amount</b>
Commercial promissory notes payable	China Bills Finance Corporation and Dah Chung Bills Finance Corporation	0.93%~0.94%	\$ 180,000
Less: Short-term notes and bills payable discount			(111)
Total			<b>\$ 179,889</b>

Please refer to Note 6(22) for the information of liquidity risks and interest analysis of short-term notes and bills payable of the Company.

The Company did not provide any asset as collateral for its short-term notes and bills payable.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(11) Refund liabilities, current

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Refund liabilities, current	<b><u>\$ 280,368</u></b>	<b><u>364,328</u></b>

Refund liability is mainly due to the characteristics of the industry in which the sales of electronic components may generate a sales discount due to product defects or price drops, which are expected to be paid to customers.

(12) Long-term debt

				<b>December 31, 2021</b>	
	<b>Currency</b>	<b>Interest Rates</b>	<b>Period</b>		<b>Amount</b>
Unsecured bank loans	New Taiwan Dollars	1.11%~1.21%	July 1, 2024~October 20, 2025	\$	1,170,352
Less: Current portion					<u>(395,753)</u>
Total					<b><u>\$ 774,599</u></b>
Unused long-term credit lines					<b><u>\$ 150,000</u></b>

Please refer to Note 6(22) for the information of liquidity risks and interest analysis.

The Company did not provide any asset as collateral for its bank borrowings.

(13) Lease liabilities

The Company lease liabilities were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<b><u>\$ 16,153</u></b>	<b><u>20,302</u></b>
Non-current	<b><u>\$ 13,020</u></b>	<b><u>14,630</u></b>

For the maturity analysis, please refer to Note 6(22).

The amounts recognized in profit or loss were as follows:

	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<b><u>\$ 413</u></b>	<b><u>472</u></b>
Expenses relating to short-term leases	<b><u>\$ 1,776</u></b>	<b><u>2,771</u></b>
Expenses relating to leases of low value assets, excluding short-term leases of low-value assets	<b><u>\$ 425</u></b>	<b><u>420</u></b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The amounts recognized in the statement of cash flows for the Company were as follows:

	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<b>\$ 24,724</b>	<b>23,549</b>

The Company leases transportation equipment with lease terms of three years.

In addition, the lease period of the employee dormitory, warehouse, and parts of the transportation equipment and other equipment of the Company is one to six years. These leases are short-term or low-value leases. The Company chooses to apply the exemption requirements and not recognize its related right-of-use assets and lease liabilities.

(14) Employee benefits

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company's pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to NTD 11,145,000 and NTD 11,961,000 for the years ended December 31, 2022 and 2021, respectively.

(16) Income taxes

A. Income tax expense

	<b>2022</b>	<b>2021</b>
Current income tax expense		
Arising during the period	\$ 335,034	138,806
Adjustments for the previous period	(10,635)	-
	<b>324,399</b>	<b>138,806</b>
Deferred tax expense		
Origination and reversal of temporary differences	(195,369)	110,196
Income tax expense	<b>\$ 129,030</b>	<b>249,002</b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Reconciliation of income tax and profit before tax for 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Income before tax	\$ 1,601,353	2,507,931
Income tax using the Company's domestic tax rate	\$ 320,271	501,586
Overestimation of the previous period	(10,635)	-
Non-deductible expenses	12	65
Tax-exempt income	(73,223)	(259,873)
Recognition of unrecognized tax losses from the previous period	-	(11,795)
Change in unrecognized temporary differences	(156,543)	(57,918)
Undistributed earnings additional tax	49,148	55,329
Others	-	21,608
<b>Total</b>	<b>\$ 129,030</b>	<b>249,002</b>

**B. Deferred tax assets and liabilities**

**(a) Unrecognized deferred tax liabilities**

The Company entity can control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2022 and 2021. Also, Management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<b>\$ 1,280,697</b>	<b>1,054,683</b>

**(b) Unrecognized deferred tax assets**

Deferred tax assets have not been recognized in respect of the following items:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Tax effect of deductible temporary differences	<b>\$ 77,139</b>	<b>109,141</b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax liabilities were as follows:

	<b>Foreign Investment Income</b>	<b>Others</b>	<b>Total</b>
<b>Deferred Tax Liabilities:</b>			
Balance on January 1, 2022	\$ 242,608	72	242,680
Recognized in profit or loss	(211,903)	16,534	(195,369)
Balance on December 31, 2022	<b><u>\$ 30,705</u></b>	<b><u>16,606</u></b>	<b><u>47,311</u></b>
Balance on January 1, 2021	\$ 132,484	-	132,484
Recognized in profit or loss	110,124	72	110,196
Balance on December 31, 2021	<b><u>\$ 242,608</u></b>	<b><u>72</u></b>	<b><u>242,680</u></b>

C. Assessment of tax

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

(16) Capital and other equity

A. Ordinary shares

As of December 31, 2022 and 2021, the authorized shares of 300,000,000, with a par value of \$10 per share, amounted to \$3,000,000,000, of which, 271,242,000 of ordinary shares were issued. All issued shares were paid up upon issuance.

B. Capital reserve

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Additional paid-in capital	\$ 1,977,861	2,384,724
Differences between acquisition price and carrying amount arising from acquisition of subsidiaries	612,761	612,761
Changes in ownership interests in subsidiaries	114,641	114,641
Conversion of treasury shares	163,525	163,559
Others	6,906	6,906
	<b><u>\$ 2,875,694</u></b>	<b><u>3,282,591</u></b>

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

According to the R.O.C. Company Act, the capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on the issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus above par value should not exceed 10% of the total common stock outstanding.

### **C. Retained earnings**

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed as new stocks according to the distribution plan or shares newly issued proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

If the Company distributes dividend bonus, legal reserve, special reserve, or part/whole of the capital surplus by cash payment, two of the three authorized board members must be present during the meeting, and half of the attendees' approval must be obtained before reporting the agreed appropriation at the shareholders' meeting.

To consider stable development and complete financial structure, the Company's surplus distribution shall be no less than 10% of the distributable surplus, minus the previous year's surplus. However, if the distributable surplus, minus the previous year's surplus, is less than the percentage of paid-in capital, the Company may decide to transfer all of the retained surplus to unappropriated retained earnings.

When distributing surplus, cash dividend shall not be less than 10% of the total dividend.

#### **(a) Legal reserve**

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

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(b) Special reserve

When the Company distributes the distributable surplus, the net deduction of other shareholders' equity in the current year is reported, and the special surplus reserve is made up from the current profit and loss and the undistributed surplus in the previous period; it is the deduction of other shareholders' equity accumulated in the previous period amount, from the undistributed surplus of the previous period, the special surplus reserve shall not be distributed. When the deduction amount of other shareholders' equity is reversed thereafter, the surplus may be distributed on the reversed part.

(c) Earnings distribution

The earnings distribution for 2021 and 2020 had been approved during the board's meeting and shareholder's meeting on April 25, 2022 and April 20, 2021, respectively.

The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Dividend per share (NTD)	Amount	Dividend per share (NTD)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$ 3.50	949,349	3.50	914,349

In addition, on April 25th, 2022, the Board of Directors of our company resolved to distribute cash dividends of NTD406,863,000 from the capital reserve, with a distribution of NTD1.50 per share.

D. Treasury shares

A resolution was approved during the board meeting held on March 23, 2020 for the issuance of employee stock options between March 25 and May 13, 2020, following the requirements of section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 10,000,000 of its treasury shares.

In addition, on April 20 and December 29, 2022, as resolved by the Board of Directors, 3,110,000 shares and 6,890,000 shares were transferred to employees, and the relevant conversion was completed on July 16, 2021 and January 26, 2022 respectively. Please refer to Note 6(17) for detailed information. As of December 31, 2022, there was no untransferred or cancelled share.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

E. Other equity

The items listed under other equity are Exchange Differences on Translation of Foreign Financial Statements and the accumulated amount of unrealized gains and losses of financial assets at fair value through other comprehensive gains and losses.

(17) Share-based payment

As of December 31, 2022, the Company had the following two share-based payment transactions:

	<u>Equity-Settlement</u>	
	<b>Transfer of treasury stocks to employees</b>	
	April 20, 2021	December 29, 2021
Vesting date	April 20, 2021	December 29, 2021
Quantity made available	3,110,000 shares	6,890,000 shares
Vesting condition	Instantly vested	Instantly vested

A. Fair value measurement parameters on the vesting date

The Company used the Black-Scholes option pricing model to estimate the fair value of share-based payment on the vesting date, and the input value of this model was as follows:

	<u>2021</u>	
	<b>Transfer of treasury stocks to employees</b>	
Fair value on vesting date	18.70	15.30
Stock value on vesting date	52.70	48.40
Striking price	32.80	32.80
Volatility forecasting (%)	28.25%	23.56%
Share option lifetime (days)	87 days	29 days
Risk-free interest rate (%)	0.12%	0.27%

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

B. Related information on the transfer of treasury stocks to employees

	2022		2021	
	Weighted average exercise price (NTD)	Share option quantity (000's shares)	Weighted average exercise price (NTD)	Share option quantity (000's shares)
Number of shares waiting to be transferred on January 1	\$ 32.80	6,890	32.80	10,000
Number of current period executions	32.80	<u>(6,890)</u>	32.80	<u>(3,110)</u>
Number of shares waiting to be transferred on December 31	-	<u>-</u>	-	<u>6,890</u>

C. Employee expenses

	2022	2021
Expenses arising from the transfer of treasury stocks to employees	\$ -	<u>163,574</u>

(18) Earnings per share

	2022	2021
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,472,323</u>	<u>2,258,929</u>
Weighted average number of ordinary shares (In Thousands)	<u>270,771</u>	<u>262,682</u>
Basic earnings per share (NTD)	\$ <u>5.44</u>	<u>8.60</u>
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,472,323</u>	<u>2,258,929</u>
Weighted average number of ordinary shares (In Thousands)	270,771	262,682

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

	<b>2022</b>	<b>2021</b>	
Effect of dilutive potential ordinary shares			
– Effect of employee share bonus	10,051	10,961	
Effect of conversion of convertible bonds (In Thousands) (diluted)	<b>280,822</b>	<b>273,643</b>	
Diluted earnings per share (NTD)	<b>\$ 5.24</b>	<b>8.26</b>	
 (19) Revenue from contracts with customers			
A. Details of revenue			
	<b>2022</b>	<b>2021</b>	
Primary geographical markets:			
China (including Hong Kong)	\$ 11,091,888	13,233,243	
Singapore	2,442,572	3,178,253	
Taiwan	2,272,157	2,919,172	
Korea	878,949	1,000,751	
Others	477,719	796,534	
	<b>\$ 17,163,285</b>	<b>21,127,953</b>	
Major products/services lines			
Printed circuit boards	\$ 16,994,530	20,948,297	
Processing fees revenue and others	168,755	179,656	
	<b>\$ 17,163,285</b>	<b>21,127,953</b>	
 B. Contract balances			
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
Notes and accounts receivable	\$ 5,312,434	8,675,967	7,047,109
Less: Loss allowance	(28,686)	(157,998)	(125,623)
Total	<b>\$ 5,283,748</b>	<b>8,517,969</b>	<b>6,921,486</b>

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(3).

For refund liabilities disclosure please refer to Note 6(11).

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(20) Employee compensation and directors' remuneration

Following the articles of incorporation, the Company should contribute 5% to 15% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits (including adjustments to the amount of undistributed surplus), the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The estimated amount of remuneration for the Company's employees and directors is as follows:

	<u>2022</u>	<u>2021</u>
Employees' remuneration	\$ 292,931	458,768
Directors' remuneration	58,586	91,754
	<u>\$ 351,517</u>	<u>550,522</u>

The estimated amounts mentioned above are calculated based on the income before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors and as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. Related information would be available at the Market Observation Post System website.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2022 and 2021.

(21) Non-operating income and expenses

A. Other gains and losses

The details of other gains and losses were as follows:

	<u>2022</u>	<u>2021</u>
Foreign exchange gains (losses)	\$ 52,201	(18,013)
Net losses on financial assets (liabilities) at fair value through profit or loss	(13,430)	(46)
Net gains on disposal of property, plant and equipment	3,216	2,724
Losses on disposal of investments	-	(33,463)
Others	(3,065)	(3,104)
	<u>\$ 38,922</u>	<u>(51,902)</u>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

B. Finance costs

The details of finance costs were as follows:

	2022	2021
Interest expense	\$ 101,622	65,773

(22) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The customers of the Company are concentrated in a broad customer base, and there is no significant concentration of transactions with a single customer, and the sales area is dispersed, so the credit risk of accounts receivable is not likely to be significantly concentrated. To reduce credit risk, the Company also regularly and continuously assesses the financial status of its customers, but usually does not require customers to provide collateral.

(c) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to Note 6(3).

Other financial assets at amortized cost include cash and cash equivalents and other receivables, please refer to Note 6(1) and 6(4).

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months of expected credit losses. The fixed deposit certificates held by the Company, the transaction counterparty, and the performing party are financial institutions with investment grades and above, so the credit risk is deemed to be low.

B. Liquidity risk

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

	Carrying amount	Contractu al cash flows	Within 6 months	6-12 months	1~2 years	2~5 years
<b>December 31, 2022</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 5,826,274	5,850,289	5,850,289	-	-	-

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

	<u>Carrying amount</u>	<u>Contractu al cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1~2 years</u>	<u>2~5 years</u>
Short-term notes and bills payable	199,843	200,000	200,000	-	-	-
Notes and accounts payable	4,058,035	4,058,035	4,058,035	-	-	-
Other payables	1,433,141	1,433,141	1,433,141	-	-	-
Lease liabilities	29,173	29,534	9,986	6,261	9,779	3,508
	<b>\$ 11,546,466</b>	<b>11,570,999</b>	<b>11,551,451</b>	<b>6,261</b>	<b>9,779</b>	<b>3,508</b>

	<u>Carrying amount</u>	<u>Contractu al cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1~2 years</u>	<u>2~5 years</u>
<b>December 31, 2021</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 5,980,490	6,009,708	5,023,712	202,851	402,195	380,950
Short-term notes and bills payable	179,889	180,000	180,000	-	-	-
Notes and accounts payable	6,846,205	6,846,205	6,846,205	-	-	-
Other payables	1,794,181	1,794,181	1,793,968	213	-	-
Lease liabilities	34,932	35,397	10,786	9,662	10,708	4,241
Derivative financial liabilities						
Others forward exchange contracts:						
Outflow	(359)	193,830	193,830	-	-	-
Inflow	-	(194,189)	(194,189)	-	-	-
	<b>\$ 14,835,338</b>	<b>14,865,132</b>	<b>13,854,312</b>	<b>212,726</b>	<b>412,903</b>	<b>385,191</b>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

C. Currency risks

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 214,948	30.71	6,601,042	355,065	27.68	9,828,205
CNY	-	4.41	-	7,789	4.34	33,837
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	203,059	30.71	6,235,946	332,910	27.68	9,214,949
JPY	1,490	0.23	346	1,490	0.24	358

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings; and notes and accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against each transaction currencies currency on December 31, 2022 and 2021 would have increased (decreased) the net income by \$14,590,000 and \$25,869,000. The analysis in 2022 is performed on the same basis for 2021.

(c) Foreign exchange gain and loss on monetary items

The exchange gains and losses of the Company's monetary items (including realized and unrealized) converted into functional currency, and converted to the parent company's functional currency, New Taiwan dollar (that is, the Company's presentation currency), are as follows:

	2022		2021	
	Exchange gains (losses)	Average Rate	Exchange gains (losses)	Average Rate
New Taiwan Dollars	\$ 52,201	-	(18,013)	-

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

D. Interest rate analysis

Please refer to the notes on liquidity risk management about the interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis assumes that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to Management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased /decreased by 1 %, the Company's net income would have decreased /increased by \$34,599,000 in 2022 and \$27,940,000 in 2021 with all other variable factors remaining constant. Mainly due to group variable interest rate deposits and loans.

E. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities through profit or loss is measured regularly. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, for equity investments that have no quoted prices in the active markets and whose fair value cannot be reliably measured, and lease liabilities, for which disclosure of fair value information is not required.

	December 31, 2022				
	Net carrying amount as of:	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value through profit or loss</b>	\$ 24,000	-	-	24,000	24,000
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	2,677,347	-	-	-	-
Notes and accounts receivable	5,283,748	-	-	-	-
Other receivables	48,393	-	-	-	-
Restricted assets	60,504	-	-	-	-

**Notes to the Parent Company Only Financial Statements of  
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	December 31, 2022				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Refundable deposits	10,942	-	-	-	-
Subtotal	8,080,934	-	-	-	-
Total	<b>\$ 8,104,934</b>	-	-	<b>24,000</b>	<b>24,000</b>

**Financial liabilities at amortized**

**cost**

Bank loan	\$ 5,826,274	-	-	-	-
Short-term notes and bills payable	199,843	-	-	-	-
Notes and accounts payable	4,058,035	-	-	-	-
Other payables	1,433,141	-	-	-	-
Lease liabilities	29,173	-	-	-	-
Total	<b>\$ 11,546,466</b>	-	-	-	-

	December 31, 2021				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss</b>	<b>\$ 399</b>	-	399	-	399
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	2,668,016	-	-	-	-
Notes and accounts receivable	8,517,969	-	-	-	-
Other receivables	79,391	-	-	-	-
Restricted assets	74,091	-	-	-	-
Refundable deposits	10,242	-	-	-	-
Subtotal	11,349,709	-	-	-	-
Total	<b>\$ 11,350,108</b>	-	<b>399</b>	-	<b>399</b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

	December 31, 2021				
	Net carrying amount as of:	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial liability at fair value</b>	\$ 40	-	40	-	40
<b>through profit or loss</b>					
<b>Financial liabilities at amortized</b>					
<b>cost</b>					
Bank loan	5,980,490	-	-	-	-
Short-term notes and bills payable	179,889	-	-	-	-
Notes and accounts payable	6,846,205	-	-	-	-
Other payables	1,794,181	-	-	-	-
Lease liabilities	34,932	-	-	-	-
Subtotal	14,835,697	-	-	-	-
Total	<u>\$ 14,835,737</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>

- (b) Fair value through profit or loss financial instrument-fair value evaluation technique  
a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If financial instruments can be readily and regularly quoted from a stock exchange, broker, underwriter, industry association, pricing service agency, or regulatory authority, and such quoted prices represent actual and frequent transactions by fair market participants, then the financial instruments are considered to have an active market with quoted prices. If the above conditions are not met, the market is considered inactive. Generally, large bid-ask spreads, significant increase in bid-ask spreads, or low trading volumes are indicators of an inactive market.

For financial instruments other than those with active markets, fair values are obtained using valuation techniques or reference to quoted prices from market participants. Fair values obtained through valuation techniques may be based on current fair values of similar financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including models that utilize market information available at the balance sheet date.

The fair value of financial instruments held by the company that are not traded

**Notes to the Parent Company Only Financial Statements of  
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in an active market shall be presented based on their category and nature as follows:

For limited partnerships, the company applies the equity method to account for these investments. The company evaluates the net asset value of the underlying investment, which approximates the fair value of the equity investment. The evaluation of the underlying investment includes the total value of individual assets and liabilities, in order to reflect the overall value of the enterprise or business.

The fair value of financial instruments held by the company that are not traded in an active market shall be presented based on their category and nature as follows:

For limited partnerships, the company applies the equity method to account for these investments. The company evaluates the net asset value of the underlying investment, which approximates the fair value of the equity investment. The evaluation of the underlying investment includes the total value of individual assets and liabilities, in order to reflect the overall value of the enterprise or business.

b. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. The fair value of forwarding currency is usually determined by the forward currency exchange rate.

(c) Transfers between Level 1 and Level 2 : None.

(d) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions:

	<b>Measured at fair value through profit or loss - Mandatory for non-derivative financial assets at fair value through profit or loss</b>
	<b>2022</b>
Balance, beginning of year	\$ -
Purchase	24,000
Balance, end of year	<b><u>\$ 24,000</u></b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

- (e) Quantitative information on Level 3 fair value measurement using significant unobservable inputs

The financial assets of the company classified as Level 3 for fair value measurement are measured at fair value through profit or loss - Limited partnership.

The Company's investments in equity instruments with no active market have multiple significant unobservable inputs.

The list of quantitative information for significant unobservable inputs is as follows:

<u>Items</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Significant unobservable relationship between inputs and fair value</u>
Financial assets measured at fair value through profit or loss - Limited partnership	Net asset value method	Net asset value method	The higher the net asset value, the higher the fair value

(23) Financial risk management

A. Overview

The Company has exposure to the following risks from its financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the parent company only financial statements.

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

### **B. Structure of risk management**

The Company's financial management department provides services for each business, coordinates the operation of entering domestic and international financial markets, as well as supervises and manages the financial risks related to the Company's operations through internal risk reports that analyze the level and range of risks that may occur. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors. Those policies are written principles for the exchange rate, interest rate, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. The Audit Committee and the internal audit will regularly review the policies to limit risk exposures. The financial management department will regularly report to the Audit Committee and the Board. In addition, the Company does not trade financial instruments (including derivative financial instruments) for speculative purposes.

### **C. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, financial instruments and the Company's receivables from customers.

#### **(a) Accounts receivable and other receivables**

The Company credit risk is affected by individual client circumstances.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the board; these limits are reviewed regularly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company does not require any collateral for accounts receivable and other receivables.

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

### (b) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Company's finance department. Since the Company's counterparties and burden of contract parties are creditworthy banks, financial institutions and corporate organizations with investment grades, there are no materiality concerns, so there is no materiality credit risk.

### (c) Guarantees

The Company's policy is to provide financial guarantees only to companies with business dealings, companies that directly and indirectly hold or hold more than 50% of the voting shares. As of December 31, 2022 and 2021, no other guarantees were outstanding.

### D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount above expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2022 and 2021, The Company's unused credit line were amounted to \$6,500,201,000 and \$5,634,251,000 respectively.

### E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

## **Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Board of Directors.

### **(a) Currency risk**

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities. Therefore, the Company engages in derivative transactions to avoid exchange rate risks. The gains and losses of foreign currency assets and liabilities due to exchange rate changes will roughly offset the valuation gains and losses of derivatives. However, derivative transactions can help reduce the number of merged companies but still cannot completely rule out the impact of changes in foreign currency exchange rates.

The Company regularly reviews the risky positions of individual foreign currency assets and liabilities and hedges the risky positions. The main hedging tool used is forward foreign exchange contracts. The maturity dates of the forward foreign exchange contracts undertaken by the group are all shorter than six months and do not meet the requirements of hedging accounting.

### **(b) Interest rate risk**

The Company's policy is to reduce the exposure of the risk changes in borrowing interest rates.

## **(24) Capital management**

The Company's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Company's capital management strategy in 2022 is consistent with the strategy in 2021. The Company's debt to capital ratios are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 12,112,685	15,593,505
Less: Cash and cash equivalents	(2,677,347)	(2,668,016)
Net debt	9,435,338	12,925,489
Total equity	14,642,133	14,042,562
Total capital	<b>\$ 24,077,471</b>	<b>26,968,051</b>
Debt to equity ratio	<b>39.19%</b>	<b>47.93%</b>

(25) Investing and financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021, were as follows:

For obtaining the right-of-use asset by lease, please refer to Note 6(8).

Reconciliation of liabilities arising from financing activities was as follows:

	<b>Jan. 1, 2022</b>	<b>Cash flows</b>	<b>Non-cash changes Others</b>	<b>December 31, 2022</b>
Long-term debt	\$ 1,170,352	(1,170,352)	-	-
Short-term debt	4,810,138	1,016,136	-	5,826,274
Lease liabilities	34,932	(22,110)	16,351	29,173
Short-term notes and bills payable	179,889	19,954	-	199,843
Total liabilities from financing activities	<b>\$ 6,195,311</b>	<b>(156,372)</b>	<b>16,351</b>	<b>6,055,290</b>

	<b>January 1, 2021</b>	<b>Cash flows</b>	<b>Non-cash changes Others</b>	<b>December 31, 2021</b>
Long-term debt	\$ 5,523,661	(4,353,309)	-	1,170,352
Short-term debt	1,908,160	2,901,978	-	4,810,138
Lease liabilities	34,265	(19,886)	20,553	34,932
Short-term notes and bills payable	-	179,889	-	179,889
Total liabilities from financing activities	<b>\$ 7,466,086</b>	<b>(1,291,328)</b>	<b>20,553</b>	<b>6,195,311</b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

**7. RELATED-PARTY TRANSACTIONS**

(1) Related parties and relationship

The followings are entities that have had transactions with the related party during the periods covered in the parent company only financial statements.

<b>Name of related parties</b>	<b>Relationship with the Company</b>
TPT International Co., Ltd. (TPT)	Subsidiary of The Company
Chi Yao Ltd. (Chi Yao)	Subsidiary of The Company
T-Flex Techvest PCB Co., Ltd. (tft)	Subsidiary of The Company
tgt Techvest Co., Ltd. (ttg)	Subsidiary of The Company
T-Mac Techvest PCB Co., Ltd. (T-Mac)	Subsidiary of The Company
CATAC Electronic (Zhongshan) Co., Ltd. (tft)	Subsidiary of The Company
T-Mac Techvest (Wuxi) PCB Co., Ltd. (tmt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (twf)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. (tpts)	Subsidiary of The Company
Brilliant Star Holdings Ltd. (Brilliant Star)	Subsidiary of The Company
Chi Chau International Co., Ltd. (Chi Chau)	Subsidiary of The Company
Chi Chen Investment Co., Ltd. (Chi Chen)	Subsidiary of The Company
Chi Yang Investment Ltd. (Chi Yang)	Subsidiary of The Company
Chang Tai International Ltd. (Chang Tai)	Subsidiary of The Company
Yang An International (Samoa) Co., Ltd. (Yang An)	Subsidiary of The Company
Sin Siang (Xiamen) Technology Co., Ltd. (Sin Siang)	Subsidiary of The Company
Chi Chau (Thailand) Co., Ltd. (CCT)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. (txt)	Subsidiary of The Company

(2) Significant transactions with the related parties

A. Operating revenue

The amounts of significant sales (including processing fees revenue) by the Company to related parties were as follows:

	<u>2022</u>	<u>2021</u>
Subsidiary	<u>\$ 28,242</u>	<u>101,441</u>

**Notes to the Parent Company Only Financial Statements of  
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The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when invoice is issued to Net 180 days from the end of the month of when invoice is issued, and the payment terms for related parties are ranged from Net 90 days from the end of the month of when invoice is issued to Net 150 days from the end of the month of when the invoice is issued.

**B. Purchases**

The amounts of significant purchases (including processing costs) by the Company from related parties were as follows:

	<u>2022</u>	<u>2021</u>
Subsidiary – twt	\$ 3,495,150	3,957,988
Subsidiary – tft	2,565,313	2,571,373
Subsidiary – tmt	7,065,560	9,302,901
Other subsidiaries	427,873	596,330
	<u>\$ 13,553,896</u>	<u>16,428,592</u>

The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when invoice is issued to Net 150 days from the end of the month of when invoice is issued, and the payment terms for related parties are ranged from Net 30 days from the end of the month of when invoice is issued to Net 90 days from the end of the month of when the invoice is issued.

The Company's transactions with its subsidiary acting as agents, so the purchase and sales transactions are presented on a net basis.

**C. Receivables from related parties**

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	Subsidiaries	\$ 100,716	46,093
Other receivables	Subsidiary – tmt	22,937	27,680
Other receivables	Subsidiary – twt	10,134	-
Other receivables	Other subsidiaries	-	5,971
		<u>\$ 133,787</u>	<u>79,744</u>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

D. Payables from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable	Subsidiary – twt	\$ 1,043,927	1,542,723
Accounts payable	Subsidiary – tft	789,771	887,581
Accounts payable	Subsidiary – tmt	1,699,471	3,210,216
Accounts payable	Other subsidiaries	167,629	417,678
Other payables	Subsidiary	9,142	6,746
		<b><u>\$ 3,709,940</u></b>	<b><u>6,064,944</u></b>

E. Property transaction

(a) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were summarized as follows:

	<u>2022</u>	<u>2021</u>
Subsidiary – tgt	\$ 23,240	2,475
Subsidiary – tmt	-	9,568
Other subsidiaries	-	565
	<b><u>\$ 23,240</u></b>	<b><u>12,608</u></b>

(b) Disposal of property, plant, and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

<u>Relationship</u>	<u>2022</u>		<u>2021</u>	
	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>
Subsidiary – twt	\$ 10,651	1,229	-	-
Subsidiary – tmt	10,651	1,229	-	-
Subsidiary – tgt	-	-	1,615	73
	<b><u>\$ 21,302</u></b>	<b><u>2,458</u></b>	<b><u>1,615</u></b>	<b><u>73</u></b>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

F. Others

<u>Relationship</u>	<u>Items</u>	<u>2022</u>	<u>2021</u>
Other subsidiaries	Other assets (current and non-current)	\$ 6	4
Other subsidiaries	Other income and expenses	1,814	1,401
Other subsidiaries	Labor fees	44,828	68,131

During the year 2021, the Company participated in the Cash Capital Increase of its subsidiary - tgt Techvest Co., Ltd. by subscribing to 4,594,000 shares of stock at NTD10 per share for an investment amount of NTD45,943,000.

(3) Key management personnel transactions

Key management personnel compensation comprised:

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 372,418	566,506
Post-employment benefits	945	954
	<u>\$ 373,363</u>	<u>567,460</u>

**8. PLEDGED ASSETS**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Objects</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Restricted assets (classified under other financial assets, current)	Remittance to the earnings according to the special law	\$ 60,504	74,091
Refundable deposits (classified under other financial assets, current and non-current assets)	Lease plant and official vehicle deposit etc.	10,942	10,242
		<u>\$ 71,446</u>	<u>84,333</u>

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

**9. SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The Company's outstanding standby letter of credit was as follows:

	December 31, 2022	December 31, 2021
USD	\$ -	750
JPY	-	23,165

**10. LOSSES DUE TO MAJOR DISASTERS: None.**

**11. SIGNIFICANT SUBSEQUENT EVENTS: None.**

**12. OTHERS**

(1) A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
<b>By nature</b>						
Employee benefits						
Salaries	480,207	405,302	885,509	696,165	619,208	1,315,373
Labor and health insurance	33,417	9,967	43,384	33,469	7,967	41,436
Pension	8,402	2,743	11,145	9,328	2,633	11,961
Remuneration of directors	-	60,117	60,117	-	93,395	93,395
Other employee benefits	28,693	3,856	32,549	36,373	3,558	39,931
Depreciation	68,509	22,141	90,650	48,050	20,142	68,192
Amortization	-	699	699	-	653	653

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Additional information on the number of employees and employee benefits of the company in 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Number of employees	<b>363</b>	<b>396</b>
Number of directors who were not employees	<b>12</b>	<b>12</b>
Average employee benefit expense	<b>\$ 2,771</b>	<b>3,668</b>
Average employee salary	<b>\$ 2,523</b>	<b>3,425</b>
Average employee salary adjustment	<b>(26.34)%</b>	<b>39.11%</b>
Supervisor's remuneration	<b>\$ -</b>	<b>-</b>

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

- A. If the Company has a surplus, it shall be distributed as remuneration to directors in accordance with the Company's Articles of Incorporation and the directors' salary standards, which are reviewed by the Compensation Committee and approved by the Board of Directors, thereafter, to be proposed during the shareholders' meeting.
- B. Furthermore, the remuneration to managers is determined by reference to the Company's overall operating performance, as well as the individual's performance achievement rate and contribution to the Company. It will be implemented after being reviewed by the Compensation Committee and approved by the Board of Directors.
- C. In addition, the employee remuneration is based on one's ability, contribution to the Company, and the correlation between individual performance and business performance, wherein the overall salary and remuneration package mainly include base salary, position bonus, performance bonus, employee dividends, and others. The standard payment for employee remuneration is based on one's position and seniority, as well as a reference to the same level within the industry and the Company's policy. Also, bonuses and employee dividends are issued to following each employee's performance and the Company's operating performance.

## Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

### 13. OTHER DISCLOSURES

#### (1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2022:

#### A. Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	Interest rate (%)	Purpose of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance amount	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	tpts	tmt	Other receivables - related parties	Y	450,603	440,799	-	-	2	-	Working capital	-	None.	-	2,811,551	2,811,551
2	tft	twt	Other receivables - related parties	Y	1,351,809	1,322,396	771,398	4.75%	2	-	Working capital	-	None.	-	4,615,733	4,615,733

Note 1: 2 Represents companies that have short-term financing needs.

Note 2: According to the article “Fund Loans to Others Operating Procedures” of Chi Chau Printed Circuit Board Suzhou Co., Ltd. and CATAE Electronic (Zhongshan) Co., Ltd, the parent company, directly and indirectly, holds 100% of voting shares of its foreign companies who engaged in fund loans, wherein the total amounts for financing and individual loans shall not exceed the Company’s net value in the most recent financial statements.

Note 3: Fund loan and quota approved by the Board of Directors.

#### B. Guarantees and endorsements for other parties: None.

#### C. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Per share)

Name of holder	Category and name of security	Relationship with marketable securities Issuer	Account title	Ending balance				Note
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
The Company	Fuyou Private Equity Limited Partnership	Non-related party	Financial assets measured at fair value through profit or loss, non-current	-	24,000	6.00%	24,000	None.
tft	EVA Technologies Co., Ltd. (Ordinary share)	Non-related party	Financial assets measured at fair value through other comprehensive income, non-current	560,000	4,683	2.71%	4,683	None.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars/Per share)

Buy-Sell Company	Type and name of security	Accounting entry	Transaction counterparty	Relationship	Balance at beginning		Purchased		Sold				Balance at end		
					Shares	Amount	Shares	Amount	Shares	Selling Price	Cost at book value	Gain (loss) on disposal	Shares	Amount (Note 1)	
The Company	Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	Investments accounted for under the equity method	txt	Subsidiary	-	-	-	315,281	-	-	-	-	-	-	314,529

Note 1: Includes investments recognized during the current period and changes in equity of investee companies and other comprehensive income based on the proportionate ownership interest.

E. Acquisition of real estate with an amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

F. Disposal of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

G. Related-party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chi Yao	Subsidiary	Purchase	368,477	3%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(68,779)	(2)%	None.
The Company	tft	Subsidiary	Purchase	2,565,313	18%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(789,771)	(19)%	None.
The Company	twt	Subsidiary	Purchase	3,495,150	24%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,043,927)	(26)%	None.
The Company	tmt	Subsidiary	Purchase	7,065,560	49%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,699,471)	(42)%	None.

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
tft	tmt	Other related parties	Purchase	108,329	100%	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	(16,926)	(100)%	None.
tgt	The Company	Parent company	(Sale)	(883,501)	(73)%	Net 30 days from the end of the month of when invoice is issued	-	Not applicable	98,365	49%	None
Chi Yao	The Company	Parent company	(Sale)	(376,634)	(100)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	68,779	100%	None
Chi Yao	twt	Other related parties	Purchase	375,828	100%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(68,629)	(100)%	None.
tpts	twt	Other related parties	Purchase	1,267,211	63%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(590,616)	(82)%	None.
tpts	tmt	Other related parties	Purchase	726,003	36%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(118,410)	(16)%	None.
tft	The Company	Parent company	(Sale)	(2,552,132)	(65)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	789,511	51%	None
tft	tmt	Other related parties	(Sale)	(187,349)	(5)%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	117,245	8%	None
twt	The Company	Parent company	(Sale)	(3,499,169)	(67)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,049,170	60%	None
twt	Chi Yao	Other related parties	(Sale)	(365,748)	(7)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	68,606	4%	None

**Notes to the Parent Company Only Financial Statements of  
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
twt	tpts	Other related parties	(Sale)	(1,267,211)	(24)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	590,616	34%	None
tmt	The Company	Parent company	(Sale)	(7,014,018)	(87)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,698,910	89%	None
tmt	tft	Other related parties	(Sale)	(106,863)	(1)%	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	16,921	1%	None
tmt	tpts	Other related parties	(Sale)	(726,003)	(9)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	118,410	6%	None
tmt	tft	Other related parties	Purchase	187,349	4%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	(117,245)	(12)%	None.

Note 1: Purchasing goods belonging to an agency relationship have been eliminated.

**H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock:**

(Amounts in Thousands of New Taiwan Dollars)

Companies whose accounts are listed in accounts receivable	Transaction counterparty's name	Relationship	Balance Amount	Turnover rate	Overdue receivables from related party		Amount received in subsequent period	Loss allowance amount
					Amount	Action taken		
The Company (Note 2)	tgt	Subsidiary	100,716	1.93 times	-	Not applicable	12,383	-
tgt (Note 2)	The Company	Parent company	98,365	5.43 times	-	Not applicable	95,780	-
tgt (Note 3)	The Company	Parent company	4,036	-times	-	Not applicable	4,036	-
tft (Note 2)	The Company	Parent company	789,511	3.01 times	-	Not applicable	351,836	-
tft (Note 3)	twt	Other related parties	772,517	-times	-	Not applicable	73,466	-
tft (Note 2)	tmt	Other related parties	117,245	2.03 times	-	Not applicable	54,817	-

## Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

Companies whose accounts are listed in accounts receivable	Transaction counterparty's name	Relationship	Balance Amount	Turnover rate	Overdue receivables from related party		Amount received in subsequent period	Loss allowance amount
					Amount	Action taken		
tw (Note 2)	The Company	Parent company	1,049,170	2.67 times	-	Not applicable	536,969	-
tw (Note 2)	tpts	Other related parties	590,616	3.56 times	-	Not applicable	278,809	-
tmt (Note 2)	The Company	Parent company	1,698,910	2.82 times	-	Not applicable	595,441	-
tmt (Note 2)	tpts	Other related parties	118,410	3.71 times	-	Not applicable	71,292	-
tmt (Note 3)	tpts	Other related parties	2,204	-times	-	Not applicable	-	-

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

### I. Trading in derivative instruments:

Please refer to Note 6(2).

### (2) Information on investees :

The following is the information on investees for the year 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/Per share)

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying amount			
The Company	Chi Yang	Taiwan	General investment	85,000	85,000	-	100.00%	194,412	4,138	4,138	None.
The Company	T-Mac	Taiwan	General investment	2,065,497	2,065,497	278,529,533	100.00%	5,945,067	326,412	326,542	Note 1 and 2
The Company	tht	Taiwan	General investment and selling of circuit boards	385,357	385,357	30,821,897	44.21%	349,942	60,393	26,702	None.
The Company	TPT	Samoa	General investment	19,207	19,207	500,000	100.00%	35,344	385	385	None.
The Company	Chi Chau	Samoa	General investment	273,300	273,300	1,153,524	96.13%	2,761,626	155,759	149,726	None.
The Company	Brilliant Star	Cayman	General investment	2,125,349	2,125,349	68,126,618	97.28%	4,993,583	460,519	445,683	Note 1 and 2
The Company	Chi Chen	Samoa	General investment	1,079,519	1,079,519	35,600,000	80.73%	2,488,588	266,749	208,771	Note 1
The Company	tgt	Taiwan	Manufacturing, selling of circuit boards	134,057	134,057	9,680,606	20.70%	70,302	25,652	8,734	Note 1 and 2
The Company	CCT	Thailand	Manufacturing, selling of circuit boards	37,645	37,645	14,850,000	99.00%	33,204	(23)	(23)	None.
The Company	txt	Vietnam	Manufacturing, selling of circuit boards	315,281	-	-	100.00%	314,529	-	-	None.
Chi Yang	Chi Chau	Samoa	General investment	11,252	11,252	46,476	3.87%	109,628	155,759	6,033	None.

## Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying amount			
Chi Yang	CCT	Thailand	Manufacturing, selling of circuit boards	131	131	50,000	0.33%	112	(23)	-	None.
T-Mac	Chang Tai	Samoa	General investment	2,292,370	2,292,370	73,580,000	100.00%	5,896,848	329,204	329,204	None.
T-Mac	CCT	Thailand	Manufacturing, selling of circuit boards	261	261	100,000	0.67%	224	(23)	-	None.
Chang Tai	Yang An	Samoa	General investment	2,335,803	2,335,803	76,060,000	100.00%	5,894,166	329,236	329,236	None.
tht	Chi Chen	Samoa	General investment	252,297	252,297	8,500,000	19.27%	597,431	266,749	51,414	None.
tht	tgt	Taiwan	Manufacturing, selling of circuit boards	405,977	405,977	26,757,000	57.21%	203,811	25,652	14,660	Note 2
Chi Chau	Chi Yao	Hong Kong	General investment and international trading	36,495	36,495	1,188,379	100.00%	2,815,303	155,728	155,728	None.

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

### (3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information :

(In Thousands of New Taiwan Dollars)

Investees	Main businesses and products	Paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows for the period		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net profits (losses) of the investee for the period	The Company percentage of shareholding ratio of direct or indirect investment	Investment income (losses)	Book value of investments at the end	Accumulated remittance of earnings for the period
					Outflow	Inflow						
tpts (Note 6)	Selling of circuit boards	153,550	(2)	36,852	-	-	36,852	156,718	100.00%	156,718	2,811,551	1,418,685
tft (Note 7)	Manufacturing, selling of circuit boards	2,088,280	(2)	2,036,831	-	-	2,036,831	460,966	97.28%	448,437	4,490,280	-
twf (Note 8)	Manufacturing, selling of circuit boards	1,698,523	(2)	1,351,240	-	-	1,351,240	335,300	91.26%	305,996	3,553,767	-
tmt (Note 5)	Manufacturing, selling of circuit boards	2,948,160	(2)	2,241,830	-	-	2,241,830	362,629	100.00%	362,629	5,886,465	-
Sin Siang (Note 9)	Selling of circuit boards	15,355	(2)	-	-	-	-	297	100.00%	297	14,660	-

## Notes to the Parent Company Only Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

### B. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
The Company	3,163,888	3,480,201	9,174,287
T-Mac Techvest PCB Co., Ltd.	2,241,830	2,948,160	3,595,903
T-Flex Techvest PCB Co., Ltd.	261,035	261,035	566,757

Note 1: The investment method is divided into three types:

- (1) Direct investments in mainland China.
- (2) Investment in mainland China through third region companies.
- (3) Other methods.

Note 2: The investment profit and loss column recognized in this period:

- (1) If it is in preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which should be specified.
  - A. Financial statements verified by international accounting firms in partnership with the Republic of China Accounting Firm.
  - B. The financial statements have been reviewed by the Taiwanese parent company's certified accountant.
  - C. Others.

Note 3: According to the "Principles of Investing or Technical Cooperation Review in Mainland China", the limit is calculated based on 60% of the group net value.

Note 4: If the relevant figures in this table involve foreign currencies, profit and loss are calculated at the average exchange rate, and others are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 5: The parent company indirectly invested in T-Mac Techvest (Wuxi) PCB Co., Ltd. through Yang An International (Samoa) Co., Ltd., the difference between the amount of paid-in capital and the amount of accumulated investment transferred was USD20,000,000, in form of common stock dividends.

Note 6: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. through Chi Yao Ltd.

Note 7: The parent company indirectly invested in CATAC Electronic (Zhongshan) CO., Ltd through Brilliant Star Holdings Ltd..

Note 8: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suining) Co., Ltd. through Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongshan) CO., Ltd.

Note 9: The parent company indirectly invested in Sin Siang (Xiamen) Technology Co., Ltd. through TPT International Co., Ltd.

### 3. Significant transactions

The significant intercompany transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

#### (4) Major Shareholder Information

Unit: share

Name of Major Shareholder	Shares	No. of Shares held	Shareholding ratio
HSBC Bank (Taiwan) Limited is entrusted with the custody of Macquarie Bank Limited's main trading platform investment account		14,428,000	5.31%

## 14. SEGMENT INFORMATION

Please refer to the consolidated financial statements for the year ended December 31, 2022.

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF CASH AND CASH EQUIVALENTS**

**December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<b>Items</b>	<b>Summary</b>	<b>Amount</b>
Cash in hand		\$ 100
Cash in banks	Demand deposits	878,847
	Foreign currency deposits USD 26,779,000	822,395
	Time deposits	500,000
	Foreign currency time deposits USD 15,500,000	<u>476,005</u>
Total		<u>\$ 2,677,347</u>

**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE**

<b>Name of Client</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Related party:			
tgt Techvest Co., Ltd.	Payment for goods	<u>\$ 100,716</u>	
Subtotal		<u>100,716</u>	
Non-related party:			
Tech Front (Chongqing) Computer Co., Ltd.	Payment for goods	885,702	
Dell Global BV (Singapore Branch)	Payment for goods	673,085	
Universal Scientific Industrial Co., Ltd. (Kunshan)	Payment for goods	284,253	
Others	Payment for goods	<u>3,368,678</u>	The balance of a counterparty does not reach 5%
Subtotal		<u>5,211,718</u>	
Less: Loss allowance		<u>(28,686)</u>	
Net amount		<u>5,183,032</u>	
Total		<u>\$ 5,283,748</u>	

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF INVENTORIES**

**December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amounts</b>		<b>Note</b>
	<b>Cost</b>	<b>Net Realizable Value</b>	
Raw materials	\$ 15,842	13,749	
Supplies	14,662	14,662	
Work in progress	162,511	199,024	
Finished goods	413,172	530,223	
Total	606,187	<u>757,658</u>	
Less: Loss for market price decline and obsolete and slow- moving inventories	<u>(88,553)</u>		
Net amount	<u>\$ 517,634</u>		

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF CHANGES IN INVESTMENTS  
ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

Name of Company	Opening balance		Additions		Decrease		Ending balance			Market Value or Net Assets (Note 2)		Collateral or Pledge Situation	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Shareholding ratio	Amount	Unit price	Total Price		
<u>Equity Method</u>													
TPT International Co., Ltd.	500,000	\$ 33,285	-	2,059	-	-	500,000	100.00%	35,344	71	35,344	None.	
Chi Chau International Co., Ltd.	1,153,524	3,782,844	-	220,137	-	1,241,355	1,153,524	96.13%	2,761,626	2,393	2,761,626	None.	
Chi Yang Investment Ltd.	-	187,453	-	6,959	-	-	-	100.00%	194,412	-	194,412	None.	
T-Mac Techvest PCB Co., Ltd.	170,957,200	5,537,404	107,572,333	407,663	-	-	278,529,533	100.00%	5,945,067	22	5,993,171	None.	Note 1
T-Flex Techvest PCB Co., Ltd.	30,821,897	331,478	-	30,793	-	12,329	30,821,897	44.21%	349,942	12	372,945	None.	
Brilliant Star Holdings Ltd.	68,126,618	4,486,482	-	507,101	-	-	68,126,618	97.28%	4,993,583	67	4,558,733	None.	Note 1
Chi Chen Investment Co., Ltd.	35,600,000	2,247,174	-	241,414	-	-	35,600,000	80.73%	2,488,588	70	2,502,182	None.	Note 1
tgt Techvest Co., Ltd.	9,680,606	58,975	-	11,327	-	-	9,680,606	20.70%	70,302	8	73,995	None.	Note 1
Chi Chau (Thailand) Co., Ltd.	14,850,000	31,020	-	2,184	-	-	14,850,000	99.00%	33,204	2	33,204	None.	
<u>Chi Chau Printed Circuit Board</u>													
(Vietnam) Co., Ltd.	-	-	-	314,529	-	-	-	100.00%	314,529	1	314,529	None.	
		<u>\$ 16,696,115</u>		<u>1,744,166</u>		<u>1,253,684</u>			<u>17,186,597</u>		<u>16,840,141</u>		

Note 1: The difference between the book amount and the equity is due to the unrealized gains on sales or the unamortized items of equity.

Note 2: If there is a public market price, it is the public market price, and those without a public market price are listed as the equity net value.

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF SHORT-TERM DEBT**

**December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<u>Type of Debt</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Term of Contract</u>	<u>Interest Rates Range</u>	<u>Credit Agreement</u>	<u>Pledge or Collateral</u>	<u>Note</u>
Unsecured loan - Financing institution		<u>\$ 5,826,274</u>	July 05, 2023	1.30%~5.08%	12,026,475	None.	

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLES**

**December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Guarantors</u>	<u>Term of Contract</u>	<u>Interest Rates (%)</u>	<u>Issued Amount</u>	<u>Amount Unamortized discount on commercial paper payable</u>	<u>Carrying amount</u>	<u>Note</u>
Commercial promissory notes payable	Dah Chung Bills Finance Corporation	January 03, 2023	1.76%	\$ 200,000	(157)	199,843	
				<u>\$ 200,000</u>	<u>(157)</u>	<u>199,843</u>	

**STATEMENT OF NOTES AND ACCOUNTS PAYABLE**

<u>Name of Client</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related party:			
T-Mac Techvest (Wuxi) PCB Co., Ltd.		\$ 1,699,471	
Chi Chau Printed Circuit Board (Suining) Co., Ltd.		1,043,927	
CATAC Electronic (Zhongshan) Co., Ltd.		789,771	
Others		<u>167,629</u>	The balance of a counterparty does not reach 5%
Subtotal		<u>3,700,798</u>	
Non-related party:			
Hong Tai Electronics Industrial Co., Ltd		43,002	
Ventec Electronics Corporation		30,041	
Macdermid Performance Solutions Taiwan Ltd.		23,910	
Chao Feng Hsing Technology Co., Ltd.		22,084	
Nan Ya Plastics Corporation		21,360	
Elite Material Co., Ltd.		18,561	
Others		<u>198,279</u>	The balance of a counterparty does not reach 5%
Subtotal		<u>357,237</u>	
Total		<u>\$ 4,058,035</u>	

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF OTHER PAYABLES**

**December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Salaries payable	Salary, employee and director compensation, etc.	\$ 806,694
Estimated expenses payable	Commission and others, etc.	416,419
Other accrued expenses	Consumables, repairs, freight expense and others, etc.	120,441
Others	Payables on equipment, prepare for employee benefits liabilities, and others, etc.	<u>89,587</u>
		<b><u>\$ 1,433,141</u></b>

**STATEMENT OF NET REVENUE**

**January 1 to December 31, 2022**

<b>Item</b>	<b>Volume (000's square feet)</b>	<b>Amount</b>	<b>Note</b>
Printed circuit boards	46,831	\$ 16,994,530	
Processing fees revenue and others	709	<u>168,755</u>	
Net operating revenue		<b><u>\$ 17,163,285</u></b>	

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF OPERATING COSTS**

**January 1 to December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

Item	<u>Amount</u>	
	Subtotal	Total
Raw materials and supplies		
Raw materials and supplies at the beginning of the period	\$ 40,422	
Add: Purchase for the current period	870,292	
Less: Others	(42,634)	
Raw materials and supplies at the end of the period	(30,504)	
Direct material		\$ 837,576
Direct labor		316,593
Manufacturing expenses		857,223
Manufacturing cost		2,011,392
Add: Work in progress at the beginning of the period		166,205
Less: Work in progress at the end of the period		(162,511)
Cost of finished goods		2,015,086
Add: Finished goods at the beginning of the period		511,804
Purchases		13,586,274
Less: Finished goods obsolescence		(19,580)
Others		(3,922)
Finished goods at the end of the period		(413,172)
Cost of goods sold		15,676,490
Add: Unallocated manufacturing expenses		32,714
Add: Inventory scrap loss		19,580
Less: Income from Sale of Scrap and Wastes		(56,053)
Less: Loss for market price decline, obsolete and slow-moving inventories		(3,581)
Operating costs		<b>\$ 15,669,150</b>

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.**

**STATEMENT OF SALE EXPENSE**

**January 1 to December 31, 2022**

**(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Commissions expense		\$ 463,948	
Payroll expense		71,327	
Others		<u>97,299</u>	The balance of an item does not reach 5%
		<u><b>\$ 632,574</b></u>	

**STATEMENT OF ADMINISTRATION EXPENSES**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Payroll expense		\$ 392,562	
Labor fee		43,919	
Others		<u>70,384</u>	The balance of a item does not reach 5%
		<u><b>\$ 506,865</b></u>	

For changes in plant, property and equipment, please refer to Note 6(7) of the financial report.

For changes in depreciation of plant, property and equipment, please refer to Note 6(7) of the financial report.

For refund liabilities, please refer to Note 6(11) of the financial report.

For other gains and losses and financial costs, please refer to Note 6(21) of the financial report.