IKKA Holdings (Cayman) Limited and Subsidiaries

Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditor's Report

(Stock Code: 2250)

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IKKA Holdings (Cayman) Limited and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

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

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Independent Auditor's Report

(112)-Cai-Sheng-Bao No. 22005491

To IKKA Holdings (Cayman) Limited):

Audit Opinion

We have audited the accompanying consolidated balance sheets of IKKA Holdings (Cayman) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2022, December 31, 2021 and January 1, 2021 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and December 31, 2021, and relevant notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022, December 31, 2021 and January 1, 2021 and for the years then ended, and its consolidated financial performance and consolidated cash flows, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Audit Opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibility under those standards is further described in the paragraph "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2022, based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022, are stated as follows:

Valuation of inventory

Description

Please refer to Note 4(13) to the consolidated financial statements for the accounting policy on inventory valuation; please refer to Note 5(2) to the consolidated financial statements for the uncertainty about accounting estimates and assumptions of inventory valuation; please refer to Note 6(6) to the consolidated financial statements for the description of accounts of inventory valuation. The balances of inventory and an allowance for inventory valuation losses on December 31, 2022 were NTD 609,205 thousand and NTD 55,147 thousand respectively.

The Group mainly manufactures and sells automobiles, multi-function printers and parts of precision machines related to household facilities. As these inventories are vulnerable to rapid changes in technology, short product life cycles, and fierce market competition, there is a higher risk of inventory valuation losses, or obsolescence. The net realizable value of the Group's inventory normally sold is based on the sales and purchase prices in the normal course of business within a certain period before the balance sheet date. The net realizable value of inventory not sold after a certain period of age and individually identified obsolete inventory is calculated based on historical information on the extent to which the inventories are sold and discounted.

Due to the large number of items in the Group's inventory and the multiple sources of information on the net realizable values of individual materials in the inventory, the identification of the net realizable values of the individually obsolete inventory and the assessment often involve the management team's subjective judgments, so it is also an area that needs to be judged. Therefore, we listed the assessment of an allowance for inventory valuation losses as one of the key audit matters in this year's audit work.

Corresponding audit procedures

To assess the net realizable value and the adequacy of an allowance for inventory valuation losses, the corresponding procedures undertaken by us are specified below:

1. Based on our understanding of the nature of the Group's operations and industry, we assessed if the policy on the provision of an allowance for inventory valuation losses during the comparative financial reporting periods was appropriate and consistent.
2. We learned about the process of inventory management, reviewed its annual inventory plan, and participated in its annual inventory process to evaluate the effectiveness of the management team's distinguishing and controlling of obsolete or damaged inventory.
3. We obtained the aged inventory report, and sampled the information of quantity in storage to test the appropriateness of the classification made in the report, and then, based on the inventory valuation policy, assessed the correctness in the amount of the allowance for obsolescence losses.
4. We obtained a net realizable value report of each inventory item, confirmed that the calculation logic was consistent, and randomly checked the selling and purchase prices of individual materials in the inventory based on the relevant supporting documents.

Emphasis of Matter – restructuring of entities under common control

As explained in Note 12(5) to the consolidated financial statements, IKKA Holdings (Cayman) Limited acquired, with cash and subscription for new shares, 70% equity in Sol-Plus (HK) Co., Limited, which is a company controlled by ABICO AVY CO., LTD.. Such transaction is considered a restructuring of an entity under common control, so should be aggregated. The consolidated financial statements of the Company ended December 31, 2022 have traced back to the consolidated financial statements of the prior comparative periods. We did not revise our opinion because of this matter.

Responsibilities of the management and the governing bodies for the consolidated financial statements

The responsibilities of the management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the regulations of IFRSs endorsed and promulgated by the FSC and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditor's report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from errors or frauds. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and professional doubt when performing the audit work in accordance with the auditing standards of the Republic of China. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from

fraud is higher than the one resulting from error.

2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group’s consolidated financial statements for the year ended December 31, 2022. We have clearly indicated such matters in the auditor’s report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditor’s report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PwC Taiwan

Man-Yu Ruan-Lu

CPA:

Yi-Tai Tsai

Former Financial Supervisory Commission (FSC) of the Executive Yuan
Approval Document No.：Jin-Guan-Zheng-Shen-No. 0990058257
Financial Supervisory Commission
Approval Document No.：Jin-Guan-Zheng-Shen-No. 1080323093

March 21, 2023

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Balance Sheet
As at December 31, 2022; December 31, 2021; and January 1, 2021

Unit: NTD thousand

	Assets	Note	December 31, 2022		(Adjusted) December 31, 2021		(Adjusted) January 1, 2021	
			Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	$ 741,453	21	$ 995,470	27	$ 891,207	24
1136	Financial assets at amortized cost - current	6(2) and 8	28,466	1	3,634	-	60,803	2
1150	Notes receivable, net	6(4)	22,465	1	23,491	1	29,750	1
1170	Accounts receivable, net	6(4)	889,101	25	916,257	24	900,317	24
1180	Accounts receivable - related parties, net	6(4) and 7	3,122	-	3,251	-	2,202	-
1200	Other receivables	7	11,957	-	7,286	-	8,520	-
130X	Inventories	6(6)	554,058	16	570,093	15	446,122	12
1410	Prepayments	7	40,657	1	38,710	1	53,584	1
1470	Other current assets		216	-	608	-	1,098	-
11XX	**Total current assets**		2,291,495	65	2,558,800	68	2,393,603	64
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - Non-current	6(3)	64,810	2	22,779	1	20,780	-
1535	Financial assets at amortized cost - Non-current	6(2) and 8	92,130	3	127,328	3	187,968	5
1600	Property, plant and equipment	6(7)	806,806	23	825,368	22	930,368	25
1755	Right-of-use assets	6(8)	173,468	5	131,533	4	160,275	4
1780	Intangible assets	6(9)	3,674	-	4,923	-	2,782	-
1840	Deferred tax assets	6(25)	43,933	1	43,953	1	33,964	1
1900	Other non-current assets		47,795	1	41,857	1	26,087	1
15XX	**Total non-current assets**		1,232,616	35	1,197,741	32	1,362,224	36
1XXX	**Total assets**		$ 3,524,111	100	$ 3,756,541	100	$ 3,755,827	100

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IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Balance Sheet
As at December 31, 2022; December 31, 2021; and January 1, 2021

Unit: NTD thousand

	Liabilities and Equity	Note	December 31, 2022 Amount	%	(Adjusted) December 31, 2021 Amount	%	(Adjusted) January 1, 2021 Amount	%
	Current liabilities							
2100	Short-term borrowings	6(10)	$ 201,667	6	$ 208,653	6	$ 716,873	19
2130	Contract liabilities - current	6(19)	2,164	-	5,146	-	2,488	-
2150	Notes payable		109,606	3	122,591	3	121,639	3
2170	Accounts payable		389,319	11	436,123	12	504,104	13
2180	Accounts payable－related parties	7	24,892	1	57,318	1	75,615	2
2200	Other payables	6(11)	284,511	8	314,085	8	330,638	9
2220	Other payables – related parties	7	33,429	1	28,383	1	66,788	2
2230	Income tax liabilities in this period		62,559	2	86,089	2	52,226	1
2280	Lease liabilities - current		46,222	1	30,923	1	31,340	1
2320	Long-term liabilities due within one year or one operating cycle	6(12)	58,144	2	135,326	4	34,055	1
2399	Other current liabilities - other		17,745	-	11,830	-	22,531	1
21XX	**Total current liabilities**		1,230,258	35	1,436,467	38	1,958,297	52
	Non-current liabilities							
2540	Long-term borrowings	6(12)	324,854	9	330,131	9	254,895	7
2570	Deferred tax liabilities		18,908	-	42,094	1	41,208	1
2580	Lease liabilities - non-current		98,304	3	66,961	2	92,997	2
2600	Other non-current liabilities	6(13)	206,365	6	223,953	6	262,063	7
25XX	**Total non-current liabilities**		648,431	18	663,139	18	651,163	17
2XXX	**Total liabilities**		1,878,689	53	2,099,606	56	2,609,460	69
	Equity attributable to owners of the parent							
	Share capital	6(15)						
3110	Ordinary share capital		292,414	8	270,000	7	220,000	6
	Capital surplus	6(16)						
3200	Capital surplus		795,054	23	678,638	18	242,052	7
	Legal reserve	6(17)						
3320	Special reserve		80,963	2	19,373	-	-	-
3350	Undistributed earnings		543,150	16	587,816	16	545,708	15
	Other equity							
3400	Other equity		(65,313)	(2)	(80,963)	(2)	(19,373)	(1)
3500	Treasury shares	6(15)	(846)	-	-	-	-	-
31XX	**Total equity attributable to owners of the parent**		1,645,422	47	1,474,864	39	988,387	27
35XX	**Equity attributable to former owner of business combination under common control**		-	-	127,450	3	110,586	3
36XX	**Non-controlling interests**	6(18)	-	-	54,621	2	47,394	1

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Manager：Masami Obara　　Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Balance Sheet
As at December 31, 2022; December 31, 2021; and January 1, 2021

Unit: NTD thousand

3XXX	**Total equity**			1,645,422	47	1,656,935	44	1,146,367	31
	Material Contingent Liabilities and Unrecognized Contractual Commitments	9							
	Material Subsequent Events	11							
3X2X	**Total liabilities and equity**			$ 3,524,111	100	$ 3,756,541	100	$ 3,755,827	100

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu Manager：Masami Obara Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand
(except for earnings per share which is in NTD)

Code	Item	Note	2022 Amount	2022 %	(Adjusted) 2021 Amount	(Adjusted) 2021 %
4000	Operating revenue	6(19) and 7	$ 3,618,633	100	$ 4,276,873	100
5000	Operating cost	6(6)(24) and 7	(3,011,565)	(83)	(3,518,581)	(82)
5900	Gross profit		607,068	17	758,292	18
	Operating expense	6(24) and 7				
6100	Selling expense		(115,120)	(4)	(141,671)	(3)
6200	Administrative expenses		(330,763)	(9)	(359,389)	(9)
6300	Research and development expenses		(41,623)	(1)	(45,783)	(1)
6450	Expected credit impairment losses	12	748	-	2,042	-
6000	Total operating expenses		(486,758)	(14)	(544,801)	(13)
6900	Operating income		120,310	3	213,491	5
	Non-operating income and expenses					
7100	Interest income	6(20)	3,082	-	3,530	-
7010	Other income	6(21)	3,004	-	3,669	-
7020	Other gains and losses	6(22)	75,275	2	60,188	1
7050	Financial costs	6(23)	(8,585)	-	(19,593)	-
7000	Total non-operating income and expenses		72,776	2	47,794	1
7900	**Net income before tax**		193,086	5	261,285	6
7950	Income tax expense	6(25)	(74,743)	(2)	(69,963)	(2)
8200	**Net income for this period**		$ 118,343	3	$ 191,322	4

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IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand
(except for earnings per share which is in NTD)

	Item	Note	2022 Amount	2022 %	(Adjusted) 2021 Amount	(Adjusted) 2021 %
	Other comprehensive income					
	Items not reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		$ 6,904	1	($ 7,450)	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	6(3)	2,690	-	2,763	-
8349	Income tax related to items not reclassified	6(25)	1,307	-	(821)	-
8310	Total amount of items not reclassified to profit or loss		10,901	1	(5,508)	-
	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		44,183	1	(79,794)	(2)
8360	Total amount of items that may subsequently be reclassified to profit or loss		44,183	1	(79,794)	(2)
8300	**Other comprehensive income, net**		$ 55,084	2	($ 85,302)	(2)
8500	**Total comprehensive income for this period**		$ 173,427	5	$ 106,020	2
	Net income (loss) attributable to:					
8610	Owners of the parent		$ 97,767	3	$ 150,969	3
8615	Interests attributable to former owner of business combination under common control		14,403	-	28,247	1
8620	Non-controlling interests		6,173	-	12,106	-
			$ 118,343	3	$ 191,322	4
	Total comprehensive income attributable to:					
8710	Owners of the parent		$ 158,833	5	$ 81,929	2
8715	Interests attributable to former owner of business combination		10,216	-	16,864	-

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Manager：Masami Obara　　Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand
(except for earnings per share which is in NTD)

	under common control							
8720	Non-controlling interests			4,378	-		7,227	-
			$	173,427	5	$	106,020	2
	Basic earnings per share	6(28)						
9710	Owners of the parent		$		3.54	$		6.06
9720	Interests attributable to former owner of business combination under common control				0.52			1.13
9750	Basic earnings per share		$		4.06	$		7.19
	Diluted earnings per share	6(28)						
9810	Owners of the parent		$		3.46	$		5.90
9820	Interests attributable to former owner of business combination under common control				0.51			1.10
9850	Diluted earnings per share		$		3.97	$		7.00

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Manager：Masami Obara　　Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand

		Equity attributable to owners of the parent											
			Capital reserve		Retained earnings		Other equity						
	Note	Ordinary share capital	Share premium	Employee stock options	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares	Total	Equity attributable to former owner of business combination under common control	Non-controlling interests (Note 6(18))	Total equity
2021													
Balance as at January 1, 2021		$220,000	$238,786	$3,266	$-	$545,708	($26,658)	$7,285	$-	$988,387	$-	$-	$988,387
Retroactive adjustment for the restructuring of entities under common control		-	-	-	-	-	-	-	-	-	110,586	47,394	157,980
Adjusted balance as at January 1, 2021		220,000	238,786	3,266	-	545,708	(26,658)	7,285	-	988,387	110,586	47,394	1,146,367
Net income for this period		-	-	-	-	150,969	-	-	-	150,969	28,247	12,106	191,322
Other comprehensive income for this period		-	-	-	-	(7,450)	(63,532)	1,942	-	(69,040)	(11,383)	(4,879)	(85,302)
Total comprehensive income for this period		-	-	-	-	143,519	(63,532)	1,942	-	81,929	16,864	7,227	106,020
2020 earnings allocation and distribution:	6(17)												
Allocation for special reserve		-	-	-	19,373	(19,373)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(81,000)	-	-	-	(81,000)	-	-	(81,000)
Cash capital increase	6(15)	50,000	428,826	-	-	-	-	-	-	478,826	-	-	478,826
Share-based payment-employee stock options	6(14)	-	-	7,760	-	(1,038)	-	-	-	6,722	-	-	6,722
Balance as at December 31, 2021		$270,000	$667,612	$11,026	$19,373	$587,816	($90,190)	$9,227	$-	$1,474,864	$127,450	$54,621	$1,656,935
2022													
Balance as at January 1, 2022		$270,000	$667,612	$11,026	$19,373	$587,816	($90,190)	$9,227	$-	$1,474,864	$127,450	$54,621	$1,656,935
Adjusted Balance as at January 1, 2022		270,000	667,612	11,026	19,373	587,816	(90,190)	9,227	-	1,474,864	127,450	54,621	1,656,935
Net income for this period		-	-	-	-	97,767	-	-	-	97,767	14,403	6,173	118,343
Other comprehensive income for this period		-	-	-	-	6,904	50,165	3,997	-	61,066	(4,187)	(1,795)	55,084
Total comprehensive income for this period		-	-	-	-	104,671	50,165	3,997	-	158,833	10,216	4,378	173,427
2021 earnings allocation and distribution:	6(17)												
Allocation for special reserve		-	-	-	61,590	(61,590)	-	-	-	-	-	-	-

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Manager：Masami Obara　　Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand

	Note	Equity attributable to owners of the parent											
			Capital reserve		Retained earnings		Other equity						
	Note	Ordinary share capital	Share premium	Employee stock options	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares	Total	Equity attributable to former owner of business combination under common control	Non-controlling interests (Note 6(18)))	Total equity
Cash dividends		-	-	-	-	(87,000)	-	-	-	(87,000)	-	-	(87,000)
Treasury share buyback	6(15)	-	-	-	-	-	-	-	(846)	(846)	-	-	(846)
Share-based payment-employee stock options	6(14)(15)	1,360	3,794	5,022	-	(747)	-	-	-	9,429	-	-	9,429
Restructuring	6(15)(27)	17,167	95,716	-	-	-	(26,958)	-	-	85,925	(137,666)	-	(51,741)
Capital reserve – difference between purchase price of subsidiary's shares and face value	6(15)(18)()	3,887	11,884	-	-	-	(11,554)	-	-	4,217	-	(58,999)	(54,782)
Balance as at December 31, 2022		$292,414	$779,006	$16,048	$80,963	$543,150	($78,537)	$13,224	($846)	$1,645,422	$-	$-	$1,645,422

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Manager：Masami Obara　　Chief Accounting Officer：Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand

	Note	For the Year Ended December 31, 2022	For the Years Ended December 31, 2021
Cash flow from operating activities			
Net income before tax in this period		$ 193,086	$ 261,285
Adjustments			
Income and expenses			
Depreciation expense	6(7)(24)	144,815	163,611
Depreciation expense (including right-of-use assets)	6(8)(24)	34,843	37,876
Amortization expense	6(9)(24)	1,920	2,221
Expected credit impairment losses	12(3)	(748)	(2,042)
Interest income	6(23)	5,499	15,757
Interest income (lease and lending liabilities)	6(23)	3,086	3,836
Interest income	6(20)	(3,082)	(3,530)
Share-based payment for labor costs	6(14)	4,275	6,722
Proceeds from the disposal of real property, plant and equipment	6(22)	(1,262)	(4,547)
Lease modification gain	6(8)	(8)	(1,107)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		1,026	6,259
Accounts receivable (including related parties)		57,301	(9,479)
Other receivables		(6,162)	2,501
Inventories		23,097	(157,496)
Prepayments		774	14,874
Other current assets		392	490
Other non-current assets		(8,426)	2,247
Net changes in liabilities related to operating activities			
Contract liabilities		(2,982)	2,658
Notes payable		(12,985)	952
Accounts payable (including related parties)		(77,347)	(86,067)
Other payables		(47,001)	(40,293)
Other current liabilities		5,915	(10,701)
Other non-current liabilities		15,673	(45,476)
Cash inflow from operations		331,699	160,551
Interest collected		3,082	3,530

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand

	Note	For the Year Ended December 31, 2022	For the Years Ended December 31, 2021
Interest paid	6(29)	(9,741)	(21,020)
Income tax paid		(123,595)	(41,085)
Net cash inflow from operating activities		201,445	101,976
Cash flow from investing activities			
Acquisition of financial assets at fair value through other comprehensive income		($ 39,666)	($ 633)
Acquisition of financial Assets Measured at Amortized Cost		(25,455)	-
Real property, plant and equipment acquired	6(7)(29)	(128,308)	(119,133)
Real property, plant and equipment disposed of		2,066	5,697
Decrease (increase) in refundable deposits		(625)	191
Intangible assets acquired	6(9)	(280)	(4,719)
Increase in prepayments for equipment		(19,671)	(22,128)
Disposal of financial Assets Measured at Amortized Cost – non current		47,687	112,322
Acquisition of subsidiary shares		(106,523)	-
Net cash outflow from investing activities		(270,775)	(28,403)
Cash flow from financing activities			
Decrease in short-term borrowings	6(30)	-	(445,880)
Long-term borrowings	6(30)	85,884	346,220
Repayment of long-term borrowings	6(30)	(156,382)	(157,932)
Increase (decrease) in refundable deposits		47	(84)
Cash dividends paid out	6(17)	(87,000)	(81,000)
Repayment of lease principal	6(8)	(32,337)	(35,898)
Cash capital increase	6(15)	-	478,826
Employee stock options exercised	6(14)	5,154	-
Treasury shares buyback	6(15)	(846)	-
Net cash inflow (outflow) from financing activities		(185,480)	104,252
Effect of exchange rate changes		793	(73,562)
Increase in cash and cash equivalents for this period		(254,017)	104,263
Opening balance of cash and cash equivalents		995,470	891,207
Ending balance of cash and cash equivalents		$ 741,453	$ 995,470

(Continued on next page)

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2022 and December 31, 2021

Unit：NTD thousand

	Note	For the Year Ended December 31, 2022	For the Years Ended December 31, 2021
Cash flow from investing activities			
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Opening balance of cash and cash equivalents		995,470	891,207
Ending balance of cash and cash equivalents		$ 741,453	$ 995,470

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman：Shiang-Chi Hu　　Chairman：Shiang-Chi Hu　　Manager：Masaki Obara

IKKA Holdings (Cayman) Limited and Subsidiaries

Notes to Consolidated Financial Statements

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

Unit：NTD thousand

(except otherwise specified)

I. Company History

IKKA Holdings (Cayman) Limited (hereinafter referred to as the "Company") was incorporated in April 2016 in the Cayman Islands with its registered office at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands, and was restructured in January 2020. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") mainly engage in the export, import, manufacturing, and sale of precision plastic injection molding parts and products; production of mold sets; manufacturing of molds, machinery and precision ceramics injecting molding parts. JABON INTERNATIONAL CO., LTD. (hereinafter referred to as "JABON") is the parent of the Group and holds 37.27% of the Company. ABICO AVY CO., LTD (hereinafter referred to as "ABICO"), formerly known as 應華精密科技股份有限公司 in Chinese, is the 100% parent holding JABON. ABICO is the ultimate parent company of the Group.

II. Date of Authorization for Issuing the Financial Statements and the Procedure for Authorization

The consolidated financial statements were approved and announced by the Board of Directors on March 21, 2023.

III. Application of Newly Issued and Amended Standards and Interpretations

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

The table below lists the new, revised, and amended standards and interpretations of the IFRSs endorsed by the FSC with effect from 2022:

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

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

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

The table below lists the new, revised, and amended standards and interpretations of the IFRSs endorsed by the FSC with effect from 2023:

New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IAS 1, "Disclosure Initiative"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023

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

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

The table below lists the new, revised, and amended standards and interpretations of the IFRSs, released by the IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Standards Board IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendment to IFRS 17, "Initial application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023
Amendments to IAS 1, "Classification of liabilities as current or noncurrent"	January 1, 2024

Amendments to IAS 1, “Non-current Liabilities with Covenants”	January 1, 2024

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and promulgated by the FSC (collectively referred herein as the “IFRSs”).

(II) Basis of preparation

1.Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(1) Financial assets at fair value through other comprehensive income.

(2) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2.The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis for consolidation

1.Principles for preparation of consolidated financial statements

(1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

2.Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Business category	Shareholding (%)			Description
			December 31, 2022	December 31, 2021	January 1, 2021	
The Company	Daiichikasei Co., Ltd. (Daiichikasei)	Manufacturing of precision plastic injection molding parts and molds, molds and machinery, and precision ceramics molding parts.	100.00	100.00	100.00	
The Company	Sol-Plus (HK) Co., Limited (Sol-Plus HK)	investment	100.00	100.00	100.00	Note 1, 2
Daiichikasei Co., Ltd.	M. A. C. Technology (Malaysia) Sdn. Bhd. (M. A. C. Technology)	Assembly, manufacturing of CD and CD ROM, computer printers, precision ceramics and molds for electronic and machinery use, and plastic injection components for electronic and camera industries.	100.00	100.00	100.00	
Daiichikasei Co., Ltd.	IKKA (Vietnam) Co., Ltd. (IKKA Vietnam)	Production, operation, and processing of automobiles and common plastic and metal parts for office equipment	100.00	100.00	100.00	
Daiichikasei Co., Ltd.	IKKA (Hong Kong) Co., Ltd. (IKKA HK)	Investment and trade	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Business category	Shareholding (%)			Description
			December 31, 2022	December 31, 2021	January 1, 2021	
IKKA (Hong Kong) Co., Ltd.	東莞一化精密注塑模具有限公司 (Dongguan Yihua Precision Zhusu Mould Limited Company) (Dongguan Yihua)	Production and sale of precise plastic accessories, hardware accessories, bearings, and molds	100.00	100.00	100.00	
Sol-Plus (HK) Co., Limited (Sol-Plus HK)	Sol-Plus Co., Ltd. (Sol-Plus JP)	Manufacturing and sale of plastic products and molds	100.00	100.00	100.00	Note 1, 2
Sol-Plus Co., Ltd. (Sol-Plus JP)	Hiraiseimitsu (Thailand) Co., Ltd. (Hiraiseimitsu)	Manufacturing and sale of plastic products and molds	100.00	100.00	100.00	Note 1, 2

Note 1: In order to integrate vertically the up- and downstream sectors of the Group to increase competitiveness, the Company on June 30, 2022 with the approval of the resolutions of the board acquired 70% of equity in Sol-Plus (HK) Co., Limited with purchase from related parties, Gold Market Investments Limited and 能率壹創業投資股份有限公司 and subscription of new shares. This transaction is considered a restructuring of an entity under common control, so Sol-Plus (HK) Co., Limited will be factored in the consolidated financial statements of the Group going forward.

Note 2: As approved by the resolutions of the board, the Company acquired 30% of equity in Sol-Plus (HK) Co., Limited on June 30, 2022 with US$1,800,000 share purchase from related party, 能率亞洲資本股份有限公司, and subscription of new 389 thousand shares. The Company holds 100% equity in Sol-Plus (HK) Co., Limited on top of the 70% that it also acquired as explained in Note 1 above.

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

4. Adjustment and treatment methods of subsidiaries' different accounting periods: None

5. Major restrictions: None.

6. Subsidiaries with non-controlling interests that are material to the Group:

(1) Information on non-controlling interests that are material to the Group and the subsidiaries:

Name of subsidiary	Principal business premises	Non-controlling interests December 31, 2022 Amount	Shareholding	December 31, 2021 Amount	Shareholding
Sol-Plus (HK) Co., Limited	Hong Kong	$-	0%	$54,621	30%

Name of subsidiary	Principal business premises	Non-controlling interests January 1, 2021 Amount	Shareholding
Sol-Plus (HK) Co., Limited	Hong Kong	$47,394	30%

(2) Aggregate subsidiary financial information:

Balance Sheet

	Sol-Plus (HK) Co., Limited and its subsidiaries December 31, 2022	December 31, 2021	January 1, 2021
Current assets	$303,173	$323,462	$407,912
Non-current assets	287,999	228,149	314,844
Current liabilities	(200,549)	(244,867)	(255,392)
Non-current liabilities	(184,470)	(124,673)	(309,384)
Total assets, net	$206,153	$182,071	$157,980

Statement of Comprehensive Income

	Sol-Plus (HK) Co., Limite and its subsidiaries 2022	2021
Revenue	$549,399	$612,595
Profit before tax	$23,699	41,293
Tax expense	(3,473)	(940)
Net Income	20,226	40,353

Other comprehensive income (after tax)	3,856	(16,261)
Total comprehensive income	$24,082	$24,092
Comprehensive income attributable to non-controlling interests	$4,378	$7,227

Statements of Cash Flows

	Sol-Plus (HK) Co., Limited and its subsidiaries	
	2022	2021
Net cash inflow from operating activities	$51,442	$50,387
Net cash inflow (outflow) from investing activities	(1,121)	110,090
Net cash outflow from financing activities	(65,177)	(174,526)
Increase in cash and cash equivalents for this period	(14,856)	(14,049)
Opening balance of cash and cash equivalents	132,692	146,741
Ending balance of cash and cash equivalents	$117,836	$132,692

(IV) Foreign currency exchange

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

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary

assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

2. Translation of foreign operations

The results of operations and financial position of all Group entities with a functional currency different from the presentation currency are converted into the presentation currency in the following manner:

(1) Assets and liabilities expressed in each balance sheet are converted at the closing rate at the date of the balance sheet.

(2) Income and expenses expressed in each consolidated statement of income are converted at average exchange rates for the period; and

(3) All exchange differences arising from the translation are recognized in other comprehensive income.

(V) Classification of assets and liabilities as current or noncurrent

1. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(1) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(2) Assets held mainly for trading purposes;

(3) Assets that are expected to be realised within twelve months from the balance sheet date;

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle;

(2) Liabilities arising mainly from trading activities;

(3) Liabilities that are to be settled within twelve months from the balance sheet date;

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash equivalents

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

(VII) Financial assets at fair value through other comprehensive income or loss

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

(VIII) Financial assets at amortized cost.

1. Financial assets at amortised cost are those that meet all of the following criteria:
   (1) The objective of the Group's business model is achieved by collecting contractual cash flows.
   (2) The assets' contractual cash flows represent solely payments of principal and interest.
2. The Group adopts trade date accounting for financial assets measured at amortized cost in compliance with transaction practices.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is

derecognized or impaired.

4. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(IX) Accounts and notes receivable

1. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(X) Impairment of financial assets

At each balance sheet date, the Group measures financial assets at amortized cost, after taking into account all reasonable and supportable information (including forward-looking statements), if the Group's exposure to credit risk has not increased significantly since the initial recognition of the financial assets, the allowance for losses is measured by the amount of expected credit losses for the 12-month period. If the credit risk has increased significantly since the initial recognition, the allowance for losses is measured by the amount of expected credit losses for the remaining period. For accounts receivable that do not contain significant financial components, the allowance for losses is measured at the amount of expected credit losses over the remaining period.

(XI) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

1. The contractual rights to receive the cash flows from the financial asset expire.

2. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

3. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(XII) Leasing arrangements(lessor)- operating leases

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

(XIII) Inventories

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

(XIV) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost.

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Building and structures	7～65 years
Machinery and equipment	3～10 years
Transportation equipment	2～5 years
Office equipment	2～ 5 years
Other equipment	2～20 years

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

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

2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the

amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. Right-of-use assets are recognized at cost at the inception date of the lease. The cost is the original measurement of the lease liability, and subsequently measured using the cost model, depreciation expense is recognized over the earlier of the useful life of the right-of-use asset or the lease term. When a lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

4. For lease modifications that reduce the scope of the lease, the lessee reduces the carrying amount of the right-of-use asset to reflect partial or full termination of the lease and recognizes the difference between that amount and the amount by which the lease liability is remeasured in profit or loss.

(XVI) Intangible assets

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

(XVII) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized..

(XVIII) Borrowings

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

(XIX) Notes and accounts payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

2. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XX) Derecognition of financial liabilities

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

(XXI) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined Contribution Plans

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

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees for current or past service and reducing the fair value of plan assets by the present value of the defined benefit obligation at the balance sheet date. The net defined benefit obligation is calculated annually by an actuary using the projected unit credit method. The discount rate is determined by reference to the market yield rate of high-quality corporate bonds at the balance sheet date that corresponds to the currency and period of the defined benefit plan, or, in countries where there is no deep market for high-quality corporate bonds, by using the market yield rate of government bonds (at the balance sheet date).

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

3. Employee and Director Compensation

Employee compensation and directors' compensation are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. If the actual amount of allotment differs from the estimated amount, the difference is recognized as a change in accounting estimate.

(XXII) Employee share-based payments

Equity-settled share-based payment agreements are recognized as compensation cost over the vesting period for employee services rendered, measured at the fair value of the equity instruments granted on the date of grant, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the effects of both vested and nonvested market conditions. Recognized compensation cost is adjusted in anticipation of the number of awards that will qualify for service conditions and non-market vesting conditions until the final amount recognized is based on the vested amount at the vesting date.

(XXIII) Income taxes

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.
3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when there is an intention to settle on a net basis, or to realize assets and liabilities simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax assets and liabilities arise from the same taxpayer, or from different taxpayers, but each intends to settle on a net basis, or to realize assets and liabilities simultaneously.

(XXIV) Share capital

1. Ordinary shares are classified as equity. Incremental costs directly attributable to the

issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

2. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(XXV) Dividend Distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders meeting resolve to distribute the dividends, and the distribution of cash dividends is recognized as a liability.

(XXVI) Organizational restructuring under common control

1. For intra-group reorganization, according to the IFRS question and answer set "Doubts about the Treatment of Business Combinations under Common Control" issued by the Accounting Research and Development Foundation of the ROC on January 8, 2002, and that IFRS 3, "Business Combinations" does not have specific provisions for business combinations (or reorganizations) of individuals under common control, so the provisions of the relevant explanatory letter issued by the ROC are still applicable.

2. If the acquisition of a subsidiary by the Group is an intra-group reorganization, in accordance with the provisions of the Accounting Research and Development Foundation of the ROC (100) Ji Mi Zhi No. 390 and other relevant letters and orders, it should be recorded at the carrying amount of the Group's equity-method investment in the subsidiary (after evaluating the impairment loss), and the difference between the amount and the transaction price should be adjusted to "capital surplus - premium on capital stock," or, if the difference is insufficient to offset the difference, to "retained earnings." The Group continues to appropriately deal with the difference between the cost of the investment and the net equity value of the original investment and should treat it as a merger from the beginning and retrospectively restate the prior period's financial statements in accordance with explanation letter Ji Mi Zhi No. 301 (101). Therefore, the Group treats this subsidiary as if it were a merged company from the beginning and retrospectively restated its financial statements of the prior years, and attributes the equity interests held by the original parent company to

"foregone profit or loss under common control" for the preparation of the consolidated statement of assets and liabilities; and the income and losses recognized by the original parent company to "foregone profit or loss under common control(loss)" for the preparation of the consolidated statement of income and liabilities.

(XXVII) Revenue recognition

1. The Group recognizes revenue from sales of goods when control of the product is transferred to the customer, i.e., when the product is delivered to the customer. Product delivery occurs when the customer accepts the product in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.
2. Revenue from sales of products is recognized at the contract price. The payment terms of sales transactions are usually due 30 to 90 days after the date of shipment. The Group does not adjust the transaction price to reflect the time value of currency because there is no time interval of more than one year between the transfer of the promised products and the customer's payment.
3. Account receivables are recognized when the products are delivered to the customers because the Group has unconditional rights to the contract price from that point onwards, and only needs time to pass to receive the consideration from the customers.

(XXVIII) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant, and the grant will be received. Government grants are recognized in profit or loss systematically over the period in which relevant expenses are incurred if the nature of the grant is to compensate for expenses incurred by the Group.

(XXIX) Operating segments

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

V. Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation

During the preparation of the consolidated financial statements, the management has exercised its judgments to adopt the accounting policies to be used, and made accounting estimates and assumptions based on reasonable expectations of future events with reference to the circumstances at the balance sheet date. If there is any difference between any critical accounting estimates and assumption made and actual results, assessment and adjustment will be conducted continuously by taking into account the historical experience and other factors. Such assumptions and estimates have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year. Please refer to the description of the uncertainties of critical accounting judgments, assumptions, and estimation uncertainty below:

(I) Critical judgments for applying the Group's accounting policies

None

(II) Significant accounting estimates and assumptions

Valuation of inventories

As the Group should exercise judgment and carry out estimation to determine the net realizable value of inventory at the balance sheet date as inventory should be measured at the lower of cost or net realizable value. Due to rapid changes in technology, the Group recognizes a loss at a net realizable value after assessing the amount of the inventory worn and torn normally, obsolete, or damaged on the balance sheet date, as well as the market sales value. This inventory valuation is conducted mainly based on the estimated product demand over a specific period in the future, so there may be significant changes.

As of December 31, 2022, the carrying amount of the Group's inventories was $554,058

VI. Details of Significant Accounting Titles

(I) Cash and cash equivalents

	December 31, 2022	December 31, 2021	January 1, 2021
Cash on hand	$ 1,388	$ 1,394	$ 613
Checks and demand deposits	740,115	994,076	795,806
Time deposits (a duration of less than three months)		-	94,788
	$ 741,453	$ 995,470	$ 891,207

1. The financial institutions the Group deals with have high credit ratings. The Group also deals with various financial institutions at the same time to diversify credit risks. Therefore, the expected risk of default is rather low. Thus, the Group measures an allowance for loss based on the 12-month expected credit losses. The Group did not set aside an allowance for losses for

December 31, 2022, December 31, 2021 and January 1, 2021.

2. The Group's time deposits pledged as collateral assets have been reclassified to " Current financial assets at amortized cost " and "Non-Current financial assets at amortized cost ", please refer to Note 8 for details.

(II) financial assets at amortized cost

Item	December 31, 2022	December 31, 2021	January 1, 2022
Current items:			
Time deposits (a duration of more than three months)	$ 28,466	$ 3,634	$ 60,803
Non-current items:			
Time deposits (a duration of more than three months)	$ 92,130	$ 127,328	$ 187,968

1. The details of financial assets measured at amortized cost and recognized in profit or loss are as follows

	2022	2021
Interest	$ 1,018	$ 2,191

2. As of December 31, 2022, December 31, 2021 and January 1, 2021, regardless of the collateral held and other credit enhancements, the maximum amounts of the exposure to the credit risk arising from the Group’s financial assets at amortized cost are their carrying amounts.
3. Please refer to Note 8 for details of the financial assets at amortized cost pledged by the Group.
4. The financial institutions the Group deals with have high credit ratings. Therefore, the expected risk of default is rather low. Please refer to Note 12(3) for details of the related credit risk of financial assets measured at amortized cost.

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

Item	December 31, 2022	December 31, 2021	January 1,2021
Non-current items:			
Equity instruments			
TWSE/TPEx listed stocks:	$ 9,572	$ 9,730	$ 10,494
non-TWSE/TPEx listed stocks:	39,500	-	-

Adjust for change:	15,738	13,049	10,286
	$ 64,810	$ 22,779	$ 20,780

1. The Group has chosen to classify equity investments, which are strategic investments, as financial assets at fair value through other comprehensive income, with fair values of $64,810, $22,779, and $20,780 as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively.
2. The details of financial assets at fair value through other comprehensive income recognized in profit or loss and other comprehensive income are as follows:

	2022	2021
Equity instruments at fair value through other comprehensive income		
Movement in fair value recognized in other comprehensive income (loss)	$ 2,690	$ 2,763

3. As of December 31, 2022, December 31, 2021 and January 1, 2021, regardless of the collateral held and other credit enhancements, the maximum amounts of the exposure to the credit risk arising from the Group's financial assets at fair value through other comprehensive income are their carrying amounts.
4. The Group did not pledge financial assets at fair value through other comprehensive income.
5. Please refer to Notes 12(3)for more information on the price risk and fair value of financial assets at fair value through other comprehensive income.

(IV) Notes receivable and accounts receivable

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 22,465	$ 23,491	$ 29,750
Accounts receivable	$ 889,817	$ 917,685	$ 903,896
Allowance for losses-accounts receivable	(716)	(1,428)	(3,579)
	$ 889,101	$ 916,257	$ 900,317
Accounts receivable - related parties	$ 3,122	$ 3,251	$ 2,202

1. The aging analysis of accounts and notes receivable is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 885,243	$ 22,465	$ 916,209	$ 23,491
1-90 days	7,631	-	3,965	-
90-180 days	65	-	363	-
More than 181 days	-	-	399	-
	$ 892,939	$ 22,465	$ 920,936	$ 23,491

	January 1,2021	
	Accounts receivable	Notes receivable
Not past due	$ 894,547	$ 29,750
1–90 days	9,466	-
90-180 days	213	-
More than 181 days	1,872	-
	$ 906,098	$ 29,750

The aging analysis stated above is based on the number of overdue days.

2. The balances of notes and accounts receivable (include notes receivable) as of December 31, 2022, December 31, 2021 and January 1, 2021 were all generated from customer contracts.

3. The Group did not pledge notes and accounts receivable.

4. As of December 31, 2022, December 31, 2021 and January 1, 2021, regardless of the collateral held and other credit enhancements, the maximum amounts of the exposure to the credit risk arising from the Group's notes and accounts receivable are their carrying amounts.

5. DaiichiKasei and Dongguan Yihua, subsidiaries of the Group, has signed accounts receivable factoring contracts with several financial institutions in Japan and PRC. DaiichiKasei and Dongguan Yihua, depending on the amount of its working capital, decided to factor the accounts receivable to financial institutions without recourse or not to factor them. The Group's model for managing such receivables is to collect contractual cash flows and sell financial assets, so such accounts receivable are financial assets at fair value through other comprehensive income.

6. The Group plans to factor accounts receivable of $88,320, $95,522 and $ 52,399 on December 31, 2022, December 31, 2021 and January 1, 2021, respectively, which belong to financial assets at fair value through other comprehensive income and are accounted for under accounts receivable.

7. Please refer to Note 12(3) for the information on the credit risk of accounts and notes

receivable.

(V) Transfer of financial assets

The information on the Group's derecognition of accounts receivable is as follows:

Amount of accounts receivable	Amount derecognized	Amount advanced	Amount available to be advance	Interest rate range of amount advanced (%)
December 31, 2022				
$ -	$ -	$ -	$ -	-
December 31, 2021				
Amount of accounts receivable	Amount derecognized	Amount advanced	Amount available to be advanced	Interest rate range of amount advanced (%)
$ 2,614	$2,614	$ 2,614	$ -	0.67%~1.48%
January 1, 2021				
Amount of accounts receivable	Amount derecognized	Amount advanced	Amount available to be advanced	Interest rate range of amount advanced (%)
$ 65,298	$ 65,298	$ 65,298	$ -	0.67%~1.48%

1. The banks that the Group deals with include DBL Factoring Corporation, the Bank of Tokyo-Mitsubishi UFJ, SMBC Finance Service Co., Ltd., Sumitomo Mitsui Trust Bank Ltd., the Joyo Bank, Ltd., Accretive Co., Ltd., Mizuho Trust & Banking Co., Ltd., LIXIL Group Finance Corporation, and Ricoh Leasing Company, Ltd., Densai. Net Co., Ltd, and Sumitomo Mitsui Banking Corporation (China) Ltd.
2. According to the agreements, except for the losses arising from commercial disputes (such as sales returns or discounts), which shall be borne by the Group, the losses arising from credit risks shall be borne by such banks.
3. Group did not provide any collateral to such banks.

(VI) Inventories

	December 31, 2022		
	Costs	Allowance for valuation losses	Carrying amount
Raw materials	$ 275,895	($ 30,123)	$ 245,772
Work in progress	165,931	(9,327)	156,604
Finished goods	156,552	(15,697)	140,855
Inventories in transit	10,827	-	10,827
	$ 609,205	($ 55,147)	$ 554,058
	December 31, 2021		

	Costs	Allowance for valuation losses	Carrying amount
Raw materials	$ 255,522	($ 13,008)	$ 242,514
Work in progress	226,332	(56,491)	169,841
Finished goods	151,818	(16,203)	135,615
Inventories in transit	22,123	-	22,123
	$ 655,795	($ 85,702)	$ 570,093

	January 1, 2021		
	Costs	Allowance for valuation losses	Carrying amount
Raw materials	$ 204,610	($ 41,688)	$ 162,922
Work in progress	211,936	(42,561)	169,375
Finished goods	126,742	(22,236)	104,506
Inventories in transit	9,319	-	9,319
	$ 552,607	($ 106,485)	$ 446,122

The Group's inventory cost recognized in expenses in this period:

	2022	2021
Cost of inventory sold	$ 3,010,201	$ 3,526,468
Loss from scrapping of inventory	(1,769)	(12,796)
Inventory valuation loss	21,135	12,878
Income from the sale of scraps	(18,002)	(7,969)
	$ 3,011,565	$ 3,518,581

For the year 2022, the Group recognized a decrease in the cost of goods sold due to the elimination of the allowance for decline in value of inventories.

(VII) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
January 1, 2022							
Costs	$260,006	$1,065,156	$1,735,715	$12,707	$ 93,051	$373,922	$3,540,017
Accumulated depreciation	-	(935,795)	(1,394,240)	(10,153)	(91,392)	(283,069)	(2,714,649)
	$260,006	$129,361	$340,935	$2,554	$1,659	$90,853	$825,368
2022							
Opening balance	$260,006	$129,361	$340,935	$2,554	$1,659	$90,853	$825,368
Additions	-	4,948	64,201	742	2,949	58,061	130,901
Reclassification	-		5,801	-	200	(22,947)	(16,946)
Disposal and scrapping	-	(6)	(500)	-	(222)	(76)	(804)
Depreciation expense	-	(13,299)	(86,012)	(896	(5,987)	(38,621)	(144,815)
Net exchange	(1,391)	7,002	7,098	70	(1,401)	(1,078)	13,102

difference							
Ending balance	$258,615	$128,006	$331,523	$2,470	$-	$86,192	$806,806
December 31, 2022							
Costs	$258,615	$1,057,526	$1,830,212	$13,418	$100,447	$382,082	$3,642,300
Accumulated depreciation and impairment	-	(929,520	(1,498,689)	(10,948)	(100,447)	(295,890)	(2,835,494)
	$258,615	$128,006	$331,523	$2,470	$-	$86,192	$806,806

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
January 1, 2021							
Costs	$292,475	$1,203,470	$1,845,052	$13,944	$105,944	$370,576	$3,831,461
Accumulated depreciation	-	(1,052,293)	(1,474,359)	(11,492)	(100,874)	(262,075)	(2,901,093)
	$292,475	$151,177	$370,693	$2,452	$5,070	$108,501	$930,368
2021							
Opening balance	$292,475	$151,177	$370,693	$2,452	$5,070	$108,501	$930,368
Additions	-	3,507	79,354	1,115	3,863	36,990	124,829
Reclassification	-	-	18,569	-	-	(14,903)	3,666
Disposal and scrapping	-	-	(1,135)	-	(9)	(6)	(1,150)
Depreciation expense	-	(14,835)	(105,683)	(845)	(5,449)	(36,799)	(163,611)
Net exchange difference	(32,469)	(10,488)	(20,863)	(168)	(1,816)	(2,930)	(68,734)
Ending balance	$260,006	$129,361	$340,935	$2,554	$1,659	$90,853	$825,368
December 31, 2021							
Costs	$260,006	$1,065,156	$1,735,175	$12,707	$93,051	$373,922	$3,540,017
Accumulated depreciation and impairment	-	(935,795)	(1,394,240)	(10,153)	(91,392)	(283,069)	(2,714,649)
	$260,006	$129,361	$340,935	$2,554	$1,659	$90,853	$825,368

Please refer to Note 8 for information on property, plant and equipment pledged as collateral.

(VIII) Leasing arrangements - lessee

1. The assets leased by the Group are land, buildings, machinery and equipment, transportation equipment, and other equipment, and the lease terms are usually 2–8 years. The lease contract is negotiated individually and contains various terms and conditions, and no other restrictions are imposed except that the assets leased shall not be used as collateral for loans.

2. The lease terms of offices, employee dormitories, car parking spaces and computer software leased by the Group are not more than 12 months, and the computer equipment leased is a low-value asset.

3. The information on the book values of the right-of-use assets and the depreciation expenses recognized is as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	$ 18,800	$ 17,467	$ 18,510
Buildings	132,347	88,677	106,577
Machinery and equipment	16,344	17,438	28,431
Transportation equipment	5,851	6,816	4,190
Office equipment	-	337	773
Other equipment	126	798	1,794
	$ 173,468	$ 131,533	$ 160,275

	2022	2021
	Depreciation expense	Depreciation expense
Land	$ 563	$ 529
Buildings	24,393	24,765
Machinery and equipment	6,677	9,351
Transportation equipment (business car)	2,801	2,195
Office equipment	108	356
Other equipment	301	680
	$ 34,843	$ 37,876

4. The additions of the Group’s right-of-use assets in 2022 and 2021 were $376,265and $44,828, respectively.

5. Information on the profit or loss items related to lease contracts is as follows:

	2022	2021
Items that affect current profit or loss		
Interest expense on lease liabilities	$ 3,086	$ 3,836
Expenses on short-term lease contracts	1,473	27,713
Expenses on low-value assets leased	1,205	1,268
Lease modification gain	(8)	(1,107)

6. The Group's total cash outflows from leases in 2022 and 2021 were $38,101 and $68,715, respectively.

(IX) Intangible assets

	Computer software December 31,2022	Computer software December 31,2021
Opening balance		
Costs	$ 52,710	$ 55,987
Accumulated amortization	(47,787)	(53,205)
	$ 4,923	$ 2,782
Opening balance	$ 4,923	$ 2,782
Current purchase	280	4,719
Reclassification	421	-
Amortization expense	(1,920)	(2,221)
Net exchange difference	(30)	(357)
	$ 3,674	$ 4,923
Ending balance		
Costs	$ 52,770	$ 52,710
Accumulated amortization	(49,096)	(47,787)
	$ 3,674	$ 4,923

(X) Short-term borrowings

Category of borrowings	December 31,2022	December 31,2021	January 1, 2021
Bank borrowings			
Secured borrowings			
Bank syndicated borrowings(Note1)	$ 128,401	$ 132,876	$ 454,211
Bank Guaranteed borrowings (Note2)	14,004	-	49,726
Unsecured borrowings			

Bank Syndicated borrowings(Note1)	59,262	61,328	185,893
Bank credit borrowings(Note2)	-	14,449	27,043
	$ 201,667	$ 208,653	$ 716,873

Note 1: The interest rate range for Bank syndicated loans was 1.24%, 1.22%, and 0.68%~1.23% as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively, and the related guarantees are described in Note 8 for details. Under the terms of the loan contracts, for DaiichiKasei's loans, the following conditions should be maintained in the annual financial statements during the contract period:

A. No operating loss for two consecutive years.

B. Net assets should be maintained at 75% or more of the net assets for the two years prior to the signing of the contract or for the most recent year.

The above financial ratios and contracts are reviewed annually.

Note 2: The interest rate rage for December 31, 2022, December 31, 2021 and January 1, 2021 is 0.85%、0.86%及 0.88%~2.59%, respectively.

(XI) Other payables

	December 31, 2022	December 31, 2021	January1,2021
Salary and year-end bonuses payable	$ 90,353	$105,769	$74,237
Remuneration payable to employees and directors and supervisors	17,654	23,175	20,242
Pensions Payable	18,544	19,045	18,799
Business tax payable	51,537	51,122	48,435
freight payable	9,703	11,869	10,976
Utilities payable	9,394	9,634	10,020
Insurance payable	10,373	10,651	9,039
Business facilities payable	9,495	6,902	1,206
Interest payable	2,352	3,508	4,935
service payment payable	10,718	9,417	48,590
Rent payable	191	354	2,436
Others	54,197	62,639	81,723
	$ 284,511	$ 314,085	$ 330,638

(XII) Long-term borrowings

December 31, 2022

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (note1)	2021/3/31~2030/3/29	0.61%	$ 172,962
Bank guaranteed borrowings	2021//9/17~2024/9/17	1.07%	29,408
Bank guaranteed borrowings	2022/11/8~2025/11/8	0.65%	29,174
Unsecured borrowings			
Bank Syndicated borrowings (note 1)	2021/3/31~2030/3/29	0.62%	82,894
Bank credit borrowings	2020/10/23~2030/9/25	0% before 2024/10, thereafter 2%	23,340
Bank credit borrowings	2021/3/25~2031/3/20	1.14%	10,596
Bank credit borrowings	2022/11/22~2025/10/31	0.90%	34,624
			382,998
Less:Long-term borrowings - current portion			(58,144)
			$324,854

December 31, 2021

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (note1)	2021/3/31~2030/3/29	0.61%	$ 203,681
Bank guaranteed borrowings	2020/11/6~2022/11/6	0.65~0.75%	78,162
Bank guaranteed borrowings	2021/9/17~2024/9/17	1.07%	41,180
Unsecured borrowings			
Bank Syndicated borrowings (note 1)	2021/3/31~2030/3/29	0.61%	97,617

Bank credit borrowings	2019/4/30~2022/4/30	1.56%	8,695
Bank credit borrowings	2020/10/23~2030/9/25	0% before 2024/10, thereafter 2%	24,082
Bank credit borrowings	2021/3/25~2031/3/20	1.14%	12,040
			465,457
Less: Long-term borrowings - current portion			(135,326)
			$330,131

January 1, 2021

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (note1)	2016/9/15~2021/7/20	3.25%	$ 2,053
Bank guaranteed borrowings	2020/11/6~2022/11/6	0.65~0.75%	179,595
Bank guaranteed borrowings	2021/9/17~2024/9/17	1.07%	55,251
Unsecured borrowings			
Bank credit borrowings	2019/4/30~2022/4/30	1.57%	24,426
Bank credit borrowings	2020/10/23~2030/9/25	0% before 2024/10, thereafter 2%	27,625
			288,950
Less:Long-term borrowings - current portion			(34,055)
			$254,895

Note 1: For DaiichiKasei's borrowings, under the terms of the loan contracts, the following conditions should be maintained in the annual financial statements during the contract period:

A. No operating loss for two consecutive years.

B. Net assets should be maintained at 75% or more of the net assets for the two years prior to the signing of the contract or for the most recent year.

The above financial ratios and agreements are reviewed annually.

2. Please refer to Note 8 for details of the collateral for the above long-term borrowings.

(XIII) Pensions

1. (1) The pension costs related to the defined benefit obligations recognized by DaiichiKasei, a subsidiary of the Company, for the fiscal years 2022 and 2021 were based on the actuarially determined pension cost rates as of December 31, 2022 and December 31, 2021, respectively.

(2) Amounts recognized in balance sheet are as follows:

	December 31, 2022	December 31, 2021	January 1,2021
Present value of defined benefit obligations	$188,028	$ 211,580	$252,431
Fair value of plan asset	(30,107)	(32,131)	(38,371)
Net defined benefit liability	$157,921	$179,449	$214,060

(3) Amounts recognized in balance sheet are as follows:

	2022		
	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
Balance as at January 1	$ 211,580	($32,131)	$ 179,449
Current service cost	8,263	-	8,263
Interest (expense) income	734	(304)	430
	220,577	(32,435)	188,142
Reconsider:			
Effect of change in financial assumption:	(7,119)	215	(6,904)
	(7,119)	215	(6,904)
Contribution to pension fund	-	(1,398)	(1,398)
Pension paid	(18,118)	2,413	(15,705)

Exchange differece	(7,312)	1,098	(6,214)
Balance as at December 31	$188,028	$30,107	$157,921

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	2021		
	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
Balance as at January 1	$ 252,431	($38,371)	$ 214,060
Current service cost	9,895	-	9,895
Interest (expense) income	962	(355)	607
	263,288	(38,726)	224,562
Reconsider:			
Effect of change in financial assumption:	7,672	(222)	7,450
	7,672	(222)	7,450
Contribution to pension fund	-	(1,622)	(1,622)
Pension paid	(27,643)	3,558	(24,085)
Exchange differece	(31,737)	4,881	(26,856)
Balance as at December 31	$211,580	$32,131	$179,499

(4) The present value of defined benefit obligations of DaiichiKasei's was actuarially determined by a qualified actuary, and the actuarial assumptions related to pension are as follows:

	2022	2021
Discount rate	0.735%	0.413%

(5) The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate	
	Increase 0.25%	Decrease 0.25%
December 31, 2022 Effect on the present value of defined benefit obligations	($2,860)	$2,946
December 31, 2021 Effect on the present value of defined benefit obligations	($3,378)	$3,483

(6) As of December 31, 2022, the weighted average duration of the pension plan is 9.2 years.

2. (1) Sol-Plus Co., Ltd., a subsidiary of the Company, has a defined benefit pension plan under the "Small and Medium-sized Enterprises Retirement Pension Fund System". The Company contributes monthly to the employees' individual accounts at the financial institutions entrusted by the Company, and each year, the Small and Medium-sized Enterprises Retirement Pension Fund Business Unit provides the Company with information on the status of the pension contributions of the Company's employees and the amount of the trial balance of the pensions, and employee pension payments are based on the employees' individual pension accounts and the amount of accumulated earnings, which are received in the form of a lump-sum pension.

(2) For the years 2022 and 2021, the Group recognized pension costs of $2,484 and $2,522, respectively, under the abovementioned pension plan, and the net defined benefit liability was $17,747, $16,004 and $17,160 as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively.

3. (1) The Company's sub-subsidiary, Hiraiseimitsu (Thailand)Co.,Ltd, has formulated a defined benefit pension plan in accordance with the applicable Thailand laws and regulations and makes a monthly contribution equal to a certain percentage of the total salary to the pension fund.

(2) Amount recognized in the balance sheet is as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Present value of defined benefit obligations	$ 23,083	$ 21,541	$ 22,164
Fair value of plan asset	-	-	-
Net defined benefit liability	$ 23,083	$ 21,541	$ 22,164

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

2022	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$21,541	$-	$21,541
Current service cost	2,168	-	2,168
Interest (expense) income	600	-	600
	24,709	-	24,709
Remeasurement:			
Effect of change in demographic assumptions	2,525	-	2,525
Effect of change on financial assumptions	(2,879)	-	(2,879)
Experience adjustments	(2,421)	-	(2,421)
	(2,775)	-	(2,775)
Pension paid	-	-	-
Exchange difference	1,149	-	1,149
December 31	$23,083	$-	$23,083

2021	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$22,164	$-	$22,164
Current service cost	3,048	-	3,048

Interest (expense) income	420	-	420
	25,632	-	25,632
Remeasurement:			
Effect of change in demographic assumptions	1,050	-	1,050
Effect of change on financial assumptions	(716)	-	(716)
Experience adjustments	(1,992)	-	(1,992)
	(1,658)	-	(1,658)
Pension paid	-	-	-
Exchange difference	(2,433)		(2,433)
December 31	$21,541	$-	$21,541

(4) The actuarial assumptions related to pension are as follows:

	2022	2021
Discount rate	3.15%	2.24%
Future salary increases	3.00%	3.00%

(5) The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2022				
Effect on the present value of defined benefit obligations	($3,003)	($3,547)	$3,342	($2,882)
December 31, 2021				
Effect on the present value of defined benefit obligations	($2,874)	$3,418	$3,163	($2,714)

The sensitivity analysis above is based on the impact of a single assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change at the same time. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet is the same.

(6) As of December 31, 2022, the weighted average duration of the pension plan is 21.69 years. An analysis of the maturity of pension payments is as follows:

Less than 1 year

More than 1 year but less than 5 years

Over 5 years

4. In addition to the aforementioned subsidiary, all other overseas subsidiaries have made provisions for retirement benefits under local government regulations. The pension costs recognized for 2022 and 2021 amount to $30,506 and $28,084, respectively.

(XIV) Share-based payment

1. Share-based payment Agreements for the 2022 and 2021 are as following:

Agreement Type	Issue date	Amount (Unit: thousand shares)	Term	Vesting conditions
Employee stock options plan	2020/7/17	3,000	5 years	2~4 years employment (note)
Cash capital increase reserved for employee stock options	2020/6/22	124	-	Immediately vest
Cash capital increase reserved for employee stock options	2021/4/26	278	-	Immediately vest

Note: The stock option holder may exercise the right to subscribe to shares two years after being granted the employee stock option certificate, in accordance with this plan. The validity period of the stock option certificate shall be five years from the date of granting the employee stock option certificate. It shall not be transferable, pledged, gifted to others, or disposed of by any other means, except in cases of inheritance.

Timeframe	Cumulative proportion of exercisable stock options
After 2 years (starting from the third year).	50%

After 3 years (starting from the fourth year).	75%
After 4 years (starting from the fifth year)	100%

The aforementioned share-based payment agreement is closing through using the equity as the consideration.

2. The details of the aforementioned share-based payment agreement are as following:

	2022	
	Stock option amount (Unit: thousand shares)	Weighted average exercise price (NTD)
Outstanding stock options at the beginning of the period	1,075	$ 39.3
Stock options executed in this period	(136)	37.9
Outstanding stock options at the end of the period	939	37.9
Exercisable stock options of the end of the period	402	37.9

	2021	
	Stock option amount (Unit: thousand shares)	Weighted average exercise price (NTD)
Outstanding stock options at the beginning of the period	1,075	$ 40.0
Stock options executed in this period	-	-
Outstanding stock options at the end of the period	1075	39.3
Exercisable stock options of the end of the period	-	-

The weighted average stock price on the exercise date for the stock options executed in 2022 was NTD 37.9.

3. For the share-based payment transaction conducted on the paying date, the Group uses the Black-Scholes option pricing model to estimate the fair value of stock option. The relevant information is as follows:

Agreement Type	Paying date	Price of share	Exercise price	Expected volatility rate	Expected validity time	Expected dividends	Risk-free interest rate	Fair value per unit (NTD)
Employee stock options plan	2020/7/17	$58	$40	23.89%~ 25.91%	5 years	-	0.2371%~ 0.3222%	$19.57~$ 21.26
Cash capital increase reserved for employee stock options	2020/ 6/22	$58	$58	5.64%	0.17 year	-	0.2421%	$0.5576
Cash capital increase reserved for employee stock options	2021/ 4/26	$77.34	$76	32.72%	0.04 year	-	0.1333%	$2.7823

4. Cost for share-based payment transaction is as following:

	2022	2021
Equity payment	$ 4,275	$ 6,722

(XV) Capital

1. As of December 31, 2022, the authorized capital of the Company is NTD 400,000 thousand, divided into 40,000 thousand shares, with a paid-up capital of $292,414, at NTD 10 per share.

The adjustments for the outstanding common shares at the beginning and end of the period are as follows:

	2022	2021
January 1	27,000	22,000
Executed employees stock option	136	-
Cash capital increase	-	5,000
Issuance of new shares to acquire subsidiary equity	2,105	-
Repurchase of treasury shares	(12)	-
December 31	29,229	27,000

2. In order to facilitate the public offering before initial listing, on April 26, 2021 the Company's Board of Directors decided to conduct a cash capital increase by issuing 5,000 thousand common shares with a par value of NTD 10 per share. These shares were issued at a premium of NTD 76 per share. The Company successfully raised the full amount on May 27, 2021.

3. On September 1, 2022, the Company increased its common shares by 2,105 thousand shares (with a par value of NTD 10 per share) through a share conversion to acquire 100% equity of its subsidiary, Sol-Plus (HK) Co., Limited. As a result, the company adjusted its capital surplus by $107,600.

4. Treasury stocks

(1) The reasons for repurchasing shares and repurchase amount:

		December 31, 2022	
The company holding the shares	Reason for repurchase	Amount (unit: 1,000shares)	Carrying Amount
The Company	To transfer the shares to employees	12	$846

(2) As per the Securities and Exchange Act, the percentage of the issued shares to be repurchased by the Company shall not exceed 10% of its total issued shares, and the total amount of the purchased shares shall not exceed the retained earnings plus the issued shares at a premium and the realized capital surplus.

(3) As per the Securities and Exchange Act, the treasury shares held by the Company shall not be pledged, nor shall they be entitled to shareholders' rights until they are transferred.

(4) As per the Securities and Exchange Act, the shares repurchase for transfer to employees shall be transferred within five years from the date of the repurchase. If the shares are not transferred prior to the deadline, the company shall be deemed to have not issued the shares and shall carry out the change registration to cancel the shares. The shares repurchased to maintain the Company's credit and shareholders' equity shall be cancelled by carrying out change registration within six months from the date of the repurchase.

(XVI) Capital surplus

According to the provisions of the Company Act, the capital surplus including the income derived from issuing shares at a premium and from endowments, in addition to being used to compensate deficit, where the Company has no accumulated losses, shall be used to issue new shares or cash in proportion to the shareholders' original shares. The Company shall not use the capital surplus to compensate the capital losses, unless the surplus reserve is insufficient to compensate such losses.

(XVII) Retained earnings

1. As per the Articles of Incorporation, where the Company makes a profit for a fiscal year, the profit shall be first used for offsetting a cumulative deficit, the Company shall set aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, are shareholders' accumulated distributable earnings. The Board of Directors would propose an earnings distribution proposal, which would be submitted to the shareholders' meeting for approval.
2. The Company, being in a growth phase, for the needs of capital expenditure, business expansion, and sound financial planning to achieve sustainable development, the Company's dividend policy will be determined based on the future budget for capital expenditure and funding needs, while considering economic and industry dynamics. Dividends may be distributed to shareholders in the form of cash dividends and/or stock dividends. If the Board of Directors decide to distribute earnings, it will formulate a plan and seek approval from the shareholders' meeting through an ordinary resolution. The total amount of dividends to shareholders should be at least 40% of the distributable earnings for the current year, with the total cash dividend payout not falling below 10% of the total dividend payout to shareholders.
3. Without violating any regulations, the Board of Directors may distribute dividends, statutory surplus reserves, and/or all or part of the capital surplus arising from the issuance of shares at a premium or received from donations to the original shareholders in the form of cash. Such distribution shall be approved by a resolution with the attendance of two-thirds or more of the directors and the consent of the majority of attending directors, and it shall be reported to the shareholders' meeting.
4. In accordance with the regulations, the Company shall set aside special surplus reserves from the debit balance on other equity items at the balance sheet date before distributing

earnings. When debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.

5. On June 24, 2022, and August 23, 2021, the Company's shareholders' meetings approved the distribution of earnings for the fiscal years 2021 and 2020, respectively.

	2021		2020	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Special surplus reserves	$61,590		$19,373	
Cash dividends (note)	87,000	$3.22	81,000	$3.00
	$148,590		$100,373	

Note: On April 26, 2021, the Board of Directors approved the distribution of cash dividends for the year 2020, with each share receiving NTD 3.68. However, on May 27, 2021, the Company conducted a cash capital increase and issued additional common shares, causing the number of outstanding common shares to increase from 22,000 thousand to 27,000 thousand. As a result, on July 20, 2021, the Board of Directors made a decision to adjust the cash dividend distribution for the year 2020 to NTD 3 per share.

(XVIII) Non-controlling interests

	2022	2021
Opening balance	$54,621	$47,394
Share attributable to non-controlling interests:		
Net income (loss) for this period	6,173	12,106
Organizational Reconstruction Effects	(58,999)	
Exchange differences on translation of the financial statements of foreign operations	(1,795)	(4,879)
Ending balance	$-	$54,621

(XIX) Operating revenue

1.Revenue from customer contracts

The Group's revenue is derived from the transfer of goods and services at a specific point in time. The revenue can be classified into the following main group of companies:

2022	Japan	Vietnam	China (including HK)	Thailand	Other Asia area	Total
Segment income	$1,709,272	$592,702	$1,416,022	$364,958	$243,943	$4,326,897
Income from internal segment transactions	(160,181)	(18,057)	(523,601)	(6,400)	(25)	(708,264)
Income from external customer transactions	$1,549,091	$574,645	$892,421	$358,558	$243,918	$3,618,633
Recognition timing of revenue						
Revenue recognized at a specific point in time	$1,549,091	$574,645	$892,421	$358,558	$243,918	$3,618,633

2021	Japan	Vietnam	China (including HK)	Thailand	Other Asia area	Total
Segment income	$2,089,349	$616,323	$1,306,012	$425,496	$412,817	$4,849,997
Income from internal segment transactions	(208,201)	(36,403)	(323,523)	(4,975)	(22)	(573,124)
Income from external customer transactions	$1,881,148	$579,920	$982,489	$420,521	$412,795	$4,276,873
Recognition timing of revenue						

Revenue recognized at a specific point in time	$1,881,148	$579,920	$982,489	$420,521	$412,795	$4,276,873

2. Contract liabilities

The contract liabilities related to the Group's recognized contract income as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities - advance receipts (Recognized contract liabilities - current)	$2,164	$5,146	$ 2,488

(XX) Interest income

	2022	2021
Interest income from bank deposit interest	$ 2,064	$ 1,339
Interest income from financial assets measured at amortized cost	1,018	2,191
	$3,082	$3,530

(XXI) Other income

	2022	2021
Rental income	$3,004	$3,669

(XXII) Other gains and losses

	2022	2021
Proceeds from the disposal of property, plant and equipment	$1,262	$4,547
Foreign exchange gain	51,995	39,166
Others	22,018	16,475
	$75,295	$60,188

(XXIII) Financial costs

	2022	2021
Financial costs		
Bank borrowings and others	$5,499	$10,689

Interest on lease liabilities	3,086	3,836
Other financial expenses	-	5,068
	$8,585	$19,593

(XXIV) Employee benefits and additional information regarding such benefits' nature

	2022	2021
Employee benefit expenses		
Salary and wages	$ 749,641	$ 871,939
Labor and health insurance costs (Note)	58,732	64,674
Pension	42,076	42,918
Other employment expenses	26,408	39,260
Depreciation expense	179,658	201,487
Amortization expense	1,920	2,221

Note: Including expenses related to medical insurance and work-related injuries incurred by subsidiaries in China.

1. As per the Company's Articles of Incorporation, after cumulative losses are deducted from the Company's profit for the year, if there is a balance, no less than 8% and not higher than 15% of the balance shall be set aside for employee remuneration and no higher than 5% for directors' remuneration.
2. In the fiscal year 2022 and 2021, the estimated amounts for employee remuneration were $10,498 and $13,882, respectively. For directors' remuneration, the estimated amounts were $6,561 and $8,676 for the same respective years. The aforementioned amounts were recognized in salary and wages.

   For the fiscal year 2022, the estimates were made based on the profitability of that year, and they were set at 8% and 5% for employee remuneration and directors' remuneration, respectively. However, the actual distribution amounts approved by the Board of Directors were $13,122 and $3,280 for the respective categories. There is a discrepancy between the amounts recognized in the financial statements for fiscal year 2022 and the actual distribution amounts. The difference has been adjusted in the financial statements for the fiscal year 2023. The employee remuneration were disbursed in cash.
3. The information on employee remuneration and directors' and supervisors' remuneration approved by the Board of Directors is available on the MOPS.

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expenses:

	2022	2021
Current income tax:		
Income tax from the current income	$71,801	$69,954
Income tax underestimates for prior years	148	13,068
Deferred tax:		
The initial generation and reversal of temporary differences	2,794	(13,059)
Income tax expense	$74,743	$69,963

(2) The amount of income tax related to other comprehensive income:

	2022	2021
Changes in the fair values of financial assets at fair value through other comprehensive income.	$1,307	($821)

2. Reconciliation between income tax expenses and accounting profits:

	2022	2021
Income tax calculated based on net income before tax at the statutory tax rate (note)	$116,393	$64,204
Items that should be adjusted according to laws	(38,201)	(3,696)
Tax losses unrecognized as deferred tax assets	(9,666)	(3,964)
Effect of tax losses of income tax	2,713	12,470
Changes in the assessment of realizability of deferred tax assets	(13,037)	(13,059)
Effect of deferred tax assets unrecognized	-	940
Income tax on the earnings	16,393	-
Income tax underestimates for prior years	148	13,068
Income tax expense	$74,743	$69,963

Note: The applicable tax rate is calculated based on the tax rate applicable to the income in the relevant country.

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	2022				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	December 31
Deferred tax assets:					
Tax losses	$29,908	($2,092)	$-	($1,058)	$ 26,758
Excessive provision for bad debts	13	(2)	-	4	15
Impairment losses.	11,519	-	-	907	12,426
Inventory valuation loss	2,513	(1,260)	-	3,481	4,734
	$43,953	($3,354)	$-	$3,334	$43,933
Deferred tax liabilities:					
Financial assets at fair value through other comprehensive income	(3,822)	-	1,307	-	(2,515)
Land use right	(26)	(2)	-	(3)	(31)
Gain on increment of assets	(15,066)	-	-	(1,296)	(16,362)
Gain from investment	(23,180)	16,393	-	6,787	-
	($42,094)	$16,391	$1,307	$5,488	($18,908)
	$1,859	$13,037	$1,307	$8,822	$25,025

	2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	December 31
Deferred tax assets:					
Tax losses	$20,114	$13,037	$-	($3,243)	$ 29,908
Excessive provision for bad debts	529	(521)	-	5	13
Impairment losses.	11,353	-	-	166	11,519
Inventory valuation loss	1,968	569	-	(24)	2,513
	$33,964	$13,085	$-	($3,096)	$43,953
Deferred tax liabilities:					
Financial assets at fair value through other comprehensive income	(3,026)	-	(821)	25	(3,822)
Land use right	-	(26)	-	-	(26)
Gain on increment of assets	(15,002)	-	-	(64)	(15,066)
Gain from investment	(23,180)	-	-	-	(23,180)
	($41,208)	($26)	($821)	($39)	($42,094)
	($7,244)	$13,059	($821)	($3,135)	$1,859

4. In the fiscal year 2021, the Company's subsidiary, DaiichiKasei, experienced a difference of $8,650 in the estimated tax payable due to a tax authority investigation of previous years' tax declarations. This difference has been adjusted in the 2021 income tax expense.

5. In the fiscal year 2021, another subsidiary, IKKA Vietnam, was subject to a tax authority investigation of previous years' tax declarations. As a result of the tax authority's final determination, IKKA Vietnam was required to make a tax payment of $3,129. This amount has been adjusted in the 2021 income tax expense.

(XXVI) Transactions with non-controlling interests

Acquisition of additional equity in a subsidiary

On September 1, 2022, IKKA Holdings, a subsidiary of the Group, issued 388 thousand common shares (with a face value of NTD 10 per share) to acquire 30% of the issued shares of a subsidiary, Sol-Plus (HK) Co., Limited, for USD 1,800,000 and share transfer. The carrying value of the non-controlling interest on the acquisition date was $58,999, the transaction reduced the non-controlling interest by $58,999, and increased the equity attributable to the parent company by $11,884 (adjusted the carrying additional paid in capital).

	September 1, 2022
Carrying amount of non-controlling interests acquired	$58,999
Consideration paid to non-controlling interests	(58,669)
Other equity	
Exchange difference-conversion of financial statements of foreign operating institutions	11,554
Capital surplus - differences between the price of the equity of subsidiary acquired or disposed of and the book value	11,884

(XXVII) Business combinations

1. For the strategic layout responding to the industry's vertical integration and to strengthen the Company's competitiveness, based on the evaluation provided by an independent expert opinion in June 2022, on September 1, 2022, the Group issued 1,717 thousand ordinary shares (with a par value of NTD 10 per share) and USD 1,700,000 as consideration for acquiring Sol-Plus (HK) Co., Limited.
2. Assets and liabilities acquired on the restructuring date:

	2022
Acquisition consideration	$ 68,908
Fair value of identifiable assets acquired and liabilities assumed	$ 96,941
Investments in bonds without an active market – current assets	22,628
Receivable	86,848
Inventories	35,979
Other current assets	8,573
Investments in bonds without an active market – non-current assets	62,241
Property, plant and equipment	57,166
Right-of-use assets	1,090
Intangible assets	2,207
Other non-current assets	22,312
Short-term loan	(8,805)

Accounts payable, trade accounts, and other payables	(92,460)
Income tax	(10,183)
Other current liabilities	(44,016)
Other non-current liabilities	(75,897)
Total of net identifiable assets	164,624
Transactions under common control - Capital surplus	($95,716)

The Group's purchase of Sol-Plus (HK) Co., Limited is considered an internal reorganization with economic substance. Therefore, the transaction is recorded at its book value.

3. Difference between the net assets acquired and the consideration transferred

	2022
Consideration transferred	
Plus: Transactions under common control - Capital surplus	$68,908
Deduct: Exchange differences on translation of the financial statements of foreign operations	95,716
Book value of identifiable net assets acquired	(26,958)
	$137,666

(XXVIII) Earnings per share

	2022		
	Amount after tax	Weighted average number of issued shares (unit: thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit attributable to shareholders of the Company	$97,767		$3.54
Net profit attributable to non-controlling interests under joint control	14,403		0.52
	$112,170	27,598	$4.06
Diluted earnings per share			
Current net profit attributable to shareholders of the Company	$97,767	27,598	$3.46
Net profit attributable to non-controlling interests under joint control	14,403		0.51
Effect of potential dilutive ordinary shares			
Employee stock option	-	496	-

Employee remuneration	-	178	-
	$112,170	28,272	$3.97

	2021		
	Amount after tax	Weighted average number of issued shares (unit: thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit attributable to shareholders of the Company	$150,969		$6.06
Net profit attributable to non-controlling interests under joint control	28,247		1.13
	$179,216	24,917	$7.19
Diluted earnings per share			
Current net profit attributable to shareholders of the Company	$150,969	24,917	$5.90
Net profit attributable to non-controlling interests under joint control	28,247		1.10
Effect of potential dilutive ordinary shares			
Employee stock option	-	483	-
Employee remuneration	-	177	-
	$179,216	25,577	$7.00

(XXIX) Cash flow supplemental information

1. Operating activities supported by partial cash payment:

	2022	2021
Expense for interest	$ 8,585	$ 19,593
Plus: Interest payable at the beginning of the period	3,508	4,935
Deduct: Interest payable at the end of the period	(2,352)	(3,508)
Current cash payable	$ 9,741	$ 21,020

2. Investment activities supported by partial cash payment:

	2022	2021
Expense for property, plant and equipment	$ 130,901	$ 124,829
Plus: Interest payable at the beginning of the period	6,902	1,206

Deduct: Interest payable at the end of the period	(9,495)	(6,902)
Current cash payable	$ 128,308	$ 119,133

(XXX) Changes in liabilities from financing activities

	Short-term loan	Long-term loan (Including loans due within one year)	Liabilities from financing activities
January 1, 2022	$ 208,653	$ 465,457	$ 674,110
Changes in financing cash flows	-	(70,498)	(70,498)
Impact of exchange rate fluctuations	(69,986)	(11,961)	(18,947)
December 31, 2022	$ 201,667	$ 382,998	$ 584,665

	Short-term loan	Long-term loan (Including loans due within one year)	Liabilities from financing activities
January 1, 2021	$ 716,873	$ 288,950	$ 1,005,823
Changes in financing cash flows	(445,880)	(188,288)	(257,592)
Impact of exchange rate fluctuations	(62,340)	(11,781)	(74,121)
December 31, 2021	$ 208,653	$ 465,457	$ 674,110

VII. Related Party Transactions

(I) Parent company and ultimate controller

The Group is controlled by Jabon International Co., Ltd. (registered in Taiwan), who holding 37.27% of the shares of the Group. ABICO AVY Co., Ltd. (formerly known as AVY PRECISION TECHNOLOGY INC.) holds 100% shares of Jabon International Co., Ltd.The ultimate parent company and ultimate controlling party of the Group are both Jabon International Co., Ltd.

(II) Name of related party and relations with the Company:

Name of related party	Relations with the Group
Jabon International Co., Ltd. (parent company)	Parent company of the Group
ABICO AVY Co., Ltd. (ABICO AVY)	Same ultimate parent company
Gold Market Investments Limited (Gold Market)	Same ultimate parent company
Ability I Venture Capital Corporation (Ability I)	Same ultimate parent company
Best Achieve Industries Limited (Best Achieve)	Fellow subsidiary
AVY Precision Metal Components (SuZhou) Co., Ltd. (AVY)	Fellow subsidiary
Best Select Industries (Suzhou) Co. Limited	Fellow subsidiary

Jcheng Software Inc. (Jcheng Software)	Fellow subsidiary
Ekeen Precision Co., Ltd. (Ekeen Precision)	Fellow subsidiary
Lixing Plastic (Shenzhen) Co., Ltd.	Fellow subsidiary
Prosper Plastic Factory(HK) Co., Ltd.	Fellow subsidiary
AVY Co., Ltd. (AVY)	Fellow subsidiary
Abico Asia Capital	Substantially related parties
Taishiba International Co., Ltd. (Taishiba)	Substantially related parties

(III) Major transactions with related parties

1. Operating revenue

	2022	2021
Sales of goods:		
Fellow subsidiary	$11,640	$14,970

The transaction prices and payment terms of sales do not significantly differ from those offered to regular customers.

2. Purchase

	2022	2021
Purchases:		
Parent company	$191	$504
Fellow subsidiary		
-Best Achieve	78,821	211,470
-Best Select	5,103	-
Other related parties	2,608	26,591
	$86,723	$238,565

The transaction price and payment terms for the purchase of goods are not significantly different from those with other vendors.

3. Receivables from related parties

	December 31, 2022	December 31, 2021	January 1, 2021
Receivables			

	December 31, 2022	December 31, 2021	January 1, 2021
Fellow subsidiary			
-AVY	$3,122	$3,251	$2,202

	December 31, 2022	December 31, 2021	January 1, 2021
Other receivables			
Fellow subsidiary			
-AVY	$391	$-	$490

The receivables from related parties primarily arise from sales transactions with a credit term of 75 days for each month. These receivables from related parties are not secured by collateral and are not subject to any mortgages or interest charges.

4. Payables to related parties

	December 31, 2022	December 31, 2021	January 1, 2021
Payables			
Parent company	$ -	$ 56	$ 168
Fellow subsidiary			
-Best Achieve	23,036	52,350	70,329
-Other	1,856	4,912	5,118
	$ 24,892	$ 57,318	$ 75,615

	December 31, 2022	December 31, 2021	January 1, 2021
Other payables			
Gold Market	$ 235	$ 212	$ 167
Parent company		20	2,535
Fellow subsidiary	2,477	464	7,123
Substantially related party	7	7	3
	$ 2,719	$ 703	$ 9,828

The payables to related parties mainly arise from purchase transactions with credit terms ranging from 60 days to 90 days for each month. These payables to related parties are not secured by collateral and do not incur any interest charges."

5. Prepayments

	December 31, 2022	December 31, 2021	January 1, 2021
Parent company	$ 10	$ 10	$ 10
Fellow subsidiary	1,778	1,332	-
	$ 1,788	$ 1,342	$ 10

The transaction price and payment terms for the purchase of goods are not significantly different from those with other vendors.

6. Financing Facility

A. Balance as at the end of the fiscal year

	December 31, 2022	December 31, 2021	January 1, 2021
Gold Market	$ 30,710	$ 27,680	$ 56,960

B. Financial costs

	2022	2021
Gold Market	$ 907	$ 1,286

The loan from the related party has a repayment term of one year with monthly installments. The interest for the year 2022 and 2021 is charged at an annual interest rate of 3%

7. On September 1, 2022, the Company acquired a 100% equity interest in its subsidiary, Sol-Plus (HK) Co., Limited, through a combination of cash amounting to USD 3,500,000 and the issuance of 2,105 thousand ordinary shares (with a par value of NTD 10 per share) to related parties, namely Gold Market Investments Limited, Ability I Venture Capital Corporation, and Abico Asia Capital.

8. Operating expenses

	2022	2021
ABICO AVY	$ 160	$ 240

Parent Company	180	180
Fellow subsidiary	8,286	13,653
Substantially related party	44	44
	$ 8,670	$ 14,117

The main components of operating expenses are labor costs and system support fees

(IV) Information on remuneration to key management personnel

	2022	2021
Short-term employee benefits	$31,806	$26,028
Post-employment benefits	222	310
	$32,028	$26,338

VIII. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

	Book value			
Assets	December 31, 2022	December 31, 2021	January 1, 2021	Purpose of collateral
Land	$198,086	$224,385	$257,674	Short-term and long-term loans
Buildings and structures	34,013	56,711	70,907	Short-term and long-term loans
Equipment	-	-	11,763	Long-term loans
Time deposits-financial assets at amortized cost – current assets	585	545	623	
Time deposits-financial assets at amortized cost – current assets	-	-	56,960	Short-term borrowings
Time deposits-financial assets at amortized cost – non-current assets	61,420	127,328	187,968	Long-term borrowings
	$294,104	$408,969	$585,895	

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingencies

None.

(II) Commitments

The Group has provided the following details of endorsed guarantee amounts to obtain bank borrowing facilities:

Creditor	Borrower	December 31, 2022	December 31, 2021	January 1, 2021	Note
Daiichi Kasei	IKKA HK	$ 34,860	$ 33,670	$ 65,738	Note1
Daiichi Kasei	IKKA Vietnam	-	-	13,002	Note2
Sol-Plus HK	Sol-Plus JP	30,710	27,680	60,670	Note3

Note 1：As of December 31, 2022 and December 31, 2021, the endorsed guaranteed amount in the original currency was JPY 150,000 thousand and JPY 140,000 thousand for the years 2022 and 2021, respectively. On January 1, 2021, the endorsed guaranteed amount in the original currency was JPY 140,000 thousand and USD 950 thousand.

Note 2：As of January 1, 2021, the endorsed guaranteed amount in the original currency was USD 457 thousand.

Note 3：As of December 31, 2022 and December 31, 2021, the endorsed guaranteed amounts in the original currency were USD 1,000 thousand. On January 1, 2021, the endorsed guaranteed amount in the original currency was USD 2,000 thousand.

X. Major Disaster Losses

None.

XI. Material Events After the Balance Sheet Date

On February 16, 2023, the Company's Board of Directors approved a resolution to change the purpose of repurchasing the Company's common shares. The initial purpose of transferring shares to employees has been modified to maintaining the Company's credit and protecting shareholder interests. As part of this decision, the Company would cancel 12 thousand common shares. The cancellation date was set as March 3, 2023, and the change process is currently in progress.

XII. Others

(I) 1. Due to the transmission of the novel coronavirus and partial regional lockdowns in China, a subsidiary of the Company - IKKA Technology Dongguan Co., Ltd. (IKKA) - experienced delays in sales to export customers, resulting in an impact on its operations. However, as of now, there is no significant effect on asset impairment or the financial condition of the Group.

2. The operations of the Group in other regions are running normally and have not been significantly affected.

(II) Capital management

The objectives of the Group's capital management are to ensure that the Group can continue as a going concern, maintain the best capital structure to reduce the capital cost and provide dividends to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

(III) Financial instruments

1. Types of financial instruments

	December 31, 2022	December 31, 2021	January 1, 2021
Financial assets			
Financial assets at fair value through profit or loss			
Selected designated equity instrument investment	$64,810	$22,779	$20,780
Financial assets at amortized cost			
Cash and cash equivalents	741,453	995,470	891,207
Financial assets at amortized cost - fixed-term deposits with an original maturity of more than 3 months	120,596	130,962	248,771
Notes receivables	22,465	23,491	29,750
Account receivables (including related parties)	892,223	919,508	902,519
Other receivables	11,957	7,286	8,520
Guarantee deposits paid	14,075	13,450	13,641
	$1,867,579	$2,112,946	$ 2,115,188
Financial liabilities			
Financial liabilities at amortized cost			
Short-term loan	$ 201,667	$ 208,653	$ 716,873
Notes payables	109,606	122,591	121,639
Account payables (including related parties)	414,211	493,441	579,719
Other payables (including related parties)	317,940	342,468	397,426
Long-term loan (including loans due within one year)	382,998	465,457	288,950
Security deposits received	485	439	522

	$ 1,426,907	$ 1,633,049	$ 2,105,129
Liabilities from lease	$ 144,526	$ 97,884	$ 124,337

2. Risk management policy

(1) The Group's daily operations are affected by a number of financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risks, and liquidity risks.

(2) The risk management work is carried out by the Group's Finance Department under the policy approved by the Board of Directors. The Group's Finance Department is responsible for identifying, evaluating, and avoiding financial risks through close collaboration with the Group's operating units. The Board of Directors has formulated written principles for overall risk management and also provided written policies about specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of non-derivative financial instruments, and the investment using remaining liquidity.

3. The nature and level of material financial risks

(1) Market risks

Exchange rate risks

A. The Group's business involves a number of non-functional currencies (the Company's and some subsidiaries' functional currency is NTD while other subsidiaries' functional currencies are Japanese Yen, Malaysian Ringgit, US Dollar, Chinese Yuan, and Thai Baht, etc.). Therefore, it is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			
USD: JPY	$5,239	132.70	$161,568
USD: NTD	510	30.71	15,653
USD: RMB	1,569	6.96	48,152
USD: MYR	976	4.38	28,684
Financial liabilities			
Monetary item			

USD: RMB	7,556	6.96	231,966
JPY: THB	350,828	0.26	82,820
USD: JPY	996	132.70	30,716
JPY: USD	275,513	0.01	63,915
USD: MYR	928	4.39	27,323
VND: USD	11,374,492	0.000043	14,922

	December 31, 2021		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			
USD: JPY	$7,792	115.02	$215,557
USD: NTD	5,385	27.68	149,067
USD: RMB	2,087	6.38	57,809
THB: JPY	28,788	3.47	24,029
JPY: USD	90,964	0.01	22,455
USD: MYR	608	4.17	17,718
Financial liabilities			
Monetary item			
USD: RMB	7,098	6.38	196,581
JPY: USD	328,631	0.01	79,065
JPY: THB	305,969	0.29	73,586
USD: MYR	2,170	4.18	57,577
USD: JPY	1,082	115.04	29,936
VND : USD	13,137,903	0.000044	16,021
HKD: USD	4,216	0.13	14,963
RMB: USD	2,923	0.15	12,242

	January 1, 2021		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			

USD: JPY	$8,712	103.50	$248,126
VND: USD	58,277,519	0.000039	64,105
RMB: USD	5,194	0.15	22,735
USD: MYR	576	4.19	16,402
Financial liabilities			
Monetary item			
USD: RMB	$10,269	6.51	$292,460
JPY: USD	650,000	0.01	179,595
RMB: USD	20,211	0.15	88,465
JPY: THB	304,152	0.29	84,037
USD: MYR	2,934	4.19	83,572
USD: JPY	992	103.50	28,252

B. The aggregate amounts of (realized and unrealized) net exchange gain (losses) of the Group's monetary items recognized for 2022 and 2021 due to the material impact of exchange rate fluctuations were $51,995 and $39,166, respectively.

C. The analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

	2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Movement (%)	Impact on profit or loss	Impact on comprehensive income
Financial assets			
Monetary item			
USD : JYP	1%	$1,616	$-
USD : NTD	1%	157	-
USD : RMB	1%	482	-
USD : MYR	1%	287	-
Financial liabilities			
Monetary item			
USD : RMB	1%	$2,320	-
JYP : THB	1%	828	-
USD : JYP	1%	307	-
JYP : USD	1%	639	-
USD : MYR	1%	273	-

VND : USD	1%	149	-

	2021		
	Sensitivity analysis		
(Foreign currency: functional currency)	Movement (%)	Impact on profit or loss	Impact on comprehensive income
Financial assets			
Monetary item			
USD : JYP	1%	$2,156	$-
USD : NTD	1%	1,491	-
USD : RMB	1%	578	-
THB : JYP	1%	240	-
JYP : USD	1%	225	-
USD : MYR	1%	177	-
Financial liabilities			
Monetary item			
USD : RMB	1%	$1,966	-
JYP : USD	1%	791	-
JYP : THB	1%	736	-
USD : MYR	1%	576	-
USD : JYP	1%	299	-
VND : USD	1%	160	-
HKD : USD	1%	150	-
RMB : USD	1%	122	-

Price risk

A. The Group's equity instruments exposed to the price risk are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group has diversified its investment portfolio, and the method of the diversification is based on the limits set by the Group.

B. The Group mainly invests in equity instruments launched by companies at home and abroad, and the prices of those equity instruments will be affected by the uncertainty of the future values of said instruments. If the price of said equity instruments rose or fell by 1%, with all other factors remaining unchanged, the net income after tax would have increased or decreased by $648 and $228 for 2022 and 2021, respectively, because of the gains or losses on the equity instruments at fair value through profit or loss.

Interest rate risk of cash flow and fair value

A. The Group’s interest rate risk mainly comes from short-term borrowings at floating rates, which exposes the Group to the cash flow interest rate risk. The Group’s borrowings at floating rates during 2022 and 2021 were denominated in JYP, USD, and NTD.

B. The Group's borrowings are measured at amortized cost, and interest rates are contractually repriced annually, which exposes the Group to future changes in market interest rates.

C. When the borrowing rate increased or decreased by 1%, with all other factors remaining unchanged, the net income before tax for 2022 and 2021 would have decreased or increased by $5,847 and $6,741, respectively, mainly as interest expense changes with the floating-rate borrowings.

(2) Credit risk

A. The Group’s credit risk is the risk of financial loss suffered by the Group arising from the failure of clients or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties’ inability to settle accounts receivable in accordance with the payment terms and the contractual cash flows at amortized cost.

B. The Group has established credit risk management from the Group’s perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new client before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. Individual risk limits are set by the board of directors based on internal or external ratings, and the drawdown of credit limits is regularly monitored.

C. In accordance with the Group's credit risk management procedures, default is considered to have occurred when contractual payments are overdue for more than 180 days according to the agreed payment terms.

D. The Group adopts IFRS 9 to make an assumption as a basis for judging. When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

E. The Group groups clients’ accounts receivable according to client type and adopts a simplified approach to estimate expected credit losses with a provision matrix and loss rate method.

F. After the recourse procedures, the Group writes off the amount of the financial asset that cannot be reasonably expected to be recovered. However, the Group will continue to carry out the legal recourse procedures to preserve the creditor's rights.

G. The Group incorporates the forward-looking considerations and adjusts the loss ratio established based on historical and current information for a specific period, to estimate an allowance for losses on notes and accounts receivable. However, based on the above considerations and information, the Group does not anticipate incurring any material allowance for losses on accounts and notes receivable due to the loss ratio. The provision matrix for December 31, 2022, December 31, 2021 and January 1, 2021 is as follows:

	Not past due	1–90 days	90-180 days	More than 181 days	Total
December 31, 2022					
Expected loss ratio	0.07%	0.98%	60.00%	0.00%	
Total book value	$ 907,708	$ 7,631	$ 65	$ -	$ 915,404
Allowance for losses	($ 602)	($ 75)	($ 39)	$ -	($ 716)

	Not past due	1–90 days	90-180 days	More than 181 days	Total
December 31, 2021					
Expected loss ratio	0.05%	9.21%	65.01%	100.00%	
Total book value	$ 939,700	$ 3,965	$ 363	$ 399	$ 944,427
Allowance for losses	($ 428)	($ 365)	($ 236)	($ 399)	($ 1,428)

	Not past due	1–90 days	90-180 days	More than 181 days	Total
January 1, 2021					
Expected loss ratio	0.13%	3.53%	59.62%	100.00%	
Total book value	$ 924,297	$ 9,466	$ 213	$ 1,872	$ 935,848
Allowance for losses	($ 1,246)	($ 334)	($ 127)	($ 1,872)	($ 3,579)

H. The table of the changes in the Group's simplified allowance for losses on accounts receivable is as follows:

	2022	2021
	Accounts receivable	Accounts receivable
January 1	$1,428	$3,579
Impairment loss recognized (reversed)	(748)	(2,042)
Effect of exchange rates	36	(109)
December 31	$716	$1,428

I. The Group's investments in debt instruments measured at amortized cost, credit risk assessment, etc. are as follows. The hierarchical information is as follows:

	December 31, 2022			
		By duration		
	Based on 12 months	Significant credit risk	Impaired credit	Total
Financial assets in the form of time deposits with an original maturity exceeding 3 months, measured at amortized cost	$ 120,596	$ -	$ -	$ 120,596

	December 31, 2021			
		By duration		
	Based on 12 months	Significant credit risk	Impaired credit	Total
Financial assets in the form of time deposits with an original maturity exceeding 3 months, measured at amortized cost	$ 130,962	$ -	$ -	$ 130,962

	January 1, 2021			
		By duration		
	Based on 12 months	Significant credit risk	Impaired credit	Total
Financial assets in the form of time deposits with an original maturity exceeding 3 months, measured at amortized cost	$ 248,771	$ -	$ -	$ 248,771

(3) Liquidity risk

A. Cash flow forecasts are performed by each of the Group's operators and aggregated by the Group Finance Department. The Group Finance Department monitors forecasts of the Group's liquidity requirements to ensure that it has sufficient funds to support its operations and maintains sufficient unutilized borrowing commitments at all times so that the Group is not in breach of the relevant borrowing limits or terms.

B. The remaining cash held by each operating entity is transferred back to the Group Finance Department when it exceeds the operating capital management requirements. The Group Finance Department invests the surplus funds in interest-bearing demand deposits, time deposits and securities in instruments with appropriate maturities or sufficient liquidity to meet the above forecasts and to provide adequate liquidity.

C. The Group's non-derivative financial liabilities are grouped as per due dates below and analyzed based on the remaining period from the balance sheet date to the contract maturity date. The contractual cash flows disclosed in the following table are undiscounted amounts.

	December 31, 2022		December 31, 2021		January 1, 2021	
Non-derivative financial liabilities:	1 year or fewer	1 year or longer	1 year or fewer	1 year or longer	1 year or fewer	1 year or longer
Lease liabilities	$ 51,565	$ 103,530	$ 33,665	$ 70,660	$ 34,659	$ 96,735
Long-term borrowings	60,843	331,759	137,215	335,441	34,340	254,926

Except as stated in the table above, the Group's non-derivative financial liabilities are due within one year in the future.

(IV) Fair value information

1. The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the TWSE/TPEx listed stocks held by the Group belong to this level.

Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly or indirectly for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities.

2. The carrying amounts of the financial instruments not measured at fair value

   Cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, notes payable, accounts payable (including related parties), other payables, lease liabilities, short-term borrowings and long-term borrowings (including expiration within 1 year) are reasonable approximations of the fair values.

3. Financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risk, and the level of fair value of assets and liabilities. The relevant information is as follows:

   (1) The Group classified assets and liabilities by nature. The relevant information is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through other comprehensive income				
- Investments in equity instruments	$64,810	$-	$-	$64,810
- Accounts receivable expected to be factored	-	88,320	-	88,320
	$64,810	$88,320	$-	$153,130

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through other comprehensive income				
- Investments in equity instruments	$22,779	$-	$-	$22,779
- Accounts receivable expected to be factored	-	95,522	-	95,522
	$22,779	$95,522	$-	$118,301

January 1, 2021	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				

Financial assets at fair value through other comprehensive income				
- Investments in equity instruments	$20,780	$-	$-	$20,780
- Accounts receivable expected to be factored	-	52,399	-	52,399
	$20,780	$52,399	$-	$73,179

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

A. Where the Group uses market quoted prices as the fair value input (i.e. Level 1), the tools are classified based on the characteristics as follows:

	TWSE/TPEx listed stocks	Stocks listed on the emerging stock market
Market quoted prices	Closing prices	Last transaction price

B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Group refers to the present fair value of other financial instruments with similar conditions and characteristics or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date.

C. When evaluating non-standard and less complex financial instruments, such as debt instruments, interest rate swap contracts, foreign exchange swap contracts, and options, all without active markets, the Group adopts the valuation techniques widely used by market participants. The parameters used in the valuation models for such financial instruments are usually market observable information.

D. The output of the valuation models is an estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group’s fair value valuation model management policies and relevant control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.

E. The Group incorporates credit risk assessment adjustments into the fair value measurement considerations for financial instruments and non-financial instruments to reflect counterparty credit risk and the Group's credit quality, respectively.

4. There were no transfers between Level 1 and Level 2 fair value in 2022 and 2021.

5. There were no transfers in and out from Level 3 fair value in 2022 and 2021.

(V) Reorganizing under common control

On June 30, 2022, the board of directors resolved to purchase 70% of the shares of Sol-Plus (HK) Co., Limited from Gold Market Investments Limited and Ability I Venture Capital Corporation, both related parties, by issuing new shares and cash. The foregoing transaction was a reorganization of a jointly controlled organization, and the book value method should be used in accounting for the transaction. In preparing the consolidated financial statements, the Company should treat the transaction as a reorganization under common control and restate the consolidated financial statements retroactively to the earliest of the comparative dates, i.e., the first day of the period.

The effects of the restatement of the consolidated balance sheets as of December 31, 2021 and January 1, 2021 and the consolidated income statement for the period from January 1, 2021 to December 31, 2021 were as follows:

Consolidated balance sheet:

	December 31, 2021		
Account	Amount before adjustment	Amount affected	Amount after adjustment
Asset			
Current asset	$2,235,337	$323,463	$2,558,800
Non-current assets	969,593	228,148	1,197,741
Total assets	$3,204,930	$551,611	$3,756,541
Liability and equity			
Liability			
Current liabilities	$1,191,599	$244,868	$1,436,467
Non-current liabilities	538,467	124,672	663,139
Total liabilities	1,730,066	369,540	2,099,606
Equity			
Share capital	$270,000	$-	$270,000
Additional paid-in capital	678,638	-	678,638

Retained earnings	607,189	-	607,189
Other equity	(80,963)	-	(80,963)
Equity attributable to owners of parent	1,474,864	-	1,474,864
Equity attributable to former owner of business combination under common control	-	127,450	127,450
Non-controlling interests	-	54,621	54,621
Total Equities	1,474,864	182,071	1,656,935
Total liabilities and equities	$3,204,930	$551,611	$3,756,541

Account	January 1, 2021		
	Amount before adjustment	Amount affected	Amount after adjustment
Asset			
Current asset	$1,985,690	$407,913	$2,393,603
Non-current assets	1,047,380	314,844	1,362,224
Total assets	$3,033,070	$722,757	$3,755,827
Liability and equity			
Liability			
Current liabilities	$1,702,904	$255,393	$1,958,297
Non-current liabilities	341,779	309,384	651,163
Total liabilities	2,044,683	564,777	2,609,460
Equity			
Share capital	$220,000	$-	$220,000
Additional paid-in capital	242,052	-	242,052
Retained earnings	545,708	-	545,708
Other equity	(19,373)	-	(19,373)
Equity attributable to owners of parent	988,387	-	988,387
Equity attributable to former owner of business combination under			

common control	-	110,586	110,586
Non-controlling interests	-	47,394	47,394
Total Equities	988,387	157,980	1,146,367
Total liabilities and equities	$3,033,070	$722,757	$3,755,827

Consolidated income statement:

Account	2021		
	Amount before adjustment	Amount affected	Amount after adjustment
Operating revenue	$3,664,277	$612,596	$4,276,873
Operating costs	(3,004,765)	(513,816)	(3,518,581)
Operating expenses	(464,064)	(80,737)	(544,801)
Non-operating revenue and expenses	24,544	23,250	47,794
Tax expense	(69,023)	(940)	(69,963)
Profit	$150,969	$40,353	$191,322
Total comprehensive income	$81,929	$24,091	$106,020
Profit attributable to:			
Owners of parent	$150,969	-	$150,969
Equity attributable to former owner of business combination under common control	-	28,247	28,247
Non-controlling interests	-	12,106	12,106
	$150,969	40,353	191,322

XIII. Additional Disclosures

(I) Information on Material Transactions

1. Loans to Others: Table 1

2. Endorsements/Guarantees Provided to Others: Table 2.

3. Securities Held at the End of the Period (Excluding Investment in Subsidiaries and Affiliates): Table 3.

4. Securities Acquired or Sold at Costs or Prices at Least NTD 300 Million or 20% of the Paid-in Capital During this Period: None.

5. Acquisition of Individual Property at Costs of at Least NTD 300 Million or 20% of the Paid-in Capital: None.

6. Disposal of Individual Property at Costs of at Least NTD 300 Million or 20% of the Paid-in Capital: None.

7. Total Purchases from or Sales to Related Parties Amounting to at Least NTD 100 Million or 20% of the Paid-in Capital: Table 4.

8. Receivables from Related Parties Amounting to at Least NTD 100 Million or 20% of the Paid-in Capital: Table 5.

9. Derivatives Trading: None.

10. Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts: Table 6.

(II) Information on Investees

Information on Name and Location of Investees (Excluding Investees in Mainland China): Table 7.

(III) Information on Investment in Mainland China

1. Basic Information: Table 8.

2. Significant Transactions with Investees in Mainland China, Either Directly or Indirectly, Through a Business in a Third Region: None.

(IV) Information on Major Shareholders

Table 9.

XIV. Segment Information

(I) General information

The Group's management is classified based on business strategies, and the Group's operations and organization are also classified based on business strategies. The current business strategies of the Company are mainly categorized into Japan, Vietnam, the People's Republic of China (including Hong Kong), Malaysia and Thailand. The Group's management has identified reportable segments based on the reporting information used by management in formulating its strategies.

(II) Segments information on profit and loss, assets and liabilities

The information on reportable segments provided to the chief decision maker is as follows:

	2022						
	Japan	Vietnam	the People's Republic of China (including Hong Kong)	Thailand	Others in Asia	Adjustment and elimination	Total
Income:							
Income from outside clients	$1,549,091	$574,645	$892,421	$358,558	$243,918	$	$3,618,633
Inter-segment income	160,181	18,057	523,601	6,400	24	(708,263)	-
Total income	$1,709,272	$592,702	$1,416,022	$364,958	$243,942	($708,263)	$3,618,633
Segment income or loss	$209,317	$40,100	$22,379	($6,668)	$102,936	($174,978)	$193,086
Segment income or loss includes:							
Depreciation and amortization	$47,915	$30,864	$78,497	$15,034	$9,268	$-	$181,578
Interest income	$9	$18	$2,122	$44	$889	$	$3,082
Income tax expense	$50,261	$8,065	($63)	$-	$16,480	$	$74,743
Interest expense	$5,147	$	$3,175	$84	$179	$	$8,585

	2021						
	Japan	Vietnam	the People's Republic of China (including Hong Kong)	Thailand	Others in Asia	Adjustment and elimination	Total
Income:							
Income from outside clients	$1,881,148	$579,920	$982,489	$420,521	$412,795	$-	$4,276,873
Inter-segment income	212,712	36,403	323,524	4,975	22	(577,636)	-
Total income	$2,093,860	$616,323	$1,306,013	$425,496	$412,817	($577,636)	$4,276,873
Segment income or loss	$266,018	$49,219	$42,725	$25,443	$173,952	($296,072)	$261,285
Segment income or loss includes:							
Depreciation and amortization	$54,871	$49,698	$73,581	$17,144	$8,414	$-	$203,708
Interest income	$4	$1,843	$1,085	$16	$582	$-	$3,530
Income tax expense	$49,914	$14,348	$5,571	$-	$130	$-	$69,963
Interest expense	$12,675	$21	$6,754	$40	$103	$-	$19,593

(III) Information by region

Information by region for 2021 and 2022 is shown below:

	2022		2021	
	Income	Non-current assets	Income	Non-current assets
Japan	$ 1,543,666	$ 435,207	$ 1,817,540	$ 451,159
China	904,021	286,084	997,325	292,704
Vietnam	419,987	135,340	427,383	164,423
Thailand	360,827	120,578	421,902	41,641

Malaysia	215,204	48,717	364,200	48,032
Singapore	164,619	-	161,754	-
Other	10,309	5,817	32,769	5,722
	$ 3,618,633	$1,031,743	$ 4,276,873	$ 1,003,681

(IV) Information on important clients

Information on important clients for 2021 and 2022 is shown below:

	2022	2021
	Income	Income
Company A	$ 859,008	$ 943,673
Company B	731,664	797,865
Company C	451,122	550,717

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Loans to Others

January 1, 2022 - December 31, 2022

Table 1

Unit: NTD 1000

(Unless Otherwise Specified)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Related Party	Maximum outstanding balance (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate	Nature of Loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term Loans (Note 6)	Allowance for Impairment Loss	Collateral Item	Collateral Value	Limit on Loans to a Single Party (Note 7)	Aggregate Loans Limit (Note 7)	Remark
1	DaiichiKasei	IKKA Dongguan	Other receivables	Y	$ 155,233	$85,983	$85,983	-	Short-term financing	-	Operating support	-	-	-	$ 1,364,167	$ 1,364,167	Note 1
1	DaiichiKasei	IKKA Vietnam	Other receivables	Y	121,600	116,200	-	1.30	Short-term financing	-	Operating support	-	-	-	1,364,167	1,364,167	Note 1
1	DaiichiKasei	IKKA HK	Other receivables	Y	10,005	9,537	9,537	-	Short-term financing	-	Operating support	-	-	-	1,364,167	1,364,167	Note 1
2	IKKA HK	IKKA Technology Dongguan	Other receivables	Y	48,725	46,449	46,449	-	Short-term financing	-	Operating support	-	-	-	453,769	453,769	Note 1
2	IKKA HK	IKKA Dongguan	Other receivables	Y	34,048	-	-	0.50	Short-term financing	-	Operating support	-	-	-	453,769	453,769	Note 1
3	Sol-Plus JP	Hiraiseimitsu	Other receivables	Y	73,588	73,588	73,588	-	Short-term financing	-	Operating support	-	-	-	146,339	146,339	Note 1
3	Sol-Plus JP	Hiraiseimitsu	Other receivables	Y	5,810	5,810	5,810	1.50	Short-term financing	-	Operating support	-	-	-	146,339	146,339	Note 1

Note 1: The Companies are coded as follows:

1. The issuer is coded as “0”
2. The investees are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The following items related to accounts receivable from related parties, accounts receivable from related persons, shareholder transactions, prepaid payments, temporary payments, and any other items of a similar nature, if they belong to the category of fund advances, must be entered in this field.

Note 3: The maximum balance of financing amount to others during this year.

Note 4: The nature of the loan should be indicated as a business transaction or a short-term financing necessity.
Note 5: If the nature of the loan is a business transaction, the amount of business transaction should be indicated. The amount of business transaction refers to the amount of business transaction between the lending company and the loan recipient in the most recent year.
Note 6: If a loan is necessary for short-term financing, the reason for the necessary loan and the use of loans by the loan recipient should be specifically stated, such as: repayment of loans, purchase of equipment, operating support, etc.
Note 7 The calculation of the limit of financing:

1. The loan amount to an individual borrower cannot exceed 100% of the lender’s net worth.
2. The total amount of loans made cannot exceed 40% of the lender’s net worth.

Note 8: If a public offering company submits a board of directors' resolution for a loan of funds on an individual basis pursuant to Article 14, Paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of the board of directors' resolution should be included in the balance of the announcement even though the loans have not yet been appropriated in order to disclose the risk it has assumed. However, the balance of the loan after repayment of the funds should be disclosed to reflect the adjustment of the risk. If a public company has a board of directors' resolution authorizing the chairman of the board of directors to make loans or recurring loans within a certain amount and a period of one year pursuant to paragraph 2 of Article 14 of the aforementioned Regulation, the amount of loans approved by the board of directors' meeting should still be included in the balance of the announcement, and even though the loans are repaid subsequently, the amount of the funds approved by the board of directors' meeting should be included in the balance of the announcement in order to reflect the adjustment of the risk.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Endorsements/Guarantees Provided

January 1, 2022 - December 31, 2022

Table 2

Unit: NTD 1000

(Unless Otherwise Specified)

No. (Note 1)	Endorsement Guarantee Provider	Endorsed/Guaranteed Party: Name	Endorsed/Guaranteed Party: Relationship (Note 2)	Limits on Endorsement Guarantee Amount Provided to a Party	Maximum Balance for the Year (Note 5)	Ending Balance (Note 6)	Amount Actually Drawn (Note 7)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements	Maximum/ Endorsement Guarantee Amount Allowable	Endorsement/ Guarantee Provided by Parent Company (Note 8)	Endorsement/ Guarantee Provided by Subsidiary (Note 8)	Endorsement/ Guarantee to Subsidiary in the Mainland Area (Note 8)	Remark
1	DaiichiKasei	IKKA HK	2	$545,667	$34,048	$34,860	$34,860	$-	2.56	$954,917	N	N	N	Note 3
2	Sol-Plus HK	Sol-Plus JP	2	82,461	32,215	30,710	13,944	30,710	14.90	144,307	N	N	N	Note 4

Note 1: The Companies are coded as follows:

1. The issuer is coded as “0”.
2. The investees are coded consecutively beginning from “1”in the order presented in the table above.

Note 2: Seven types of relationship between a guarantor and the beneficiary of the guarantee, and the codes for each relationship are explained as follows:

1. Companies with which there is a business relationship.
2. Subsidiaries in which there is a direct holding of more than 50% of the ordinary shares.
3. An investee company in which the parent company and subsidiaries jointly hold more than 50% of common shares.
4. A parent company that directly or indirectly holds more than 50% of the common shares of the Company through its subsidiaries.
5. A company to which mutual guarantees are provided in accordance with a contract with a company in the same industry arising from a project.
6. A company to which a guarantee is provided by each of the joint shareholders in accordance with their shareholding ratio in a joint venture.
7. Joint and several performance guarantees for pre-sale housing sales contracts jointly with companies in the same industry in accordance with the Consumer Protection Act.

Note 3: DaiichiKasei’s maximum endorsements/guarantees amount shall not exceed 70% of their net value based on the latest financial statement as audited and certified or reviewed by an accountant. The maximum amount of endorsements/guarantees to a single enterprise, for a subsidiary in which it directly holds more than 90% of the ordinary shares the maximum is 40% of the current net value based on the latest financial statement as reviewed or audited by an accountant, and for others the endorsements/guarantees cannot exceed 30% of the net value of the beneficiary of the guarantee.

Note 4: The total amount of Sol-Plus HK's external endorsements/guarantees cannot exceed its net value at that time. The amount of endorsements/guarantees to a single enterprise shall not exceed its net value at that time, and the endorsements/guarantees for companies with which there is a transactional relationship shall not exceed the total amount of transactions with the Company in year to date (the purchase or sales amount between the two parties, whichever is higher). The net value is based on the latest financial statement as audited and certified or reviewed by an accountant.

Note 5: The maximum balance of endorsement/guarantee for others for the current year.

Note 6: The amount approved by the board of directors should be shown. However, if the board of directors authorizes the chairman of the board of directors to make a resolution in accordance with Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount resolved by the chairman of the board of directors shall be the amount resolved by the board of directors.

Note 7: Show the actual amount of the endorsed company's expenditures within the range of the endorsement/guarantee balance.

Note 8: Y is required for endorsement/guarantee by listed parent company to subsidiary company, endorsement/guarantee by subsidiary company to listed parent company, and endorsement/guarantee by Mainland China.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Securities Held at the End of the Period (Excluding Investment in Subsidiaries and Affiliates)

As at December 31, 2022

Table 3

Unit: NTD 1000

(Unless Otherwise Specified)

Holding Company Name	Type and Name of Marketable Securities (Note 1)		Relationship with the Issuer (Note 2)	General Ledger Account	As at December 31, 2022				Remark (Note 4)
					Shares (1000)	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
DaiichiKasei	Stock	Sony Corporation	-	Equity instruments measured at fair value through other comprehensive profit or loss- Non Current	3	$8,034	-	$8,034	Unpledged
DaiichiKasei	Stock	Sumitomo Electric Industries	-	Equity instruments measured at fair value through other comprehensive profit or loss- Non Current	15	5,384	-	5,384	Unpledged
DaiichiKasei	Stock	Brother Industries, Ltd.	-	Equity instruments measured at fair value through other comprehensive profit or loss- Non Current	9	4,326	-	4,326	Unpledged
DaiichiKasei	Stock	Panasonic Corporation	-	Equity instruments measured at fair value through other comprehensive profit or loss- Non Current	2	416	-	416	Unpledged
IKKA Holdings	Stock	JET Optoelectronics Co., Ltd.	-	Equity instruments measured at fair value through other comprehensive profit or loss- Non Current	1,000	46,650	1.96%	46,650	Unpledged

Note 1: The term “securities” mentioned in this table refers to stocks, bonds, beneficiary certificates and securities derived from the above mentioned items within the scope of IFRS 9, “Financial Instruments”.
Note 2: If the issuer of securities is not a related party, the column is exempted.
Note 3: If the securities are measured at fair value, the carrying amount in the column should be the carrying amount after fair value adjustment and net of accumulated impairment; if the securities are not measured at fair value, the carrying amount in the column should be the carrying amount at acquisition cost or amortized cost, net of accumulated impairment.
Note 4: If any of the listed securities are subject to restrictions on use due to guarantees, pledged loans, or other agreements, the number of shares guaranteed or pledged, the amount of guarantee or pledge, and the circumstances under which the use is restricted should be stated in the Remark column.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NTD 100 Million or 20% of the Paid-in Capital

January 1, 2022 - December 31, 2022

Table 4

Unit: NTD 1000

(Unless Otherwise Specified)

Differences in transaction terms

compared to third party transactions (Note 1)

Transaction

									Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remark (Note 2)
M.A.C. Technology	Best Achieve	Fellow subsidiary	Purchases	$78,821	2%	90 days	No material difference	No material difference	$23,036	5%	-
IKKA HK	DaiichiKasei	Same parent company	(Sales)	140,854	4%	60 days	No material difference	No material difference	34,717	1%	
DaiichiKasei	IKKA Vietnam	Same parent company	(Sales)	64,981	2%	As agreed by the parties	No material difference	No material difference	19,255	1%	

Note 1: If the terms and conditions of related party transactions are different from those of regular transactions, the differences should be disclosed in the columns of unit price and credit term and the reasons for the differences.

Note 2: If there are any advance receipts (payments), the reasons, contract terms, amounts, and differences from normal transactions should be stated in the Remark column.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NTD 10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the owners' equity of the parent company in the balance sheet.

Note 4: The related transactions are no longer disclosed on the basis of revenue disclosure.

Table 5

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries
Receivables from Related Parties Amounting to at Least NTD 100 Million
or 20% of the Paid-in Capital
January 1, 2022 - December 31, 2022

Unit: NTD 1000
(Unless Otherwise Specified)

Creditor	Counterparty	Relationship	Balance (Note 1)	Turnover rate	Overdue Receivables Amount	Overdue Receivables Action Taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
IKKA HK	IKKA Dongguan	3	$140,430 (Accounts Receivable)	1.78	$	-	$	-

Note 1: Please list accounts receivable from related parties, notes, other receivables, etc. separately.
Note 2: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NTD 10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the owners' equity of the parent company in the balance sheet.
Note 3: Sol-Plus JP's receivables from Hiraiseimitsu are handled in accordance with the company's collection policy. However, Hiraiseimitsu is still operating at a loss. In order to support the operation of the subsidiary and to smoothly continue to expand the local sales business, Sol-Plus JP has transferred the amount over 3 months of the normal term of the credit line to Hiraiseimitsu. On November 11, 2021, the Board of Directors resolved to treat the accounts receivable and other receivables with a normal credit period of three months as loans.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts

January 1, 2022 - December 31, 2022

Table 6

Unit: NTD 1000

(Unless Otherwise Specified)

No (Note 1)	Company name	Counterparty	Relationship	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction Terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
2	IKKA HK	DaiichiKasei	3	Sales revenue	140,854	Net 60 days	4%

Note 1: The information on business transactions between the parent company and subsidiaries should be indicated in the number column separately, and the number should be filled in as follows:

1.The parent company is coded as "0".

2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Three types of relationship with the trader, explained as follows in accordance with the code (if it is the same transaction between the parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, if the parent company has already disclosed the parent company's transactions with its subsidiaries, the subsidiaries' portion of the transaction does not need to be repeatedly disclosed; if one of the subsidiaries has already disclosed its transactions with its subsidiaries, the other subsidiary does not need to be repeatedly disclosed):

1. Parent company to subsidiary company
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The ratio of transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets for balance sheet items, and as the cumulative amount to consolidated total operating revenues for profit and loss items.

Note 4: The materiality principle of this statement is based on the ratio of the transaction amount to 3% of the consolidated total revenue or total assets. In addition, assets and revenues are disclosed on an asset and revenue basis, and the related transactions are not disclosed.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Information on Investees (Name, Location, etc.) (Investees in the Mainland Area Excluded)

January 1, 2022 - December 31, 2022

Table 7

Unit: NTD 1000

(Unless Otherwise Specified)

				Initial investment amount		Shares Held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognized by the Company for the year ended December 31, 2022	
Investor	Investee (Note 1, 2)	Location	Main business	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	(Note 2(2))	(Note 2(3))	Remark
IKKA Holdings	DaiichiKasei	Japan	Precision plastic injection molded parts and module production, mold manufacturing, as well as machine and equipment production, precision ceramic injection molded parts.	$627,091	$627,091	64,081	100.00	$1,364,167	$151,928	$ 151,928	Subsidiary
IKKA Holdings	Sol-Plus HK	Hong Kong	Investment	282,535	152,821	7,000,000	100.00	206,153	20,226	(348)	Subsidiary
DaiichiKasei	M.A.C. Technology	Malaysia	Manufacturing and packaging of CD and CD ROM, computer printers, electronic and industrial precision ceramics and molds, plastic injection components for the electronics and the camera industries	380,603	380,603	41,665,000	100.00	148,214	(10,989)	(10,989)	Sub-subsidiary
DaiichiKasei	IKKA Vietnam	Vietnam	Production, operation, and processing of plastic and metal parts commonly used in automobiles, scooters, and office equipment	58,346	58,346	2,500,000	100.00	356,910	31,467	31,467	Sub-subsidiary
DaiichiKasei	IKKA HK	Hong Kong	Investment and trade	292,545	292,545	80,067,000	100.00	453,768	2,364	2,364	Sub-subsidiary
Sol-Plus HK	Sol-Plus JP	Japan	Manufacturing and sales of plastic products and molds	191,587	191,587	3,404,019,254	100.00	98,634	2,062	2,062	Sub-subsidiary

Sol-Plus JP	Hiraiseimitsu	Vietnam	Manufacturing and sales of plastic products and molds	250,708	250,708	2,500,000	100.00	48,333	(1,505)	(1,505)	Sub-subsidiary

Note 1: If a public company has a foreign holding company and, in accordance with local laws and regulations, uses consolidated financial statements as its primary financial report, the disclosure of information about the foreign investee company may be limited to the relevant information about the holding company.

Note 2: For cases other than those described in Note 1, the following rules apply:

1. The columns for "Investee," "Location," "Main business," "Initial investment amount," and "Shares Held as at December 31, 2022,"should be completed in accordance with the status of the (public) company's investment and the status of reinvestment in each investee company that is directly or indirectly controlled by the company, and the relationship between the investee company and the (public) company (such as subsidiaries or sub-subsidiaries) should also be stated in the Remark column.

2. The column, "Net profit (loss) of the investee for the year ended December," should be filled in with the amount of each investee's profit or loss for the current period.

3. The column, "Investment income (loss) recognized by the Company for the year ended December 31, 2022" should be filled in only for the subsidiaries in which the (public) company has recognized direct investment and the equity-method investees, and the rest should be exempted. When filling in the column "Amount of profit or loss for the period of each subsidiary recognized as direct investment," it should be confirmed that the amount of profit or loss for the period of each subsidiary has included the profit or loss of the investment that should be recognized in accordance with the regulations on the reinvestment of the subsidiary.

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Investment in Mainland China－Basic Information

January 1, 2022 - December 31, 2022

Table 8

Unit: NTD 1000

(Unless Otherwise Specified)

Investor Company in Mainland China	Main Business	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds: Outward	Remittance of Funds: Inward	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of Investee	Direct or Indirect Percentage of Ownership	Recognition of Investment Gains and Losses in the Current Period (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December31, 2022	Remark
IKKA Dongguan	Production and sales of precision plastic parts, hardware parts, bearings, and molds	232,837	2	$-	$ -	$ -	$-	$338	100.00	$338	$ 335,293	$-	Note 2(2)B and Note 5

Company Name	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
-	Note 4	Note 4	Note 4

Note 1: There are three types of investment:

1. Direct investment in the Mainland area.
2. Invest in the mainland via a third jurisdiction.
3. Other methods.

Note 2: The investment income (loss) recognized in current period were determined based on the following basis:

1. If there is no investment gain or loss in the preparatory stage, it should be noted.
2. The basis for recognized investment income or loss is categorized into the following three types, which should be noted.
    - A. The financial statements were audited by an international certified public accounting firm in cooperation with an Republic of China accounting firm.
    - B. The financial statements were audited by the auditors of the parent company.
    - C. Others.

Note 3: Relevant figures in this table should be presented in New Taiwan dollars.

Note 4: The company is not a corporation incorporated in the Republic of China, so it is not applicable.

Note 5: Invested in China through a third-party investment company (IKKA HK investment).

IKKA Holdings (Cayman) Ltd. and Its Subsidiaries

Information on Major Shareholders

As at December 31, 2022

Table 9

Name	Shares	
	Shares Held	Shareholding Ratio
Jabon International Co., Ltd.	10,900,000	37.27%
Abico Avy Co., Ltd	4,000,000	13.67%
ChinaTrust Commercial Bank Co., Ltd. acting in its capacity as depositary and representative to Jinmai Investment Co. (金邁投資有限公司)	1,716,718	5.87%