Stock code: 3211

Dynapack International Technology Corporation

2022 Annual Report

(Translation)

Annual Report website:
Company Website: www.dynapack.com.tw
Market Observation Post System: mops.twse.com.tw

Note to Readers
This is a translation of the 2022 Annual Report of Dynapack International Technology Corporation. If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

Printed on May 17,2023

I. Spokesperson and Acting Spokesperson

Spokesperson: Lin, Yu Huei
Title: Senior Vice President of Finance and Head of Accounting
Telephone: (03)396-3399
E-mail: Invest@dynapack.com.tw
Acting spokesperson: Liu, Pin Tung
Title: Senior Manager of Finance Division
Telephone: (03)396-3399
E-mail: Invest@dynapack.com.tw

II. Headquarters, Branch, and Factory

Headquarters address: 13F., No. 188, Wenhe Rd., Guishan Dist., Leshan vil., Taoyuan City, Taiwan
Telephone: (03)396-3399
Fax: (03)396-3116
Factory address:1F/2F., No. 188, Wenhe Rd., Leshan vil., Guishan Dist., Taoyuan City, Taiwan
Telephone: (03)396-3399
Fax: (03)396-3116

III. Stock transfer agency

Name: STOCK TRANSFER DEPT., CAPITAL SECURITIES CORP.
Address: B2F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan
Website: www.capital.com.tw/agency
Telephone: (02)2702-3999
Fax: (02)2708-5000

IV. Certified Public Accountant (CPA) for the financial statements of the most recent fiscal year

CPA: Chien Ming-Yen, Wu Shih-Tsung
Accounting Firm: Deloitte & Touche
Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City, Taiwan
Website: www.deloitte.com.tw
Telephone: (02)2725-9988

V. Offshore Securities Exchange: Not Applicable

VI. Company Website: www.dynapack.com.tw

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One. Report to Shareholders

Dear Shareholders:

The Company's operating results for 2022 and its outlook for 2023 are summarized as follows:

I. Operating results for 2022

(I) Implementation results of the business plan

1. Global notebook PC shipments declined by more than 20% year-over-year due to weaker demand after COVID boom and negative impacts from Russia-Ukraine war, inflation, and rising interest rates. The Company's sales revenue for the year ended December 31, 2022 decreased by 8.2% year-over-year due to lower shipments of battery packs; while operating margin increased slightly due to improved gross margin.
2. Business momentum for battery packs remained stable for laptops, tablets, e-bikes, servers, and energy storage applications.
3. Demand for diversified products was satisfied by flexible production lines, automation, and productivity improvements.
4. Construction of the second building in the Taoyuan A7 Technology Park (the "Technology Park") began as planned.

(II) Status of budget implementation

The Company did not publicize its financial forecast for 2022.

(III) Financial analysis (amounts in New Taiwan Dollars)

Consolidated revenue for 2022 was $19.07 billion, representing an 8.2% decrease from $20.77 billion in 2021. Net profit and earnings per share were $797 million and $5.33, respectively, both representing a 76% decrease as compared to $3.31 billion and $22.42, respectively, in 2021. The 2021 net profit included a gain on sale of headquarters building in Guishan, Taoyuan.

(IV) Research and Development

1. Continued to optimize the semi-automation process to reduce labor costs.
2. Developed flexible electronic design through standardization to mitigate risks of components shortage and design defects.
3. Continued to invest in server battery backup unit and conducted source planning and battery cell validation to ensure product quality and future supply.
4. Continued to strengthen firmware design capabilities, build up UL1998 experiences, and expand patent portfolio in energy storage. A demonstration unit of small-scale energy storage became operational.
5. Continued to expand the laboratory at our Taiwan plant to strengthen validation capabilities of Non-IT batteries and obtained UL1973 WTDP certification.
6. Continued to expand and strengthen R&D and engineering capabilities to further optimize energy storage application, e-mobility battery integration with mechatronics controls and remote after-sale service systems, in order to expand our presence in mobility and energy storage niche market.

II. 2023 Business Plan

(I) Business plan and important production and sales policies

1. Strengthen customer and supplier relationships, satisfy customer demands, and enhance inventory management.
2. Improve automated production efficiency. Install solar photovoltaic system to reduce carbon footprint.
3. Promote Non-IT products to drive revenue growth.
4. Optimize production capacities at our Taiwan and China plants, improve cost structure, and further strengthen risk management in inventory and product quality.

5. The joint development project with Fu-Yu Construction Co. in the Technology Park, involving 4,047 pings of residential land, is expected to transfer the title of such land to the buyers when building use permit is obtained from the government in the fourth quarter of 2023 or the first half of 2024.
6. Continue to develop our vacant land in the Technology Park. The second building is currently under construction.

(II) Sales volume forecast and the basis thereof

End-market demand declined in 2022 due to various negative factors, including inflation, which are expected to continue impacting global economy in 2023. Price competition will continue due to supply and demand imbalance; and localized production will increase to mitigate supply chain risks resulted from heightened geopolitical challenges. Global notebook PCs and 3C markets are expected to trend downward in 2023, but may stabilize in the second half of 2023 after a year-long inventory adjustments. Despite the challenging macro-economic conditions, Dynapack will continue to invest in IT products and proactively develop Non-IT applications to position itself for growth.

III. Future development strategies and effect of external competition, legal environment and overall business environment

(I)Future development Strategies

1. Continue to enhance automation, smart manufacturing, and digitization of management process.
2. Actively develop battery pack applications for e-mobility, medical, and industrial related products.
3. Evaluate scenarios of manufacturing sites outside of China in response to customers' demand for supply chain diversification to mitigate geopolitical risks.
4. Improve customer service efficiency in Europe and America.

(II) The effect of external competition, legal environment and overall business environment

1. Unfavorable factors

(1) As inflation and high energy cost continue, and central banks raise interest rates to tackle inflation, businesses are faced with higher operating costs, compressed profitability, and lower consumer spending. The demand for information and communication technology products is expected to remain soft and negatively impact the notebook PC market.

(2) Geopolitical challenges could lead to a series of supply chain uncertainties, including supply and demand imbalance, energy consumption control, carbon neutrality, and short chain, all of which could negatively impact business operations.

(3) Concerns over international tensions, heightened by US-China trade war, have accelerated the need for diversifying production away from China. The diversification efforts are likely to pose additional risks and challenges on operating capital, tax, talents, supply chain and manufacturing.

(4) Major customers' accelerated net-carbon-zero schedules are likely to have additional impacts on our business management.

2. Favorable factors

(1) Green energy policies adopted by governments to achieve carbon neutral help to expand business opportunities for electrified mobility and energy storage applications.

(2) Increasing demand for cloud data centers, high speed internet and data storage equipment will drive demand for battery backup unit (BBU) and uninterruptible power supply (UPS).

We wish you

Good health and best of luck.

Chairman: Chung, Tsung-Ming

March 7,2023

Two. Company Profile

I. Date of Incorporation: July 15, 1998

II. Company History

1998	Jul.	Established and named Hwa-Dah Technology Corporation with capitalization of NT$5,000 thousand, the Company's main business was Ni-MH and lithium-ion battery pack for notebooks and cellphones.
1998	Sep.	The Company changed its name to Hwa-Dah Battery Corporation
2000	Dec.	Obtained certification of ISO 9001
2001	Mar.	Established Dynapack Technologies (Cayman) Corporation to indirectly invest in the sub-subsidiary in Mainland China, Hwa-Dah Electronic Technology (Suzhou) Co., Ltd. (later changed its name to Dynapack (Suzhou) Co., Ltd.) with 100% shareholding
2001	Aug.	Cash capital increase of NT$45,000 thousand. Total capitalization amounted to NT$50,000 thousand. The Company changed its name to Hwa-Dah International Technology Corporation
2002	Apr.	Manufactring plant moved to Guishan Industrial Park in Taoyuan County.
2002	Jun.	Re-elections of directors, Mr. Chung, Tsung-Ming was elected as Chairman of the Company.
2002	Aug.	Cash capital increase of NT$100,000 thousand. Total capitalization amounted to NT$150,000 thousand. The Company changed its name to Dynapack International Technology Corporation and moved to 4F., No. 1, Ln. 21, Xinghua Rd., Taoyuan City, Taoyuan County, Taiwan Awarded by HP for notebook battery pack.
2002	Oct.	Awarded by HTC for PDA battery pack.
2002	Dec.	Cash capital increase of NT$100,000 thousand and total capitalization amounted to NT$250,000 thousand.
2003	Jul.	Capitalization increased by NT$78,000 thousand from retained earnings and capital reserve. Total capitalization amounted to NT$328,000 thousand.
2003	Oct.	Awarded green partner from a world renowned Japanese company.
2004	Mar.	Cash capital increase of NT$49,800 thousand. Total capitalization amounted to NT$377,800 thousand.
2004	Aug.	Capitalization increased by NT$122,200 thousand from retained earnings and capital reserve. Total capitalization amounted to NT$500,000 thousand.
2004	Sep.	Received approval from Apple, Inc.
2004	Nov.	The Company was listed on TPEx.
2004	Nov.	Obtained certification of ISO 14001 environmental management system.
2004	Dec.	Obtained certification of OHSAS 18001 occupational health and safety management systems.
2005	Jun.	Capitalization increased by NT$85,000 thousand from retained earnings. Total capitalization amounted to NT$585,000 thousand.
2005	Nov.	Issued the first unsecured convertible corporate bond of NT$400,000 thousand.
2005	Dec.	Invested in sub-subsidiary Dynapack (Kunshan) Co., Ltd. with 100% shareholding through subsidiary Dynapack Technologies (Cayman) Corporation.
2006	Jan.	New plant construction commenced for sub-subsidiary in Mainland China, Dynapack (Suzhou) Co., Ltd.
2006	Mar.	New plant completed for sub-subsidiary Dynapack (Kunshan) Co., Ltd., and pilot run performed for notebooks battery packs. Received approval from Dell.
2006	Jul.	Capitalization increased by NT$134,500 thousand from retained earnings. Total capitalization amounted to NT$732,240 thousand.
2006	Oct.	Cash capital increase of NT$125,000 thousand. Total capitalization amounted to NT$864,436 thousand.
2006	Oct.	New plant construction completed for sub-subsidiary in Mainland China, Dynapack (Suzhou) Co., Ltd.

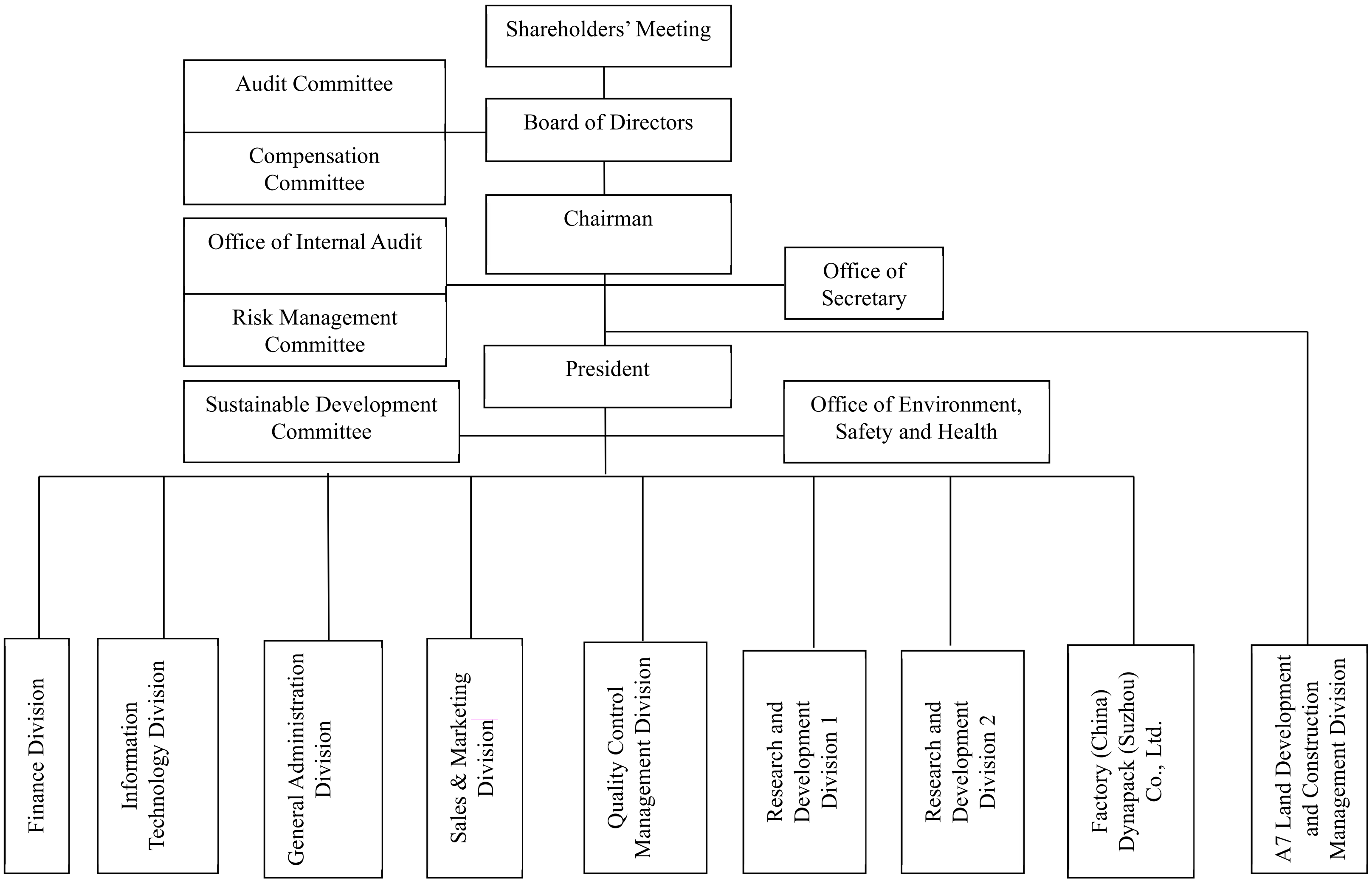
2007	Aug.	Capitalization increased from retained earnings by RMB 60,432 thousand (US$ 7,900 thousand) for sub-subsidiary in Mainland China, Dynapack (Suzhou) Co., Ltd.
2007	Aug.	Capitalization increased from retained earnings of NT$62,542 thousand. Total capitalization amounted to NT$986,339 thousand.
2007	Dec.	Chairman Mr. Chung, Tsung-Ming acted concurrently as President and Mr. Tai, Hsiao-Yang retired as President and was elected as Vice Chairman of the Company.
2008	Feb.	Established Dynapack Technologies (Hong Kong) Co., Ltd with 100% shareholding through subsidiary Dynapack Technologies (Cayman) Corporation.
2008	Apr.	Subsidiary Dynapack Technologies (Cayman) Corporation transferred its 100% stake in the sub-subsidiaries in Mainland China, Dynapack (Suzhou) Co., Ltd., and Dynapack (Kunshan) Co., Ltd. to Dynapack Technologies (Hong Kong) Co., Ltd.
2008	Jun.	Re-elections of directors, Mr. Chung, Tsung-Ming was re-elected as Chairman and acting CEO. Mr. Yang, Chao-Ming was appointed as President of the Company.
2008	Jul.	Capitalization increased by NT$128,889 thousand from retained earnings. Total capitalization amounted to NT$1,151,186 thousand.
2008	Dec.	Obtained certification of IECQ QC080000 hazardous substance management systems.
2009	Feb.	The Company moved to Hwa Ya Technology Park, Guishan District, Taoyuan County.
2009	Jun.	The Company issued unsecured convertible bond of NT$1,000,000 thousand through private placement and introduced strategic alliance partner Delta Electronics Inc.
2009	Jul.	Capitalization increased from retained earnings by NT$114,364 thousand. Total capitalization amounted to NT$1,282,814 thousand.
2010	May.	Established subsidiary Dynapack Investment Corporation with 100% shareholding.
2011	Jun.	Re-elections of directors, Mr. Chung, Tsung-Ming was re-elected as Chairman of the Company.
2011	Jul.	President Mr. Yang, Chao-Ming was appointed CEO and Executive Vice President Mr. Sheu, Ju-Jing was appointed President of the Company.
2012	Feb.	Privately placed unsecured convertible bonds of NT$1,000,000 thousand were completely converted to ordinary shares. Capitalization increased to NT$1,517,310 thousand.
2012	Feb.	The Company, Chroma ATE Inc and Heran Co. (fka Heyang International Co., Ltd) were jointly obtained “Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project” in Guishan District, Taoyuan County.
2012	Dec.	Received approval from ASUS.
2014	Mar.	Pursuant to Article 197 of Company Act, Corporate Director Delta Electronics, Inc. was, ipso facto, discharged from the Board as it transferred more than a half of the Company’s shares held at the time it was elected.
2014	Jun.	Re-elections of directors, Mr. Chung, Tsung-Ming was re-elected as Chairman of the Company.
2015	Mar.	Received approval from Microsoft.
2015	Dec.	Mr. Yang, Chao-Ming retired from his role as CEO and was appointed Vice Chairman of the Company.
2017	Jun.	Re-elections of directors, Mr. Chung, Tsung-Ming was re-elected as Chairman and Hua-Lung Financial Consulting Company Ltd. was elected as Vice Chairman of the Company.
2018	Dec.	Treasury stock of NT$44,880 thousand was retired. Total capitalization reduced to NT$1,474,805 thousand.
2019	Jan.	Entered into joint construction and separate sale agreement with Fu-Yu Construction Co., Ltd. for a parcel of land located in Lot 56, Lejie Section, Guishan District, Taoyuan City.
2019	Oct.	Construction completed for the Company’s headquarters building in Taoyuan MRT A7 Station Development Zone Industrial Zone. The Company moved to 13F., No. 188, Wenhe Rd., Leshan vil., Guishan Dist., Taoyuan City, Taiwan.
2020	Dec.	The Company signed the preliminary trading contract for real estate with the Millerful No.1 Real Estate Investment Trust whose trustee is King’s Town Bank and planned to sell the Company’s factory and office building in Guishan District, Taoyuan City. The

		Company planned to lease back part of building space for operation.
2021	Jul.	Liquidation process completed for sub-subsidiary in Mainland China, Dynapack (Kunshan) Co., Ltd.
2021	Dec.	The sale of the Company's building at Guishan District, Taoyuan City was completed and the Company leased back part of the building spaces for operations.

Three. Corporate Governance Report

I. Organizational System

(I) Organizational structure (as of April 11, 2023)



(II) Tasks of the principal divisions

Division	Tasks
President	•Responsible for overall management of the business. Formulate, propose and implement strategic objective and business plan. • Set annual quality target and evaluate operation performance. Ensure appropriate processes in place in view of changing business environment. • Coordinate and integrate the work of each function. • Strengthen sustainable competitiveness and implement social responsibility.
Research and Development Division 1	•Develop and improve battery related technologies. •Battery module design, test and improvement. •Certify and implement new components or materials. •Integration of product design, manufacturing and automation. •Develop and evaluate potential new products and technologies. •Projects development and execution.
Research and Development Division 2	•Execute and apply for safety regulation certification and promote acquisition of international accreditation for our product safety laboratory for energy storage and mobility products. •Concurrent product validation through collaboration to shorten product development time and enhance the overall competitiveness in product development. •Research on the trend of optimization, validation, and failure analysis for high energy and high power cell application. • In house patent responsible for the handling and application of patents and to assist the management of intellecture property portfolio. • Optimize manufacturing process and automated production module in accordance with product design. •Optimize the organization of our manufacturing plant in Taiwan and the development of relevant manufacturing technology according to energy storage and mobility battery module products. • Apply and evaluate smart manufacturing equipments to strengthen manufacturing capabilities and improve quality.
Quality Control Management Division	•Maintain and improve quality assurance systems to meet customer requirements and market trends. •Plan, execute and improve internal quality audit in a consistent manner. •Manage and oversee the operation of technical data and quality document. •Participate in the quality review, verification and reliability testing of product design. •Monitor and enhance product quality of supply chains. •Continuously inspect and improve quality of final and in-process products. •Product failure analysis and continuous improvement. •Improvement of quality cost. •Green products management in compliance with regulations.
Sales & Marketing Division	•New product planning and new customers' development. •Market and trend analysis. •Product development and management of schedule. •Formulate sales plan. •Maintain customer relationships. •Manage customer orders and shipment.

Division	Tasks
	•Assist in customer complaints.
General Administration Division	•Plan and manage employee recruitment, training, development and retention. •General administration management. Develop, implement and review of relevant policies of the Company. •Study, design, develop and implement the administration regulations. •Handle purchase requisition of general affairs of the business. Maintenance and management of fixed assets and environment health. • Conduct greenhouse gas inventory and carbon footprint verification.
Information Technology Division	•Development and maintenance of information systems. •Establish and implement an information security management system. •Management of information equipment. •Implementation and application of advanced information technology and artificial intelligence systems.
Finance Division	•Responsible for accounting and reporting. Establish, design and implement accounting management system. •Responsible for budgeting and variance analysis and report. •Cash flow management.
Office of Internal Audit	•Perform audit, evaluate internal control processes and improve workflows. Provide timely and accurate information and make suggestions to ensure internal control processes to be carried out effectively and to assist Board of Directors and Management team to perform their duties. •Conduct operation audit regularly and, from time to time, ensure the completeness, reasonableness, and effectiveness of the evaluation on the internal control system compliance. Report to the Chairman and President monthly or when necessary and attend the Audit Committee and Board Meetings.
Office of Secretary	•Assist with corporate governance matters and procedures related to the Board of Directors and Shareholders' Meeting. •Assist with shareholders' affairs. •Contract management.
A7 Land Development and Construction Management Division	•Assist in the planning and execution of the development of A7 Land at Restricted Industrial District. •Manage the construction project for the second factory and office building. •Manage the leasing of the second factory and office building. •Responsible for joint construction project on residential land.
Office of Environment, Safety and Health	• Execute and promote the management of environment, safety, and hygiene. •Monitor and manage safe production for preventing the occurrence of occupational accident. •Implement the training and planning of labor safety and health management. • Plan employee health check-up and conduct health management. •Establish the emergency response plan. •Plan and manage the external environment of plants.
Audit Committee	•Supervise accuracy of financial statements. •Selection and termination of independent auditor and its independence and performance. •Oversee effectiveness of internal control. •Oversee compliance with relevant laws and regulations.

Division	Tasks
	•Oversee existing and potential risks.
Compensation Committee	•Perform evaluation and make recommendations on the compensation policy of Directors and Managers.
Risk Management Committee	•Establish, amend and review the risk management system of the Company and its subsidiaries, identify and measure overall business risks, establish and execute the risk management strategies and follow-ups.
Sustainable Development Committee	•Responsible for the implementation of sustainable development policies. •Development and implementation of sustainable development management plans. •Approval of relevant sustainable development education and training programs. •Approval of relevant operational standards, inspection standards and control standards for sustainable development. •Convene to resolve issues during execution of sustainable development undertakings. •Evaluate and review the performance of the implementation of sustainable development systems. •Study the improvement of sustainable development management programs.

II. Information on directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(I) 1. Directors

April 11, 2023

Title	Nationality or place of incorporation	Name	Gender /Age	Date Elected	Tenure (year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spuse & Minor Shareholdings		Shareholding by Nominee Agreement		Education and Experience	Concurrent Position(s) in the Company and Other Companies	Executives, Directors or Supervisors Who Are Souses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Republic of China	Chung, Tsung-Ming	Male/ above 70 years old	June 13, 2020	3	June 13, 2002	10,865,032 [Note 1]	7.37%	11,265,032 [Note 1]	7.49%	0	0.00%	0	0.00%	MBA, National Chengchi University Bachelor of Accounting, National Taiwan University CPA, Connecticut, US Partner, Deloitte and Touche Adjunct lecturer, Dept of Accounting, National Chengchi University Practice Lecturer, National Taiwan University	Executive Director of Far Eastern International Bank Co., Ltd. Director of Vactronics Technologies Inc., and Chih Ho Shun Development Co., Ltd. Chairman and president of Dynapack Technologies (Cayman) Corporation,and Dynapack Technology (Hong Kong) Co., Ltd. Chairman of Dynapack (Suzhou) Co., Ltd.	Representative of Director	Chung, Hsiang-Heng Chung, Hsiang-Yuan	Father and son Father and daughter	None [Note2]
Director	Republic of China	Yang, Chao-Ming	Male/ above 70 years old	June 13, 2020	3	June 13, 2008	305,477	0.21%	526,477	0.35%	0	0.00%	0	0.00%	MBA, National Chengchi University Bachelor of Electronics Engineering, National Chiao Tung University CEO and Vice Chairman of Dynapack International Technology Corporation President of Jenn Feng Industrial Tools Co., Ltd. at Shanghai plant President of ARIMA Computer Co., Ltd. at Wujiang plant	Director of Dynapack (Suzhou) Co., Ltd.	-	-	-	-
Director	Republic of China	Sheu, Ju-Jing	Male/ 60~69 years old	June 13, 2020	3	October 14, 2010	20,043	0.01%	82,043	0.05%	0	0.00%	0	0.00%	EMBA, National Taipei University Diploma in Electronic Engineering, National Taipei University of Technology Assistant Vice President, RD2, ARIMA Computer Co., Ltd	President of Dynapack International Technology Corporation Director and President of Dynapack (Suzhou) Co., Ltd.	-	-	-	-
Director	Republic of China	Hua-Lung Financial Consulting Company Ltd.		June 13, 2020	3	June 13, 2008	6,597,431	4.47%	7,620,431	5.06%	0	0.00%	0	0.00%	-	Director of Shun Cheng Construction Co., Ltd	-	-	-	-
		Representative: Chung, Hsiang-Heng	Male/ 40~50 years old			June 13, 2020	150,000	0.10%	173,000	0.11%	0	0.00%	0	0.00%	Master in Architecture, Harvard University Master of Architecture, Tunghai University Bachelor of Computer Science. National Taiwan University Chairperson of Hua-Lung Financial Consulting Company Ltd.	Executive Assistant to Chairperson of Dynapack International Technology Corporation Chairperson of Hua-Lung Financial Consulting Company Ltd. Director of Lu Liao Keng Co., Ltd. Director of Dynapack Investment Corporation	Chairman Representative Of Director	Chung, Tsung-Ming Chung, Hsiang-Yuan	Father and son Brother and sister	-
Director	Republic of China	Lu Liao Keng Co., Ltd.		June 13, 2020	3	June 13, 2014	2,450,000	1.66%	2,500,000	1.66%	0	0.00%	0	0.00%	-	Supervisor of Shun Cheng Construction Co., Ltd	-	-	-	-
		Representative: Chung, Hsiang-Yuan	Female /40~50 years old			June 13, 2020	0	0.00%	0	0.00%	60,000	0.04%	0	0.00%	Master of Accounting and Finance, University of Texas at Dallas Bachelor of Accounting, Soochow University Chairperson of Lu Liao Keng Co., Ltd.	Chairperson of Lu Liao Keng Co., Ltd. Director of Hua-Lung Financial Consulting Company Ltd.	Chairman Representative of Director	Chung, Tsung-Ming Chung, Hsiang-Heng	Father and daughter Brother and sister	-
Independent Director	Republic of China	Wang, Tsun-I	Male/ above 70 years old	June 13, 2020	3	June 13, 2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD of Photonics, National Chiao Tung University Master and Bachelor of Electronic Engineering, National Chiao Tung University Vice President of Tailyn Technologies, Inc. Vice President of Hwa Wei Optoelectronics Co., Ltd. Chief of R&D of Hua Rong Photoelectric Technology Co, Ltd. Dean of Electronic Engineering Department, Minghsin University of Science and Technology	Director and Technical Director of DynaScan Technology Corp. Director of Chroma ATE Inc., and EVT Technology Co., Ltd. Committee Member of Compensation and Audit Committees of Dynapack International Technology Corporation	-	-	-	-

Title	Nationality or place of incorporation	Name	Gender /Age	Date Elected	Tenure (year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spuse & Minor Shareholdings		Shareholding by Nominee Agreement		Education and Experience	Concurrent Position(s) in the Company and Other Companies	Executives, Directors or Supervisors Who Are Souses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	Republic of China	Tsai, Hwei-Ming	Male/ 60~69 years old	June 13, 2020	3	June 13, 2017	0	0.00%	30,000	0.02%	0	0.00%	0	0.00%	Master of Accounting, University of Texas Bachelor of Business Administration, National Taiwan University Partner, Deloitte and Touche CFO of SinoPac Bancorp (America) Senior EVP of Far East National Bank (America)	Director of Zentera Systems, Inc. Committee Member of Compensation and Audit Committees of Dynapack International Technology Corporation	-	-	-	-
Independent Director	Republic of China	Shieh, Han-Ping D	Male/ 60~69 years old	June 13, 2020	3	June 13, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. of Electrical and Computer Engineering, Carnegie Mellon University Master of Electrical Engineering, Ohio State University Bachelor of Physics from National Taiwan University Vice President of the University System of Taiwan of National Chiao Tung University Vice President of National Chiao Tung University Visiting professor of Shanghai Jiao Tong University and Beijing Jiaotong University Academician of Institute of Electronics, professor of Institute of Display Technology, Deputy Head of Institute of Electronics Information, professor of Institute of Photonics, National Chiao Tung University, President of Society for Information Display, Republic of China Researcher of IBM Thomas J. Watson Research Center R&D engineer of General Electric	Independent Director and Compensation Committee Member of Key Ware Holding Limited Director of Ta Liang Technology Co., Ltd., Coretronic Corporation and Silicon Motion Technology Corp. Cayman Director (as representative of GWAA LLC), of FocalTech Systems Co., Ltd. Supervisor of Hi-Trend Technology (Shanghai) Co., Ltd. Vice President, Taiwan Display Union Association Committee Member of Compensation and Audit Committees of Dynapack International Technology Corporation	-	-	-	-
Independent Director	Republic of China	Tsai, Lien-Chin	Male/ above 70 years old	June 13, 2020	3	June 13, 2020	3,828	0.00%	3,828	0.00%	18,287	0.01%	0	0.00%	Bachelor and Master of Electrical Engineering, National Taiwan University Electrical Engineer Certificate of Senior Examination for Professional Engineers by the Examination Yuan of ROC President of Server Business Unit of ARIMA Computer Co., Ltd. Vice President of Flextronics International Ltd	Committee Member of Compensation and Audit Committees of Dynapack International Technology Corporation	-	-	-	-

[Note 1] This includes the number of shares under trust with discretion reserved.

[Note 2] Where the chairman and the general manager or person of the equivalent position (the highest level position) are the same person or spouses, or relatives within first degree of kinship, an explanation shall be given for reasonableness, necessity, and the measures adopted.

2. For directors and supervisors acting as the representatives of institutional shareholders, this section shall indicate the names of the institutional shareholders, and shall further indicate the names of its 10 largest shareholders and the holding percentage of each. If any of those 10 largest shareholders is an institutional shareholder, the name of the corporate shareholder and the names of its 10 largest shareholders and the holding percentage of each shall be noted.

April 11, 2023 [Note 1]

Institutional shareholder [Note 2]	Major Shareholders [Note 3]
Hua-Lung Financial Consulting Company Ltd.	Chung, Hsiang-Heng (43%), Chung, Hsiang-Yuan (43%), Chung Li, Wan-Mei (2%), Chung,Tsung-Ming (6%) , Yu, Hsiu-Pi (6%)
Lu Liao Keng Co., Ltd.	Chung, Hsiang-Heng (38%), Chung, Hsiang-Yuan (37%), Yu, Hsiu-Pi (25%)

[Note 1] The latest information as of the date of publication of the annual report.
[Note 2] For directors, supervisors who are represented by institutional shareholders, indicate the names of the institutional shareholders.
[Note 3] Indicate the major shareholders of institutional shareholders (top 10 major shareholders) and their shareholding ratio.
[Note 4] If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation.

3. Professional expertise, the diversity policy and status of independence of the board of directors

(1) Professional qualification of directors and supervisors and independence information of independent directors

Criteria / Name	Professional Qualification and Experience [Note 1]	Status of Independence [Note 2]	Number of other public companies concurrently serving as an Independent Director
Chairman Chung, Tsung-Ming	CPA,ROC and CPA, Connecticut, US Served as adjunct lecturer, Dept of Accounting, National Chengchi University and practice Lecturer, National Taiwan University. Served as Partner, Deloitte and Touche and currently serving as the Chairman of the Company. Having five or more years of work experience in the areas of commerce, finance, and accounting.	Meet Independence Criteria (6)(7)(8)(9)(11)(12)	-
Director Yang, Chao-Ming	Served as CEO and Vice Chairman of Dynapack International Technology Corporation, President of Jenn Feng Industrial Tools Co., Ltd. at Shanghai plant, President of ARIMA Computer Co., Ltd. at Wujiang plant.Having five or more years of work experience in the areas of commerce, and business of the company.	Meet Independence Criteria (1)(4)(5)(6)(7)(8)(9)(10)(11)(12)	-
Director Sheu, Ju-Jing	Served as Assistant Vice President, RD2, ARIMA Computer Co., Ltd and currently serving as the President of the Company. Having five or more years of work experience in the areas of commerce, and business of the company.	Meet Independence Criteria (3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	-
Director Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng	Currently serving as Executive Assistant to Chairperson of the Company and the Chairperson of Hua-Lung Financial Consulting Company Ltd. Having five or more years of work experience in the areas of commerce, and contruction project of the company.	Director Meet Independence Criteria (1)(2)(4)(5)(6)(7)(8)(9)(10)(11) Representative Meet Independence Criteria (3)(6)(7)(8)(9)(11)	-
Director Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang- Yuan	Currently serving as the Chairperson of Lu Liao Keng Co., Ltd. Having five or more years of work experience in the areas of commerce, finance, and accounting.	Director Meet Independence Criteria (1)(2)(4)(5)(6)(7)(8)(9)(10)(11) Representative Meet Independence Criteria	-

Criteria / Name	Professional Qualification and Experience [Note 1]	Status of Independence [Note 2]	Number of other public companies concurrently serving as an Independent Director
		(1)(2)(3)(6)(7)(8)(9)(11)	
Independent Director Wang,Tsun-I	Served as an instructor of universities and colleges with related industry. Served as Vice President of Tailyn Technologies, Inc. and Hwa Wei Optoelectronics Co., Ltd. Having five or more years of work experience in the areas of commerce and business .	Meet Independence Criteria (1)~(12)	-
Independent Director Tsai, Hwei-Ming (Convener of Audit Committee)	CPA,ROC Served as Partner, Deloitte and Touche, CFO of SinoPac Bancorp (America), Senior EVP of Far East National Bank (America). Having five or more years of work experience in the areas of commerce, finance, and accounting.		-
Independent Director Shieh, Han-Ping D (Convener of Compensation Committee)	Served as an instructor of universities and colleges with related industry . Served as President of Society for Information Display, ROC, Researcher of IBM Thomas J. Watson Research Center, R&D engineer of General Electric. Having five or more years of professional experience and business management.		1
Independent Director Tsai, Lien-Chin	Electrical Engineer Certificate of Senior Examination for Professional Engineers by the Examination Yuan of ROC Served as President of Server Business Unit of ARIMA Computer Co., Ltd.,Vice President of Flextronics International Ltd. Having five or more years of of professional experience and business management.		-

[Note 1] Please see page 10-11.
[Note 2] Independence Criteria:
(1) Not an employee of the company or any of its affiliates.
(2) Not a director or supervisor of the company or any of its affiliates.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
(4) Not a managerial officer mentioned in paragraph (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship mentioned in paragraphs (2) and (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.
(7) Not a director, supervisor, or employee of another company whose chairman or general manager are the same person or spouse of the company.
(8) Not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares of a specified company or institution with a financial or business relationship with the company.
(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.
(10) Not a spouse or a relative within two degrees of Kinship to any director.
(11) Does not meet any of the criteria described in Article 30 of the Company Act.
(12) Not the proxy of any government agency, juridical person, or their representative shareholder in the Company as outlined in Article 27 of the Company Act.

4 Independent Directors, their spouses and relatives within seconddegree of kinship (or under names of other parties) own less than 1% of the Company's outstanding shares which would not have adverse impact on independence and complies with items 1 to 9, Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

(2) The Diversity & Independence of the Board of Directors

①The Diversity of the Board of Directors

Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors shall be determined by taking consideration of diversity. It is advisable that directors concurrently serving as managerial officers may not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business, operating dynamics, and development needs to be formulated. The Company's Board of Directors comprises of nine members, including four independent directors accounting for 44% of all members and one female director accounting for 11% of all members. The tenures of two independent directors are less than three years. There are two members concurrently serving as employees of the Company accounting for 22% of total members which does not exceed one-third of total board seats. The age brackets of board members are as follows: four are above 70 years old, three are 60~69 years old, and two are 40~50 years old. The Company plans to seek new director with professional legal experiences to achieve the goal of board diversity. To strengthen the powers of the Board of Directors and achieve the ideal goal of corporate governance, all members of the Board shall have the following abilities: ability to make business judgements, ability to perform accounting and financial analysis, ability to conduct business management, ability to conduct crisis management, industry knowledge, global market perspective, leadership, and decision making capabilities. The diversity policy of members of Board of Directors and status of implementation thereof are as follows:

Name	Core diversity item	Base item							Professional Qualification		Industry Experience							
		Gender	Employee of the Company	Age			Tenure of independent director		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who have passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Business judgment	Finance and accounting	Business management	Crisis management	Industry knowledge	Global market perspective	Leadership	Decision making capabilities
				40 ~ 50	60 ~ 69	70 ~`	less 3 years	4~9 years										
Chairman	Chung, Tsung-Ming	Male				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director	Yang, Chao-Ming	Male				✓					✓		✓	✓	✓	✓	✓	✓
Director	Sheu, Ju-Jing	Male	✓		✓						✓		✓	✓	✓	✓	✓	✓
Director	Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng	Male	✓	✓							✓		✓	✓	✓	✓	✓	✓
Director	Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang- Yuan	Female		✓							✓	✓	✓	✓		✓	✓	✓
Independent Director	Wang, Tsun-I	Male				✓		✓	✓		✓		✓	✓	✓	✓	✓	✓
Independent Director	Tsai, Hwei-Ming	Male			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Shieh, Han-Ping D	Male			✓		✓		✓		✓		✓	✓	✓	✓	✓	✓
Independent Director	Tsai, Lien-Chin	Male				✓	✓			✓	✓		✓	✓	✓	✓	✓	✓

[Note 1] For a juridical person as Director, diversity items referred to its natural person representative.

②Independence of the Board of Directors

The Company's Board of Directors comprises of nine members including four independent directors accounting for 44% of all members. There are three directors who are relatives within second degree of kinship accounting for one-third of all members which is not under any condition set forth in item 3, Paragraph 3, Article 26-3 of the Securities and Exchange act that more than half of the directors have a spousal relationship or have a familial relationship within the second degree of kinship. Please see page 10-11.

(II) General manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

April 11, 2023

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Spuse & Minor Shareholding		Shareholding by Nominee Agreement		Education and Experience	Concurrent Position(s) in other companies	Managers who are Spouse or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Republic of China	Sheu, Ju-Jing	Male	July 1, 2011	82,043	0.05%	0	0.00%	0	0.00%	EMBA, National Taipei University Diploma of Electrical Engineering from National Taipei University of Technology Vice President of RD2 Center ARIMA Computer Co., Ltd.	Director and President of Dynapack (Suzhou) Co., Ltd.	-	-	-	-
Executive Vice President	Republic of China	Chang, Chung-Hsing	Male	July 1, 2020	118,095	0.08%	0	0.00%	0	0.00%	Master of Electrical Engineering from Chung Yuan Christian University Diploma of Electronic Engineering from Nan Jeon Junior College of Technology Senior Manager of Power R&D Center of Dell Inc. Senior Manager of R&D Division of ARIMA Computer Co., Ltd.	None	-	-	-	-
Senior Vice President	Republic of China	Chen, Shen-Mao	Male	July 1, 2011	104,031	0.07%	530	0.00%	0	0.00%	MBA from East Texas State University Bachelor of Shipping and Transportation Management from National Chiao Tung University President of Lighting Product Division of General Electric Marketing Director of Gilead Sciences, Inc.	Supervisor of Dynapack (Suzhou) Co., Ltd.	-	-	-	-
Senior Vice President	Republic of China	Chang, Ying-Yin	Male	August 22, 2016	25,000	0.02%	0	0.00%	0	0.00%	MBA from National Taiwan University of Science and Technology Master of Chemical Engineering from National Taiwan University of Science and Technology Bachelor of Chemical Engineering from Feng Chia University R&D Project Manager of NEXcell Battery Co., Ltd.	None	-	-	-	-
Senior Vice President of Finance and Head of Accounting	Republic of China	Lin, Yu Huei	Female	July 1, 2017	112,500	0.07%	0	0.00%	0	0.00%	Master of Accountancy from National Taiwan University Bachelor of Accountancy from National Taiwan University Assistant Manager of Audit Department of Deloitte and Touche Accounting Assistant Vice President of Arima Photovoltaic & Optical Corp.	Chairman of Dynapack Investment Corporation	-	-	-	-
Vice President	Republic of China	Luo, Yu-Sung	Male	October 1, 2018	84,000	0.06%	0	0.00%	0	0.00%	MBA from The Hong Kong Polytechnic University Bachelor of Industrial Engineering from Tunghai University Manager of Planning Department of Philips Taiwan Ltd. Director of Material Division of LITE-ON Electronics	None	-	-	-	-
Vice President	Republic of China	Wang, Wen-Kuang	Male	January 1,2022	16,298	0.01%	77,451	0.05%	0	0.00%	Department of Industrial Engineering from National Taipei University of Technology Vice President of Sanyo Energy (Taiwan) Co.,Ltd	None	-	-	-	-
Assistant Vice President	Republic of China	Chen, Kuan-Hsu	Male	January 1, 2018	67,500	0.04%	0	0.00%	0	0.00%	Master in Information Management from National Central University Diploma of Electronics and Information Processing from Tamsui Institute of Industrial & Business Administration IT Director of Arima Photovoltaic & Optical Corp.	None	-	-	-	-
Assistant Vice President	Republic of China	Chiu, Kuan-Ling	Female	July 1, 2018	20,932	0.01%	0	0.00%	0	0.00%	Bachelor of Accountancy from Tamkang University Manager of the Audit Department of Deloitte and Touche Senior Manager of Accounting Department of ARIMA Computer Co., Ltd.	None	-	-	-	-
Assistant Vice President	Republic of China	Wu, Ming-Yuan	Male	November 11, 2019	67,500	0.04%	0	0.00%	0	0.00%	Diploma of Electronics Engineering from Tungnan Junior College of Technology Factory Chief of ARIMA Computer (Jiangsu) Co., Ltd. Factory Chief and Deputy President of R&D Division of Techcharm Electronics (Shanghai) Co.,Ltd. Deputy President of President Office of Fujian Nebula Electronics Co.,Ltd	None	-	-	-	-
Assistant Vice President	Republic of China	Cheng, Cheng-Heng	Male	July 1, 2020	0	0.00%	0	0.00%	0	0.00%	Master of Chemical Engineering from National Cheng Kung University Manager of NEXcell Battery Co., Ltd. Senior Researcher of E-One Moli Energy Corp. Director of High Energy Battery Co., Ltd.	None	-	-	-	-
Assistant Vice President	Republic of China	Fon, Rong-Hua	Male	January 1, 2021	55,000	0.04%	0	0.00%	0	0.00%	B.S., Department of Electronic Engineering from Feng Chia University Vice President of Jiangxi Qiwei Photovoltaic Technology Co.,Ltd	None	-	-	-	-
Assistant Vice President	Republic of China	Liu,Yung-Fu	Male	October 3, 2022	0	0.00%	0	0.00%	0	0.00%	MBA from Southern New Hampshire University Assistant VP of oToBrite Electronic, Inc. Senior Director of JET Optoelectonics Co., Ltd. Senior Director of Alpha Networks Inc.	None	-	-	-	-

(III) Where the Chairman of the Board of Directors and the general managers or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None

III. Remuneration paid to directors, supervisors, the general manager, and assistant general managers during the most recent fiscal year

(I) If any of the following applies to the company, it shall disclosure the remuneration paid to each individual director and supervisor.

1. A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years: None.
2. A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year: None.
3. A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year: None.
4. If the total amount of remuneration received by all of the directors and supervisors in their capacity as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT$15 million: None.
5. A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation: None.
6. The average annual salary of the full-time non-supervisory employees in a TWSE or TPEx listed company is less than NT$500,000: None.

(II) If the circumstance in sub-item "1" or in sub-item "5" of the preceding item applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its top five management personnel: None.

Remuneration of Directors and Independent Directors

December 31, 2021
Unit: NT$ thousand

Title		Name	Remuneration: Base Compensation (A) – The Company	Base Compensation (A) – Companies in the consolidated financial statements	Pensions (B) – The Company	Pensions (B) – Companies in the consolidated financial statements	Directors Compensation (C)[Note 2] – The Company	Directors Compensation (C)[Note 2] – Companies in the consolidated financial statements	Allowances (D)[Note 1] – The Company	Allowances (D)[Note 1] – Companies in the consolidated financial statements	Total Remuneration (A+B+C+D) and Ratio to Net Income (%) – The Company	Total Remuneration (A+B+C+D) and Ratio to Net Income (%) – Companies in the consolidated financial statements	Relevant Remuneration Received by Directors Who are Also Employees: Salary, Bonuses, and Allowances (E)[Note 1] – The Company	Salary, Bonuses, and Allowances (E)[Note 1] – Companies in the consolidated financial statements	Pensions (F)[Note 3] – The Company	Pensions (F)[Note 3] – Companies in the consolidated financial statements	Employee Compensation (G)[Note 2] – The Company – Cash	Employee Compensation (G)[Note 2] – The Company – Stock	Employee Compensation (G)[Note 2] – Companies in the consolidated financial statements – Cash	Employee Compensation (G)[Note 2] – Companies in the consolidated financial statements – Stock	Total Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%) – The Company	Total Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%) – Companies in the consolidated financial statements	Remuneration from ventures other than subsidiaries or from the parent company
Director	Chairman	Chung, Tsung-Ming	8,206	8,206	-	-	7,200	7,200	250	250	15,656 2.0%	15,656 2.0%	5,890	5,890	82	82	4,140	-	4,140	-	25,768 3.2%	25,768 3.2%	None
	Director	Yang, Chao-Ming																					
	Director and President	Sheu, Ju-Jing																					
	Director	Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng																					
	Director	Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang-Yuan																					
Independent Director	Independent Director	Wang, Tsun-I	2,560	2,560	-	-	4,800	4,800	520	520	7,880 1.0%	7,880 1.0%	-	-	-	-	-	-	-	-	7,880 1.0%	7,880 1.0%	None
	Independent Director	Tsai, Hwei-Ming																					
	Independent Director	Shieh, Han-Ping D																					
	Independent Director	Tsai, Lien-Chin																					

[Note1] For the leased car provided to the Chairman and President Sheu, Ju-Jin, the cost of right-to-use assets amounted to $ 6,712 thousand.

[Note2] The yearly directors and employees compensation of 2022 was resolved by the board of directors on March 7, 2023.

[Note3] Pensions in the amount of $ 82 thousand dollars was accrued and not paid for directors who serviced as employees of the Company and all other companies in the consolidated financial statements in 2022.

[Note4] The policies, standards, and portfolios for the payment of remuneration to independent directors are correlated with factors such as duties, risks and contribution. Please refer to page 21.

[Note5] Directors received remuneration for providing services (such as serving as a non-employee consultant) to the parent company, companies listed in the consolidated financial statements, and other investees in the most recent fiscal year: None.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT$1,000,000				
NT$1,000,000 (including) to NT$2,000,000 (excluding)	Director Hua-Lung Financial Consulting Company Ltd. Lu Liao Keng Co., Ltd. Yang, Chao-Ming Sheu, Ju-Jing Independent Director Wang, Tsun-I Tsai, Hwei-Ming Shieh, Han-Ping D Tsai, Lien-Chin	Director Hua-Lung Financial Consulting Company Ltd. Lu Liao Keng Co., Ltd. Yang, Chao-Ming Sheu, Ju-Jing Independent Director Wang, Tsun-I Tsai, Hwei-Ming Shieh, Han-Ping D Tsai, Lien-Chin	Director Hua-Lung Financial Consulting Company Ltd. Lu Liao Keng Co., Ltd. Yang, Chao-Ming Independent Director Wang, Tsun-I Tsai, Hwei-Ming Shieh, Han-Ping D Tsai, Lien-Chin	Director Hua-Lung Financial Consulting Company Ltd. Lu Liao Keng Co., Ltd. Yang, Chao-Ming Independent Director Wang, Tsun-I Tsai, Hwei-Ming Shieh, Han-Ping D Tsai, Lien-Chin
NT$2,000,000 (including) to NT$3,500,000 (excluding)			Chung, Hsiang-Heng	Chung, Hsiang-Heng
NT$3,500,000 (including) to NT$5,000,000(excluding)				
NT$5,000,000 (including) to NT$10,000,000 (excluding)	Director Chung, Tsung-Ming	Director Chung, Tsung-Ming	Director Chung, Tsung-Ming Sheu, Ju-Jing	Director Chung, Tsung-Ming Sheu, Ju-Jing
NT$10,000,000 (including) to NT$15,000,000 (excluding)				
NT$15,000,000 (including) to NT$30,000,000 (excluding)				
NT$30,000,000 (including) to NT$50,000,000(excluding)				
NT$50,000,000 (including) to NT$100,000,000(excluding)				
Greater than or equal to NT$100,000,000				
Total				

Remuneration of the general manager, and assistant general managers

December 31, 2022
Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Pensions (B) [Note 1]</th><th colspan="2">Bonuses and Allowances (C) [Note 2]</th><th colspan="4">Employee Compensation (D) [Note 3]</th><th colspan="2">Total compensation (A+B+C+D) and ratio to net income (%)</th><th rowspan="3">Remuneration from ventures other than subsidiaries or from the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>President</td><td>Sheu, Ju-Jing</td><td rowspan="7">15,771</td><td rowspan="7">18,492</td><td rowspan="7">540</td><td rowspan="7">648</td><td rowspan="7">4,773</td><td rowspan="7">7,402</td><td rowspan="7">14,445</td><td rowspan="7">-</td><td rowspan="7">14,445</td><td rowspan="7">-</td><td rowspan="7">35,529
4.5%</td><td rowspan="7">40,987
5.1%</td><td rowspan="7">None</td></tr>
<tr><td>Executive Vice President</td><td>Chang, Chung-Hsing</td></tr>
<tr><td>Senior Vice President</td><td>Chen, Shen-Mao</td></tr>
<tr><td>Senior Vice President</td><td>Chang, Ying-Yin</td></tr>
<tr><td>Senior Vice President of Finance and Head of Accounting</td><td>Lin, Yu Huei</td></tr>
<tr><td>Vice President</td><td>Wang, Wen-Kuang</td></tr>
<tr><td>Vice President</td><td>Luo, Yu-Sung</td></tr>
</table>

[Note 1] Pension accrued for 2022 in the company and all companies in the consolidated financial statements amounted to $540 thousand and $648 thousand respectively. The Company and all companies listed in the consolidated financial statements did not pay any pension.

[Note 2] For the leased car provided to the President, the cost of right-to-use assets amounted to $1,854 thousand; Provided car fixed allowance for Vice Presidents and the cost amounted to $7,295 thousand.

[Note 3] The yearly employees' compensation of 2022 was resolved by the board of directors on March 07, 2023.

Range of Remuneration

Range of Remuneration Paid to the general manager, and assistant general managers	general manager, and assistant general managers	
	The Company	Companies in the consolidated financial statements
Less than NT$1,000,000		
NT$1,000,000 (including) to NT$2,000,000 (excluding)		
NT$2,000,000 (including) to NT$3,500,000(excluding)		
NT$3,500,000 (including) to NT$5,000,000 (excluding)	Chang, Ying-Yin Wang, Wen-Kuang	Chang, Ying-Yin Wang, Wen-Kuang
NT$5,000,000 (including) to NT$10,000,000 (excluding)	Sheu, Ju-Jing Chang, Chung-Hsing Chen, Shen-Mao Lin, Yu Huei	Sheu, Ju-Jing Chang, Chung-Hsing Chen, Shen-Mao Lin, Yu Huei Luo, Yu-Sung
NT$10,000,000 (including) to NT$15,000,000 (excluding)		
NT$15,000,000 (including) to NT$30,000,000(excluding)		
NT$30,000,000 (including) to NT$50,000,000 (excluding)		
NT$50,000,000 (including) to NT$100,000,000 (excluding)		
Greater than or Equal to NT$100,000,000		
Total	6	7

Employees' compensation of managerial officers

December 31, 2022
Unit: NT$ thousand

	Title [Note 1]	Name	Stock	Cash [Note 2]	Total	Ratio of Total Amount to Net Income (%)
Managers	President	Sheu, Ju-Jing	-	15,417	15,417	1.9%
	Executive Vice President	Chang, Chung-sing				
	Senior Vice President	Chen, Shen-Mao				
	Senior Vice President	Chang, Ying-Yin				
	Senior Vice President of Finance and Head of Accounting	Lin, Yu Huei				
	Vice President	Wang, Wen-Kuang				
	Assistant Vice President	Chiu, Kuan-Ling				

[Note 1] The scope of managerial officers of the Company refers to Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The above did not include managerial officers of subsidiaries.

[Note 2] The yearly employees' compensation for 2022 was resolved by the board of directors on March 07, 2023.

(III)Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general manager, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

Job title	2022 [Note]					Actual amount in 2021				
	Total remuneration		Net profit	Ratio of total remuneration to net profit (%)		Total remuneration		Net profit	Ratio of total remuneration to net profit (%)	
	The Company	Consolidated	The Company /Consolidated	The Company	Consolidated	The Company	Consolidated	The Company /Consolidated	The Company	Consolidated
Director	23,536	23,536	797,416	3.0%	3.0%	33,819	33,819	3,309,019	1.0%	1.0%
General Manager and Assistant General Manager	35,529	40,987		4.5%	5.1%	39,362	46,395		1.2%	1.4%

[Note] The yearly directors and employees compensation for 2022 was resolved by the board of directors on March 7, 2023.

1. The policies, standards, and packages for the payment of remuneration

(1) Directors (including Independent Directors)

① Directors (including Independent Directors) are paid monthly fixed compensation by the Company for engaging with their legal duties and corporate governance. Chairman is paid an additional monthly compensation for services such as setting strategic direction, monitoring management or representing the Company. In addition to fixed monthly compensation, Chairman is also paid monthly salary, holiday bonuses and performance bonuses same as managerial officers.

② Independent Directors who also serve as members of Functional Committees established by the Company shall be paid an additional quarterly compensation.

③ Directors (including Independent directors) attending a meeting of the Board of Directors in person or independent directors attending a Functional Committee meeting in person are entitled to allowances for professional practice (attendance fee, transportation allowance…, etc.).

④ Pursuant to Article 27 of Articles of Incorporation, if the Company records a profit of a year, it shall appropriate no more than 3% of the net profit for director compensation.

(2) General manager, and assistant general managers

The compensation to general manager, and assistant general managers is divided into two categories, i.e., fixed and variable. Fixed compensation is monthly salary and allowances, and variable compensation includes bonuses, appropriation of annual profit, employee stock options, and pensions. The compensation is determined based on following principles:

① Salary levels are set based on size and performance of the Company and at a competitive level to the industry.

② The higher the position, the higher the compensation and duties and responsibilities.

③ Targets linked to healthy and sustainable growth from the Company's long-term perspective.

④ Performance priority represents our values of profit sharing and risk bearing.

⑤ Rewards and punishments are equally important.

2. Procedures for determining remuneration

(1) The Compensation Committee will annually assess and establish the remuneration of Directors (including Independent Directors) and Managerial Officers in accordance with the principles below.

① Performance assessment, salary, and remuneration of the Directors (including Independent Directors) and Managerial Officers should consider battery related industry standard and correlation between the individual and business performances and future risks.

② The Directors (including Independent Directors) and Managerial Officers should not be incentivized to pursue higher remuneration without regard to risk appetite of the Company.

③ Characteristic of the industry and scope of business of the Company should be taken into consideration when determining amount and timing of short-term bonus and variable remuneration of Directors (including Independent Directors) and Managerial Officers.

(2) In accordance with the "Regulations Governing the Remuneration Disbursement of Directors" and "Regulations Governing the Compensation Management of Managers", the Compensation Committee should review remuneration proposal provided by Human Resources department and advice to the Board of Directors for approval.

3. Linkage to operating performance and future risk exposure

The remuneration of the directors (including Independent Directors), general manager, and assistant general managers should be adjusted according to performance of the Company. The remuneration paid by the company has also taken into consideration the operational risks faced by the company in the future and its positive correlation with operational performance, in order to achieve a balance between sustainable operation and risk control

IV. The state of the company's implementation of corporate governance

(I) The state of operations of the board of directors

1. A total of 5 board meetings were held during the most recent year. The attendance of directors were as follows:

Title	Name	Attendance in Person	By proxy	Attendance Rate (%) [Note]	Remark
Chairman	Chung, Tsung-Ming	5	-	100	
Director	Yang, Chao-Ming	5	-	100	
Director	Sheu, Ju-Jing	5	-	100	

Title	Name	Attendance in Person	By proxy	Attendance Rate (%) [Note]	Remark
Director	Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng	5	-	100	
Director	Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang- Yuan	5	-	100	
Independent Director	Wang, Tsun-I	5	-	100	
Independent Director	Tsai, Hwei-Ming	5	-	100	
Independent Director	Shieh, Han-Ping D	5	-	100	
Independent Director	Tsai, Lien-Chin	5	-	100	

[Note] The attendance rate (%) is computed by taking the number of attendance in person divided by number of meetings held during terms of office.

2. Other matters that require reporting.

(1) If any of the following circumstances occur, the dates of the meetings, sessions, and contents of motion, all independent directors' opinions and the company's response should be specified:

① Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established audit committee. Article 14-3 of the Securities and Exchange Act is not applicable.

② Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

(2) If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified

<table>
<tr><th colspan="3">Board of Directors</th><th>Content of Motion</th><th>Director</th><th>Cause for avoidance</th><th>Resolution</th></tr>
<tr><td rowspan="3">9th term</td><td>13th</td><td>March 8,2022</td><td>Disbursement of special bonus for all employees, including managerial officers and Chairman.</td><td>Chairman
Chung, Tsung-Ming
Director and President
Sheu, Ju-Jing
Director and executive assistant to chairman
Chung, Hsiang-Heng</td><td>No recusal is required because the special bonus was paid to all employees with the same month and it does not involve a specific amount of payment to any individual.</td><td>The motion was approved after the Chairman consulted all attending directors and obtained unanimous agreement.</td></tr>
<tr><td>15th</td><td>July 26,2022</td><td>Employee compensation of 2021 for managerial officers</td><td>Director and President
Sheu, Ju-Jing</td><td>Matters involving directors' own interests</td><td>In accordance with Article 206 of the Company Act and the Company's "Rules of Procedures for Board of Directors' Meetings", director Sheu, Ju-Jing who is also the President of the Company left the meeting without participating in the discussion and voting. The motion was approved after the Chairman consulted all attending directors and obtained unanimous agreement.</td></tr>
<tr><td>17th</td><td>December 27,2022</td><td>Year-end bonuses to managerial officers and Chairman for 2022</td><td>Chairman
Chung, Tsung-Ming
Director and President
Sheu, Ju-Jing</td><td>No recusal is required because the bonus was calculated as X months of salary determined by the Company for the current year and it does not involve a specific amount of payment to any individual.</td><td>The motion was approved after the Chairman consulted all attending directors and obtained unanimous agreement.</td></tr>
</table>

(3) Evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	January 1, 2022 – December 31, 2022	Overall Board of Directors, Individual director, Compensation Committee and Audit Committee	Self assessment	①Board performance evaluation: Criteria: participation in the operation of the Company, improvement of the quality of the Board decision making, composition and structure of the Board, continuing education of the directors, and internal control. Evaluation result: 100 points. ② Individual director performance evaluation: Criteria: alignment of the goals and mission of the Company, awareness of the duties as a director, participation in the operation of the Company, management of internal relationship and communication, director's professionalism and continuing education and internal control. Evaluation result: 98.57 points. ③Compensation committee performance evaluation Criteria: participation in the operation of the Company, awareness of the duties of the compensation committee, improvement of quality of decision making made by the compensation committee, composition of the compensation committee and election of the members, and internal control. Evaluation result: 100 points. ④Audit committee performance evaluation Criteria: participation in the operation of the Company, awareness of the duties of the Audit committee, improvement of quality of decision making made by the Audit committee, composition of the Audit committee and election of the members, and internal control. Evaluation result: 100 points.

(4) Measures taken to strengthen the functionality of the board in current and previous year (e.g. establishing the audit committee, improving information transparency…etc.):

① Important resolutions made by the Board were published on Market Observation Post System timely after Board Meeting to improve information transparency according to "Rules of Procedures for Board Director Meetings".

② To strengthen the role of Audit Committee in financial reporting oversight, on March 8, 2022 the Company has resolved the amendment to the "Audit Committee Charter" and "Rules of Procedures for Board Director Meetings" that interim financial reports should be approved by Audit Committee and Board of Directors.

③ In compliance with the amendment to laws and regulations, the Company amended the "Rules of Procedure for Board of Directors Meetings" on 25 October, 2022 that the election or discharge of Chairman shall be submitted for discussion by the Board of Directors.

④ Evaluation of the Board, individual members of the Board, Compensation Committee and Audit Committee for 2022 were conducted in accordance with "Rules for Evaluation of the Board of Directors" and evaluation results were published on Market Observation Post System and Company website in January 2023.

(II) The state of operations of the audit committee or the state of participation in board meetings by the supervisors

1. The Audit Committee was established on June 13, 2020 to replace Supervisors' duties and responsibilities. The Committee is composed entirely of four independent directors and Mr. Tsai, Hwei-Ming was elected by all members as the convener. The Audit Committee shall meet at least once a quarter in accordance with the Company's "Audit Committee Charter".

2. Tenure of the current members: June 13, 2020 to June 12, 2023.A total of 5 audit committee were held during the most recent year. The attendance of each independent director were as follows:

Title	Name	Attendance in Person	By proxy	Attendance Rate (%) [Note]	Remark
Convener	Tsai, Hwei-Ming	5	-	100	-
Member	Wang, Tsun-I	5	-	100	-
Member	Shieh, Han-Ping D	5	-	100	-
Member	Tsai, Lien-Chin	5	-	100	-

[Note] The attendance rate (%) is computed by taking the number of attendance in person divided by number of meetings held during terms of office.

3. The work focus of Audit Committee for 2022

(1) Review business report, earnings distribution proposal and quarterly financial reports.

(2) Approve material asset transactions (the signing of construction contract for the second building).

(3) Assess the effectiveness of internal control system. Approve 2021 Statement on Internal Control.

(4) Approve the establishment of the "Procedures for Handling Material Inside Information" and "Audit of Procedures for Handling Material Inside Information".

(5) Approve the amendment to the "Procedures for Acquisition or Disposal of Assets", "Audit Committee Charter", "Management Procedures for Prevention of Insider Trading" and "Audit of Management Procedures for Prevention of Insider Trading".

(6) Approve the engagement and fees of the attesting certified public accountant for 2022.

4. Other matters that require reporting

(1) If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, objections, reservations or major suggestions by independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified

① Matters referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee			Motions	Independent directors' objections, reservations, or major suggestions	Audit Committee Resolutions	Company's Response to Audit Committee Opinions
1st term	11th	March 8,2022	i. 2021 business report and financial statements ii. 2021 earnings distribution iii. Amendment of the "Procedures for Acquisition or Disposal of Assets" iv. Amendment of the "Audit Committee Charter" v. Appointment and fees of the attesting certified public accountant for 2022 vi. 2021 Statement on Internal Control	None	The motions were approved after the convener consulted all attending members and obtained unanimous agreement.	Approved

Audit Committee			Motions	Independent directors' objections, reservations, or major suggestions	Audit Committee Resolutions	Company's Response to Audit Committee Opinions
	12th	April 26,2022	i. Consolidated financial statements for the three months ended March 31, 2022 ii. Change of audit engagement partner starting from the second quarter of 2022 according to rotation requirement by Deloitte & Touche. iii. Amendment of the "Management Procedures for Prevention of Insider Trading" and "Audit of Management Procedures for Prevention of Insider Trading" iv. The signing of the construction contract for the second building	None	The motions were approved after the convener consulted all attending members and obtained unanimous agreement.	Approved
	13th	July 26,2022	i. Consolidated financial statements for the six months ended June 30, 2022	None	The motion was approved after the convener consulted all attending members and obtained unanimous agreement.	Approved
	14th	October 25,2022	i. Consolidated financial statements for the nine months ended September 30, 2022	None	The motion was approved after the convener consulted all attending members and obtained unanimous agreement.	Approved
	15th	December 27,2022	i. Establishment of the "Procedures for Handling Material Inside Information" and "Audit of Procedures for Handling Material Inside Information" ii. Amendment to the "Procedures for Acquisition or Disposal of Assets", "Audit Committee Charter", "Management Procedures for Prevention of Insider Trading" and "Audit of Management Procedures for Prevention of Insider Trading" iii. 2023 internal audit plan	None	The motions were approved after the convener consulted all attending members and obtained unanimous agreement.	Approved

② Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors：None.

(2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

(3) Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of corporate finance or operations, etc.)

① Quarterly report to the Audit Committee by head of internal audit to maintain sufficient communication regarding audit progress, findings and audit plan.

② Regular discussion and communication with independent auditors during Audit Committee meeting on the results of annual financial statement audit, key audit matters (KAM) and other matters required by law.

Date	Form of Communication	Communication Highlights	Communication Results
March 8,2022	Private session	Discussions with CPAs regarding the results of the audit of the 2021 annual financial statements	No dissenting opinion
December 27,2022	Private session	i. Discussions with CPAs regarding the annual Key Audit Matters (KAM) for 2022. ii. Discussion and communication with the participants on the issues raised.	No dissenting opinion
March 7,2023	Private session	Discussions with CPAs regarding the results of the audit of the 2022 annual financial statements	No dissenting opinion

Please refer to the Company's website.

(III) The state of the company's implementation of corporate governance, any variance from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”, and the reason for any such variance

Evaluation item	Implementation state			Variance from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary description	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		The Company has established the “Corporate Governance Best-Practice Principles” and implement based on the principles. Please visit the Company’s website at www.dynapack.com.tw	None
II. Shareholding structure and shareholders’ rights				None
(I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has designated spokespersons to handle shareholders’ suggestions, doubts, disputes, and litigations.	
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The information is provided by shareholder services agency.	
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company has established the Risk Management Committee, Office of Internal Audit and rules and procedures in accordance with the “Internal Control System,” “Internal Audit System,” to implement risk control.	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) All insiders should follow the rules set forth in the Company ‘s “Procedures for Handling Material Inside Information” and “Procedures of Insider Trading Prevention and Control” . Please visit the Company’s website at www.dynapack.com.tw	
III. Composition and Responsibilities of the Board of Directors				None
(I) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	V		(I) In accordance with Article 20 of the “Corporate Governance Best-Practice Principles”, the composition of the Board of Directors should take diversity into consideration where directors concurrently	

Evaluation item	Implementation state			Variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			serving as company officers do not exceed one-third of the total number of the board members, and an appropriate diversity policy is formulated based on the Company's business operations, operating dynamics, and development needs. Please refer to Page 10-11 and Page 12-14 for the goals and implementation thereof.	
(II) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		V	(II) In addition to establishment of Compensation Committee and Audit Committee as required by laws and regulations, the Company has also established the Risk Management Committee to identify risks, determine actions, and implement policies to avoid or mitigate risks according to overall operating conditions and relevant laws and regulations.	
(III) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		(III) The Company has established the "Rules for Evaluation of the Board of Directors" and conducts performance evaluation of the Board of Directors, Board members, compensation committee and audit committee at year end. The performance evaluation for 2022 has been submitted to the Board of Directors on March 7, 2023 and the results are referenced for the determination of remuneration and nomination for the re-election of individual directors. Please see page 21 and 24 or the Company's website: www.dynapack.com.tw	
(IV) Does the company regularly evaluate the independence of CPAs?		V	(IV) The Company's Audit Committee evaluated the independence and competency of attesting CPAs Chien Ming-Yen and Wu Shih-Tsung. In addition to the audit quality indicators (AQIs) and independence statements provided by Deloitte & Touche, the Audit Committee also evaluated them based on relevant standards [Note1] and thirteen AQIs, confirming that the CPAs and accounting firm have training hours, turnover rate, propotion of audit hours input, and quality support capabilities that exceed industry averages. The accounting firm also introduced innovative audit tools, expanded audit support center, and adopted cloud-based audit platform to improve audit quality. The evaluation result was discussed and approved by the Audit Committee and resolved by Board of Directors on March 7, 2023.	

Evaluation item	Implementation state			Variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
IV. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?		V	The Company's Finance Division and Office of Secretary are currently responsible for corporate governance matters. Their duties include: (I) Handling matters relating to Board/ Shareholders' meetings in compliance with law. (II) Producing minutes of the Board and Shareholders' Meetings. (III) Assisting in the onboarding and continuing education of directors. (IV) Furnishing information required for performing duties by the directors. (V) Assisting directors compliance with law. (VI) Handling of matters relating to changes in directors. (VII)Other matters described or set forth in the Articles of Incorporation or contracts.	The corporate governance officer, is to be set up by June 30, 2023.
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has set spokesperson and acting spokesperson system as a communication channel and build "Stakeholder Area" section on the Company's website. Please visit the Company's website at www.dynapack.com.tw	None
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appoints Capital Securities Corporation to deal with shareholder matters.	None
VII.Information disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The Company has set up an English website to disclose both financial standings and the status of corporate governance periodically. Please visit the Company's website at www.dynapack.com.tw	None
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(II) The Company has set up an English website and appointed designated person to disclose the Company's information periodically. Please visit the Company' website at www.dynapack.com.tw. For other information disclosure, please see "Market Observation Post System" at mops.twse.com.tw	
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		The Company announced unaudited income for fiscal year 2022 on January 17, 2023. The Company announced quarterly financial reports and operating results before the prescribed time limit.	
VIII.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee	V		(I) Employee rights: The Company values its employees, supports for positive relationship and ensures employees are treated in compliance with the Labor Standards Act. (II) Employees wellness: The Company provides	None

Evaluation item	Implementation state			Variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			clear communication through employee seminar at least once a year and has set aside fund to support Employees Welfare Committee dedicated for welfare programs. Please see page 71-74 for more details. (III) Investor relations: The Company has designated spokespersons to handle shareholder's suggestions and disputes. (IV) Supplier relations: The Company maintains good relationship with suppliers via daily business contact and regular communication. The Company supports responsible sourcing by promoting conflict-free mineral policy and conducting due diligence audit. (V) Rights of stakeholders: The Company has set up the "Stakeholder Area" section on its website for a smooth and responsive communication. (VI) Directors training records: All directors of the Company possess the relevant professional knowledge and continue to take training courses to improve their skill. For more details, please see [Note 2]. (VII)The implementation of risk management policies and risk evaluation measures t: The Company has established the Risk Management Committee which oversees operation and compliance of the Company and adopts preventive measures to reduce or prevent enterprise risk. (IX)The implementation of customer relations policies: The Company maintains good working relationships with customers via daily business exchanges, customer satisfaction surveys, and regular meetings and communications. (IX) Insurance purchased for directors: The Company has provided liability insurance for directors. For more details, please see "Market Observation Post System" at mops.twse.com.tw (X) Succession plans of the directors and executives: candidates' nomination system is adopted for election of the directors of the Company in accordance with the "Procedures for Election of Directors". The Company continues to identify and evaluate executive nominees for director and has a development program to help them gain knowledge of operation of the Board and across the organization. The composition of the Board shall be inclusive to promote gender equality and diversity. Directors concurrently serving as company officers do not exceed one-third of total number of the board members. All members of the Board shall have the	

Evaluation item	Implementation state			Variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			knowledge, skills, and experience necessary to perform their duties. The Company continues to identify high potential employees and has a leadership development program in place to enhance management skills of executives and middle management to effectively promote leadership capabilities and reduce the time needed for successful succession. (XI) For other material information that may enhance the understanding of the corporate governance status of the Company, please visit the Company's website at www. dynapack. com.tw	

IX. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.

(I) Improvements made

1. In 2022, the English version of the notice of shareholders' meeting was uploaded and the English version of the company's website was enhanced.
2. At the 2022 Annual General Shareholders' Meeting , more than half of the directors, six directors (including one convener of the Audit Committee), attended the meeting in person and the attendance list was disclosed in the minutes of the General Shareholders' Meeting.
3. The evaluation of the independence and competency of the certified public accountants was approved by the Board of Directors on March 7, 2023 and was disclosed in the Annual Report of 2022. 。
4. The Company has disclosed the specific management objectives for its policy on board diversity by disclosing the specific numbers of board gender, expertise, and the number of directors required to have such background or expertise for a certain number of seats in the 2022 Annual Report.

(II)Priority enhancement measures

1. To set up Corporate Governance Officer by June 30, 2023 to be in charge of corporate governance related matters.
2. The Board of Directors will propose amendment to the Articles of Incorporation at the 2023 Annual General Shareholders' Meeting to establish a specific and clear dividend policy.
3. In the election of directors at the 2023 Annual General Shareholders' meeting, no more than two directors shall have a spousal relationship nor a relationship within the second degree of kinship.

[Note 1] Evaluation of External Auditor's Independence

Evaluation Item	Evaluation Result	Meet Independence
1. Whether the external auditor has any direct or indirect material financial interests with the Company.	None	Yes
2. Whether the external auditor is involved in any financing or guarantee activities with the Company or its directors.	None	Yes
3.Whether the external auditor has any commercial relations with the Company, its directors and managerial officers that may compromise the independence.	None	Yes
4. Whether the external auditor, members of audit engagement, and their spouses and dependents currently serve or in the past two years served as the Company's directors, managerial officers, or any positions that have direct and significant influence on the audit engagement.	None	Yes
5. Whether the external auditor and members of audit engagement are spouses, lineal relatives by blood or marriage, or collateral relatives by blood within the second degree of kinship of the Company's directors, managerial officers, or any other persons that have significant influence on the audit engagement.	None	Yes
6. Whether the external auditor and members of audit engagement have accepted gifts beyond common courtesy from the Company's directors, managerial officers, or major shareholders.	None	Yes
7. Whether the external auditor provides any non-audit services to the Company that may directly affect audit engagement.	None	Yes
8. Whether the external auditor serves as defender for the Company or acts as a representative on behalf of the Company to conduct negotiation with other third party.	None	Yes

[Note 2]Continuing education and training of directors (including independent directors) for the most recent year

Title	Name	Date of training	Course	Hours
Chairman	Chung, Tsung-Ming	2022/08/17	Implications of the Russia-Ukraine war for Taiwan	3
		2022/12/21	Insights on future talent planning from global trends	3
Director	Yang, Chao-Ming	2022/07/27	The promotion conference for industry sustainable development roadmap	2
		2022/08/25	The promotion conference for insider stock ownership for TPEx listed companies	3
		2022/09/29	The promotion conference for guidelines governing exercise of powers by independent directos and audit committee, and the promotion conference for directors and supervisors.	3
Director	Sheu, Ju-Jing	2022/07/19	Trends in carbon management towards net-zero emission and measures to respond to them	3
		2022/08/16	The all-around view of ESG – from knowledge to implementation	3
Director	Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng	2022/07/15	Crisis management in the face of false reporting	3
		2022/08/02	How to analyze corporate key financial data to strengthen crisis early warning capabilities	6
Director	Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang- Yuan	2022/05/19	Introduction to the dispute of corporate management rights and trial procedures of commercial court	3
		2022/08/16	The all-around view of ESG – from knowledge to implementation	3
Independent Director	Wang, Tsun-I	2022/12/29	Trends in internet technology development and new thinking for internal auditors	6
Independent Director	Tsai, Hwei-Ming	2022/09/27	How the audit committee interprets and uses audit quality indicators (AQI)	3
		2022/09/30	Adapting to changes in international order and corporate governance	3
Independent Director	Shieh, Han-Ping D	2022/06/08	How to apply robotic process automation to improve internal control efficiency	6
Independent Director	Tsai, Lien-Chin	2022/08/25	The promotion conference for insider stock ownership for TPEx listed companies	3
		2022/09/23	Virtual world explosion : future development for metaverse and blockchain in cryptocurrency	3

(IV) If the company has a Compensation Committee or nomination committee in place, the composition, Responsibilities, and operation of the Compensation Committee shall be disclosed.

1. Members of Compensation Committee

Title \ Criteria \ Name		Professional Qualification and Work Experience	Independence Criteria	Number of other public companies in which the individual is concurrently serving as the Compensation Committee member
Independent Director (Convener)	Shieh, Han-Ping D	Please refer to page 13 Professional qualification and work experience of directors and independence information of independent directors		1
Independent Director	Wang, Tsun-I			-
Independent Director	Tsai, Hwei-Ming			-
Independent Director	Tsai, Lien-Chin			-

2. The State of operations of the Compensation Committee

(1) There are four members in the Compensation Committee.

(2) Tenure of the current members: June 17, 2020 to June 12, 2023. A total of 4 Compensation Committee meetings were held in the most recent year or during the current fiscal year up to the publication date of the annual report. The attendance record of the Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%) [Note]	Remark
Convener	Shieh, Han-Ping D	4	-	100	
Member	Wang, Tsun-I	4	-	100	
Member	Tsai, Hwei-Ming	4	-	100	
Member	Tsai, Lien-Chin	4	-	100	

[Note] The attendance rate (%) is computed by taking the number of attendance in person divided by number of meetings held during terms of office.

(3) Responsibilities of Compensation Committee

The Committee should faithfully perform its duties with diligent efforts and submit recommendations to the Board of Directors for discussion:

① Establish and regularly review the policy, system, standard and structure of performance assessment of directors and managerial Officers.

② Regularly assess and establish the remuneration of directors and managerial officers.

(4) Other matters that require reporting

① In the case that the Board declines to adopt or revise a recommendation submitted by the Compensation Committee, the date of meeting, session, content of motion, resolution made by the Board, and the Company's response to the Compensation Committee 's opinion should be specified: None.

② In the case that resolutions made by the Compensation Committee involving objections or expressed reservations by committee member that were recorded or stated in writing, the date of meeting, session, content of motion, opinions of all members and response to their opinions should be specified: None.

For the most recent year or during the current fiscal year up to the publication date of the annual report, the resolution of the Compensation Committee and the voting result of the resolution of the Board of Directors are as follows:

Compensation Committee			Contents of Motion	Resolutions	Resolutions of the Board of Directors
4th term	7th	March 8,2022	i.Proposal for compensation of employees and directors for 2021 ii.Special bonuses for all employees including Chairman and managerial officers iii.Monthly salary adjustment for Vice President Wang, Wen-Kuan	The motions were approved after the convener consulted all attending members and obtained unanimous agreement.	Resolution passed
	8th	July 26,2022	i.Proposal for disbursement of managerial officers' remuneration for 2021	The motion was approved after the convener consulted all attending members and obtained unanimous agreement.	Resolution passed
	9th	December 27,2022	i.2022 Year-end bonuses to Chairman and managerial officers	The motion was approved after the convener consulted all attending members and obtained unanimous agreement.	Resolution passed
	10th	March 7,2023	i.Proposal for compensation of employees and directors for 2022 ii.Promption for managerial officer and the related Compensation	The motions were approved after the convener consulted all attending members and obtained unanimous agreement.	Resolution passed

(V) The state of the company's promotion of sustainable development, any variance from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", and the reason for any such variance

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
I. Does the company develop the governance framework to promote sustainable development and establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the sustainable development policies and the status of supervision by the Board of Directors?	V		(I) The Company has set up the Sustainable Development Committee to promote sustainable development. (II) Implementation state 1. Approved by Board in 2015, the General Administration Division and Office of Environment, Safety and Health are the exclusive units dedicated to the promotion of sustainable development. 2. The Company's main work plan for implementation of sustainable development is to implement corporate governance, develop sustainable environment, protect social welfare, and strengthen the disclosure of corporate sustainable development information. 3. The exclusive units report to the Board yearly and the implementation progress report of 2021 listed below was submitted to the Board on October 25, 2022. Suppliers (1) We conducted on-site audits on 29 and remote audit on 4 leading raw material and packaging materials suppliers. The completion percentage amounted to 100%. (2) Obtained declaration statements from 99 suppliers of consumables, processing materials, personal protective equipment, and manufacturing equipments. The target achievement rate was 100%. (3) Conducted a survey on high-risk suppliers for conflict minerals. The target achievement rate was 100%. Customers relations The customer conducted four on-site audits and all were in line with customers' expectations. Environmental protection (1) Renewed the license of wastewater emission and ensured the treatment of hazardous substances meeting environmental protection regulations. (2) Increased filtering equipment for waste gas before emission to prevent air pollution. (3) Added 1 suppliers of packaging materials. (4) Decreased the carbon emission of unit products by 9.35% compared to the previous year.	None

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			Health and safety The Company achieved a 100% of employee safety training and provided personal protective gear for employees. Employee relations (1) All 202 complaints filed by employees were duly handled. (2) 4 employee seminars and 1 employee representative meetings were convened. (3) Working hours in certain months of 2021 shown abnormality. (4% vs baseline 5%) are being monitored and controlled. Please visit the Company's website at www.dynapack.com.tw. (III)The Board shall supervise whether the implementation of sustainable development is in accordance with the "Sustainable Development Best Practice Principles" and review execution results every year.	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		Every year the Company conducts risk assessment at its strategy meeting to review issues related to environment, society, and corporate governance pertaining to our business operations in accordance with materiality principles, and relevant risk management policies will be established in accordance with regulations.	To be handled based on situation in the future
III. Environmental issues (I) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(I) The Company and the subsidiary in China passed ISO14001 certification for an effective environmental management system and certification of ISO45001 for occupational health and safety management systems and continued to obtain certification to build a proper environmental management system. The ISO14001 certification of the Company and the subsidiary in China are effective from February 22, 2023 to February 20, 2025 and July 17, 2020 to July 10, 2023 respectively. The ISO45001 certification of the Company and the subsidiary in China are effective from February 22, 2023 to February 20, 2025 and July 17, 2020 to July 13, 2023 respectively.	None
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(II) The primary energy consumption is electricity used to support business operations. In 2022 ,the Company invested a total of 48,478 thousand dollars in equipments related to energy conservation, green energy, and environmental sustainability. The investment mainly consisted of energy-saving equipments such as photovaoltaic power generation system, battery backup unit and unterruptible power supply. The Company emphasizes energy conservation and improves the energy efficiency of its facilities by ways of energy	None

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			saving equipments such as lighting, air compressor, air conditioning , power system and phase out of energy consuming equipments to reduce environment impact. Please refer to item (IV) greenhouse gas emission verification statement for quantitative data on the benefits of energy conservation or carbon reduction for 2022. In 2022, the Company has used recycled materials PCR (Post-Consumer Recycled Plastic) with low impact on the environment。	
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter change issues?	V		(III) In recent years, due to global climate change, water resources management, water conservation and response to water shortage have become critical issues for businesses when it comes to risk mitigation for climate change. The manufacturing of the Company does not use industrial water and water use was for daily water use. As such, the Company's countermeasures involve recycling and re-using water resources, e.g. recycling rainwater for watering plants and condensing water from air compressor, installing eco-friendly toilets and faucets. Apart from facility and equipment improvement, the Company also raises its employees' awareness to conserve water use. In 2022, water conservation amounted to 24,638 tons. Please visit the Company's website at www.dynapack.com.tw	None
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	V		(IV) In 2021 and 2022, our China subsidiary has conducted greenhouse gas emission inventory. 1. Greenhouse gas emissions： (1) In 2022 and 2021, our China subsidiary has conducted greenhouse gas emission inventory for ISO14064 direct emissions (category 1), indirect emissions from imported energy (category 2), and other indirect emissions (category 3) which was verified by third-party SGS. (2) The Company has established a new emission reduction target in response to government energy conservation and carbon reduction policies as well as customer requirements. The Company has set 2020 as the base year and aims to achieve 50% reduction in carbon emission by 2030, and carbon neutrality by 2050. In 2022 and 2021, the unit product emissions were reduced by 21.0% and 9.4% respectively.	None

<table>
<tr><th rowspan="2">Promoting item</th><th colspan="3">Implementation state</th><th rowspan="2">Variances from the “Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
Unit:Tone CO2e
<table>
<tr><th rowspan="2">Years</th><th rowspan="2">Scope1
（T）</th><th rowspan="2">Scope2
（T）</th><th rowspan="2">Unit Product Emissions
（KG/PCS）</th><th>Scope3</th></tr>
<tr><th>Vs Base Year</th></tr>
<tr><td>2020</td><td>1,219</td><td>21,585</td><td>0.32</td><td>-</td></tr>
<tr><td>2021</td><td>1,366</td><td>22,928</td><td>0.29</td><td>310,625</td></tr>
<tr><td>2022</td><td>1,917</td><td>13,722</td><td>0.25</td><td>64,973</td></tr>
</table>
2. Water consumption：
The manufacturing of the Company does not use industrial water. Water use was for daily water use. The wastewater produced was channeled to the treatment plant in the facility, which met the regulatory requirements. Further, the Company also promotes water-saving and recycles condensate water from air compressors for re-use. In 2022, water conservation amounted to 24,638 tons.
3. Total weight of waste：
The Company treats the resource recovery of waste and the treatment of hazardous substances seriously. The waste is sorted into trash, hazardous substances, and recyclables and reusables before forwarded to recycling vendors. The practice of the Company complies with regulatory requirements to ensure that waste were properly processed, recycled, and recovered instead of going to landfill.In 2022, the Company has achieved zero waste to landfill requirements and received validation from UL.
In 2022 the amount of waste reduced by 20.1% as compared to 2021. Our target in 2023 is to reduce the amount of waste by 5% versus prior year and increase the use of recycled materials.
Uni:KG
<table>
<tr><th>Item</th><th>2022 weight</th><th>2021 weight</th></tr>
<tr><td>Total Waste</td><td>1,444.27</td><td>1,807.31</td></tr>
<tr><td>General Waste</td><td>1,314.14</td><td>1,704.26</td></tr>
<tr><td>Hazardous Waste</td><td>31.07</td><td>18.46</td></tr>
<tr><td>Recycled and Reused Waste</td><td>99.06</td><td>84.59</td></tr>
</table>
Please visit the Company’s website at www.dynapack.com.tw
</td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>V</td><td></td><td>(I) The Company conforms to the country's labor law, Responsible Business Alliance (RBA) standards, other industrial standards, and international treaties to establish appropriate management policies and procedures. The Company also established the designated unit responsible for occupational safety and health to conduct continuous trainings on health, safety, and fire drills.</td><td>None</td></tr>
</table>

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			Please visit the Company's website at www.dynapack.com.tw	
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		(II) The recruitment processes conform to the principle of gender equality and comply with local regulations and standards. The company adopts fair and equitable operations to select suitable talents and employ diverse categories of employees. In our Taiwan plant, we hire indigenous people and people with disabilities. The ratio of employees with disabilities to total employees meet the threshold for grant by competent authorities. In our China plant, we also hire ethnic minorities such as Tujia, Zhuang, Miao, Yi people and deaf-mute pople . We respect basic labor right and ensure all employees are treated equally regardless of gender, race, or religion. We also hire locally to achieve diversity and promote community development. In 2022, the raio of local hire to all among management level positions increased to 75%. In 2022, the ratio of female to all employees are 40%. We aim to achieve gender equality in the workplace and ensure the appointment, dismissal, and compensation are handled in accordance with relevant regulations. We have "Employee Evaluation Guidelines" and "Employee Handbook" in place to stipulate effective reward and discipline for employees to follow. According to the Company's Articles, it the Company records a profit for the year, the Company shall appropriate employee compensation at rates no less than 2%. Please refer to page 71-72 or visit the Company's website at www.dynapack.com.tw	None
(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(III) The Company has established the Office of Environment, Safety and Health according to regulations and designated personnel as well as on-site occupational doctors and nurses to to take charge of labor safety and health services to ensure workplace safety and hygiene. The Company has also passed ISO45001 certification for occupational health and safety management systems. Apart from providing protective gear for the employees, the Company regularly conducts safety training and provides medical check-ups for employees every one to two years. There were 7 cases of occupational accidents representing a rate of 0.4% to total employees and there were no severe occupational accidents during 2022. In addition to existing management systems, the Company continues to strengthen (1) safety protection measures during non-routine maintenance, and (2)	None

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			wearing of personal protective equipment. To provide a safe and healthy work environment during the COVID pandemic, the Company has implemented measures such as cleaning and disinfecting workplace, working from home, reducing the maximum number of passengers in elevator, and avoid unnecessary travel in different floors. Please refer to Page 73-74. Please visit the Company's website at www.dynapack.com.tw	
(IV) Does the company provide its employees with career development and training sessions?	V		(IV) The Company conducts the "Education and Training Requirement Planning" and "Competency Checks" every year to provide employees with diversified trainings and promote career development by integrating internal and external resources and aligning with corporate strategy with the goal of enhancing organizational development, continuous improvement and value creation. Please refer to Page 72.	None
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(V) According to the Restriction of Hazardous Substances ("RoHS) formulated by the EU, the Company has established the "Regulations Governing Environmental Control and Substance Management" to impose control of hazardous substances, to provide customers with products and services that are safe and free of hazardous substances. From time to time, the Company sends its products to third parties for certification to ensure compliance with the requirements of domestic regulations and international standards. The Company has "Procedures for Handling Customer Complaint" in place to follow when customer complaint is received, verified, and analyzed by sales or quality department, the Company should formulate short and long term countermeasures which is then submitted for customer's approval to close the complaint. Customers may complain or report by ways of e-mail or through the Stakeholders Section on the Company's website. Please visit the Company's website at www.dynapack.com.tw	None
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(VI) The Company has established the "Regulations Governing the Management of CSR Assessment of Suppliers," which requires the suppliers to fulfill the sustainable development toward their employees, society and environment when providing their products and services. The Company also conducts documentation or on-site audits according to the supplier types so that the design of their products strictly conforms to the environmental protection laws and	None

<table>
<tr><th rowspan="2">Promoting item</th><th colspan="3">Implementation state</th><th rowspan="2">Variances from the “Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>regulations. When signing contracts with the suppliers, the Company requires them to comply with the “Electronic Industry Code of Conduct (EICC).” EICC includes regulations governing environmental protection, safety or health, and ethics. The suppliers are liable for paying damages in case of any violation.
Every year the procurement department conducts supplier evaluation and the criteria include quality, delivery, degree of cooperation, labor, environment protection, occupational health, and corporate integrity. Supplier scoring under 60 points or having significant noncompliance should be considered as unqualified, and the Company should suspend from dealing business with it. They should also atteend training sessions regarding sustainable development or conflict minerals to gain knowledge of corporate sustainable development.</td><td></td></tr>
<tr><td>V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainable development reports? Do the reports above obtain assurance from a third party verification unit?</td><td>V</td><td></td><td>In accordance with the standards issued by Global Reporting Initiatives (GRI), the Company voluntarily prepares the sustainable development report to disclose non-financial information of the Company.
Please visit the Company’s website at www.dynapack.com.tw</td><td>None</td></tr>
<tr><td colspan="5">VI. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:
There is no material discrepancy. The Company has been taking progressive approach to fulfill its responsibility as a corporate citizen. The Company also established “Sustainable Development Best Practice Principles” in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”.</td></tr>
<tr><td colspan="5">VII. Other useful information for explaining the status of Sustainable Development practices:
(I) Environmental protection:
The Company treats environmental protection and awareness seriously. With the implementation of ISO 14001 certification for an effective environmental management system, the Company regularly promotes and performs the relevant environmental protection measures, such as hiring qualified vendors to handle hazardous substances and reporting to the local environmental protection authority.
(II) Opportunities and risks of community:
The Company values its responsibility to the community. To construct a safe and healthy environment, the Company undertakes noise, greening, and waste gas emission management. To support education in related fields and provide practical work experience for students, the Company collaborates with the following school to cultivate talents by providing students with opportunities for professional training outside of school.
<table><tr><th>Type</th><th>School</th><th>Number of People</th><th>Period of Internship</th></tr><tr><td>Industry-Academia Cooperation</td><td>National Taiwan University of Science and Technology</td><td>3</td><td>2022.02.01-2022.06.30</td></tr></table>
(III) Social contributions:
The Company participated in the donated care packets to help disadvantaged families living in rural areas, sponsored the Friends of Police Association to help maintain law and order, made donation to Chung Yuan Christian University and Wujiang China donation activities, etc. The total expenditure for charitable causes in 2022 was approximately NT$1.29 million.
(IV) Social services and social welfare:
In response to the government campaign for the “Tobacco Hazards Prevention Act”. The Company encourages employees to participate in various public welfare activities, e.g. participating in some blood donation activities, donating to Children Are</td></tr>
</table>

Promoting item	Implementation state			Variances from the "Sustainable Developmen Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
Us Foundation, Taiwan Fund for Children and Families and Sunshine Social Welfare Foundation. (V) Consumer rights: The Company has established the "Procedures for Handling Customer Complaint" to protect consumer rights. (VI) Human rights: The Company takes human rights seriously and uses RBA standards and Electronic Industry Citizenship Coalition (EICC) as its regulations to ensure the safety of the workplace and respect toward employees. Regardless of race, gender and age, all employees can enjoy equal work opportunities. (VII) Safety and health: The Company has passed ISO45001 certification and established a specific unit, the Office of Environment, Safety and Health, to take charge of environment inspection, protection of personal safety of labor, identification, assessment and control of sources of hazard, management of chemical use, health check-ups, fire drills, examination of working environment, management of contractors, investigation and statistics of occupational accidents, on-site health services performed by occupational doctors and nurses to ensure workplace safety and hygiene and the promotion and execution of harassment prevention in the course of business. (VIII) Other social responsibility activities: The Company actively takes part in public welfare activities and raises awareness of various welfare activities, which are further promoted to the entire company.				

(VI) The state of the company's performance in the area of ethical corporate management, any variance from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", and the reason for any such variance

Evaluation item	Implementation status			Variances from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs				None
(I) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(I) The Company has Board-approved "Ethical Corporate Management Best-Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" in place and stipulates in external correspondence the Board and management active commitment of such ethical corporate management policy and practice.	
(II) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(II) The Company strictly requires every employee to comply with the ethical corporate management policies which were published on the Company intranet for employees' reference and promotes awareness of compliance through regular training and education. Employees are also required to sign "Integrity Declaration" every year. The guidelines cover preventive measures stipulated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies". The establishment and enforcement of the guidelines are	

Evaluation item	Implementation status			Variances from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary description	
(III) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		supervised by internal auditor against unethical conduct. (III) The Company has the "Ethical Corporate Management Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct" and "Guidelines for Handling Reported Cases of Illegal and Unethical Behaviors" in place as means of mutually supervised preventive measures against unethical conduct. The Company yearly reviews and revises the principles and reported to the Board on December 27, 2022.	
II. Fulfill operations integrity policy (I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) The Company evaluates business partners' ethical records and include ethics-related clauses in business contracts.	None
(II) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(II) The General Administration Division is designated to allocate adequate resource and personnel responsible for establishment and supervision of ethical corporate management policy and preventive measures, and report to the Board once a year. Its responsibilities include: 1. Assisting in incorporating ethics and moral values into the Company's business strategy, as well as complying with the regulations to ensure the implementation of anti-fraud measures in ethical corporate management. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope and adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure and allocation of responsibilities and setting up mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promotion and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the Board and management in auditing and assessing whether the	

Evaluation item	Implementation status			Variances from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary description	
			prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. Achievements of 2022 was submitted to the Board on December 27,2022: 1. Outreach activities to vendors communicating the Company's policy of "no gift-giving, no acceptance of gifts, and no socializing" was completed by January 10, 2022. 2. All employees were asked to re-sign the "Integrity commitment" and "Conflict of Interest Declaration" in the end of 2022. 3. The Company has promoted the employee integrity policy in the employee seminars held in November and December of 2022. 4. Directors and senior management have signed the "No Violation of Integrity Policy Statement" when taking office, and the employment conditions requires employees to comply with the integrity policy management. 5. An audit was performed for meals and entertainment expenses and donations during November 2021 to October 2022 and no irregularities were found. 6. In 2022, the Company received reports and complaints, which have been investigated, summarized, and concluded by the General Administration Division.	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(III) The Company has established the "Code of Ethical Conduct" and "Procedures for Management of Conflict of Interest" to prevent employees from making illegal gains or committing fraud, and has required employees to submit the "Conflict of Interest Report" every year to avoid such.	
(IV) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(IV) The Company has established effective accounting and internal control systems and conducts reviews regularly. The internal audit should, based on the results of assessment of the risk involvement in unethical conduct, devise relevant audit plans to prevent unethical conduct from happening, and prepare quarterly internal audit report to the Board.	
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(V) In 2022, the Company has organized 600 training hours and 300 training participants for ethical corporate management and held	

Evaluation item	Implementation status			Variances from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No	Summary description	
			employee seminar at least once a year to promote awareness of ethical management. Employees are also required to sign an “Integrity Declaration” every year.	
III. Operation of the integrity channel (I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (II) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (III) Does the company provide proper whistleblower protection?	V V V		(I) Employees may fill out “Conflict of Interest Report” or by means of e-mail through Stakeholders Zone on Company’s website to report any activities which may be illegal or in violation of ethical management. (II) The Company has established “Guidelines for Handling Reported Cases of Illegal and Unethical Behaviors” which details the investigation procedure and the follow-up measures after the investigation is completed, and shall take confidential measures to protect the safety of the whistle-blower. (III) Actions should be taken after investigation of cases are confirmed and measures should be adopted for protecting whistle-blowers from inappropriate disciplinary actions.	None
IV. Strengthening information disclosure (I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		(I) Please visit the Company’s website at www.dynapack.com.tw (II) “Market Observation Post System” at mops.twse.com.tw	None
V. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established the “Ethical Corporate Management Best Practice Principles” and there is no material discrepancy.				
VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).: The Company conveys its determination in ethical corporate management to exchanging vendors with a bona fide intent. From time to time, the Company will review the “Ethical Corporate Management Best Practice Principles,” “Business Integrity Procedures and Behaviors” and “Code of Conduct” established.				

(VII) If the company has adopted corporate governance best-practice principles or related by laws, disclose how these are to be searched.

1. Market Observation Post System: mops.twse.com.tw
2. Company’s website: www.dynapack.com.tw

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance.

When newly elected Directors, Managers and insiders take office, the Company will provide the latest “the Share Change Regulations and Cautions for Insiders of TPEx-Listed and Emerging Market Companies” issued by Taipei Exchange for them to comply.

(IX) The state of implementation of the company's internal control system

1. Statement on Internal Control

Dynapack International Technology Corporation
Statement on Internal Control

Date: March 7, 2023

The Company makes the following statement according to results of self-assessment with regards to its internal control system during the year 2022:

(1) The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and Managerial Officers of the Company and the Company has established such system. The objective of the system is to fairly ensure the effectiveness and efficiency of operations (including profitability, performance and security of assets), the reliability, timeliness and transparency of reporting and regulatory compliance.

(2) An internal control system has inherent limitations. No matter how comprehensive the design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned three objectives. Moreover, the effectiveness of an internal control system may vary due to changing environment or situation. Nevertheless, the Company’s internal control system is equipped with self-monitoring mechanisms allowing the Company to take immediate corrective actions in response to any identified deficiency.

(3) The Company evaluates the design and operating effectiveness of its internal control system based on the criteria stated in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter the “Regulations"). The criteria adopted by the Regulations identify five key components based on management control process: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes a number of items please refer to the Regulations.

(4) The Company has evaluated the design and operating effectiveness of its internal control system based on abovementioned criteria.

(5) Based on abovementioned findings, the Company believes that, as of December 31, 2022, its internal control system (including the supervision and management of its subsidiaries) was effective to achieve goals in terms of effectiveness and efficiency of operations, the reliability, timeliness and transparency of reporting and regulatory compliance.

(6) This statement shall serve as the main content of the Company's annual report and prospectus and shall be made available to the public. Any falsehood, concealment or other unlawful practice found in the content shall entail legal liabilities under Article 20, 32, 171, and 174 of the Securities and Exchange Act.

(7) This Statement was approved unanimously by the Board of Directors Meeting held on March 7, 2023, where none of the 9 attending Directors expressed dissenting opinions and the remainder all agreed with the content of this Statement.

Dynapack International Technology Corporation

Chairman: Chung, Tsung-Ming

President: Sheu, Ju-Jing

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI) Material resolutions of a Shareholders meeting and Board of Directors meetings for the most recent year or during the current fiscal year up to the publication date of the annual report:

1. Major resolutions of Shareholders' Meeting

Date of meeting	Material resolutions	Execution
June 6, 2022	(1) Resolved, acknowledgement of 2021 business report and financial statements.	-
	(2) Resolved, acknowledgement of 2021 earnings distribution.	According to Article 28 of Articles of Incorporation, where the Company distributes earnings in the form of cash, such distribution is authorized to be made after a special resolution by the Board and a report of such distribution shall be submitted to the shareholders' meeting. The ex-dividend record date was April 12, 2022. Cash dividends NT $15.02545 per share were paid on May 4, 2022.
	(3) Resolved, the amendment of the Articles of Incorporation was approved.	The Company received the change registration approval from MOEA and announced it on the Company website on June 23, 2022.
	(4) Resolved, the amendment of the "Procedures for Acquisition or Disposal of Assets" was approved.	The amendment was announced on the Market Observation Post System and the Company's website and were applied as required.

2. Material resolutions of the Board of Directors

Date of meeting	Material resolutions
March 8, 2022	(1) Resolution passed for 2021 business report and financial statements. (2) Resolution passed for 2021 earnings distribution. (3) Resolution passed for the appropriation of employee compensation and director compensation for 2021. (4) Resolution passed for amendment of the Articles of Incorporation. (5) Resolution passed for amendment of the "Procedures for Acquisition or Disposal of Asset". (6) Resolution passed for amendment of the "Corporate Social Responsibility Best Practice Principles". (7) Resolution passed for amendment of the "Rules and Procedures of Board of Directors' Meetings". (8) Resolution passed for amendment of the "Audit Committee Charter". (9) Resolution passed for amendment of the "Corporate Governance Best Practice Principles". (10) Resolution passed for the engagement and fees of the attesting certified public accountant for 2022. (11) Resolution passed for 2022 business budget. (12) Resolution passed for the record date for the issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". (13) Resolution passed for the special bonus for all employees. (14) Resolution passed for the adjustment of monthly compensation of VP Wang, Wen-Kuan.

Date of meeting	Material resolutions
April 26 2022	(1) Resolution passed for consolidated financial statements for the three months ended March 31, 2022. (2) Resolution passed for replacement of audit engagement partner starting from the second quarter of 2022 according to rotation requirement by Deloitte and Touche. (3) Resolution passed on the record date for issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options" (4) Resolution passed for amendment of the "Management Procedures for Prevention of Insider Trading" and "Audit of Management Procedures for Prevention of Insider Trading" (5) Resolution passed for signing the construction contract for the second building.
July 26, 2022	(1) Resolution passed for consolidated financial statements for the six months ended June 30, 2022. (2) Resolution passed for the record date for the issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". (3) Resolution passed for the disbursement of employee compensation of managerial officers for 2021. (4) Resolution passed for the Company's greenhouse gas inventory and verification schedule plan.
October 25, 2022	(1) Resolution passed for consolidated financial statements for the nine months ended September 30, 2022. (2) Resolution passed for the record date for the issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". (3) Resolution passed for amendment of the "Rules and Procedures of Board of Directors' Meetings".
December 27,2022	(1) Resolution passed for the year-end bonuses to the managers and Chairman for 2022. (2) Resolution passed for establishment of the "Procedures for Handling Material Inside Information" and "Audit of Procedures for Handling Material Inside Information". (3) Resolution passed for amendment to the "Procedures for Acquisition or Disposal of Assets", "Audit Committee Charter", "Management Procedures for Prevention of Insider Trading" and "Audit of Management Procedures for Prevention of Insider Trading".
March 7, 2023	(1) Resolution passed for 2022 business report and financial statements. (2) Resolution passed for 2022 earnings distribution. (3) Resolution passed for the appropriation of employee compensation and director compensation for 2022. (4) Resolution passed for amendment of the Articles of Incorporation. (5) Resolution passed for amendment of the "Rules of Procedure for Shareholders' Meetings". (6) Resolution passed for election of new directors. (7) Resolution passed for releasing of non-competition restrictions for directors of the Company. (8) Resolution passed for assessment of independence and competency of the attesting certified public accountant for 2023. (9) Resolution passed for the engagement and fees of the attesting certified public accountant for 2023. (10) Resolution passed for 2023 operating budget and capital budget. (11) Resolution passed for the record date for the issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". (12) Resolution passed for amendment of the "Corporate Governance Best Practice Principles for the Company". (13) Resolution passed for the Company's greenhouse gas inventory and verification schedule plan. (14) Resolution passed for amendment of the "Internal Control Systems".
April 27 2023	(1) Resolution passed for consolidated financial statements for the three months ended March 31, 2023. (2) Resolution passed for nomination of director and independent director candidates for 2023 annual general shareholders' meeting. (3) Resolution passed for the record date for the issuance of common shares upon conversion of employee stock options in accordance with the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". (4) Resolution passed for directly invest and establish a 100% owned Vietnam subsidiary to meet customer demand and in response to overall development of the Company.

(XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(XIII) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

V. Information on the professional fees of the attesting certified public accountant

(I) Disclose the amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

Unit: NT$ thousand

Accounting Firm Name of CPA	Name of CPA	Period covered by the CPA's audit	Audit fees	Non-audit fees					Total	Remark
				System design	Company registration	Human resources	Others	Subtotal		
Deloitte & Touche	Chien Ming-Yen Wu Shih-Tsung	January 1, 2022 - December 31, 2022	2,790	-	170	-	1,457	1,627	4,417	[Note]

[Note] Other tasks were mainly certification of business tax return, preparation of transfer pricing reports, group master files, direct deduction method for computing input tax, application of tax ruling, reviewing the salary of full-time employees who are not in a managerial position, and annual report.

When any one of the following applies, shall disclose information as follows:

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

VI. Information on replacement of certified public accountant

The company replace its certified public accountant within the last 2 fiscal years or any subsequent interim period

(I) Regarding the former certified public accountant

<table>
<tr><td>Change Date</td><td colspan="3">2022/4/26</td></tr>
<tr><td>Change reason and description</td><td colspan="3">Change of audit engagement partner according to rotation requirement by Deloitte & Touche.

The consolidated financial statements and the parent company only financial statements, previously audited by Kuo Tzu-Jung and Wu Shih-Tsung, are audited by Chien Ming-Yen and Wu Shih-Tsung starting from second quarter of 2022.</td></tr>
<tr><td rowspan="3">To state that the appointer or accountant has terminated or refused to accept the appointment</td><td>Parties involved\ Conditions</td><td>Accountant</td><td>Appointer</td></tr>
<tr><td>Voluntary termination of appointment</td><td colspan="2" rowspan="2">NA</td></tr>
<tr><td>No longer accept (continue) appointment</td></tr>
<tr><td>Comments and reasons for audit reports other than unqualified opinions issued within the last two years</td><td colspan="3">2022
Consolidated Financial Statements：unqualified opinions
Parent Company Only Financial Statements：unqualified opinions

2021
Consolidated Financial Statements：unqualified opinions
Parent Company Only Financial Statements：unqualified opinions</td></tr>
<tr><td rowspan="6">Is there any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure in Financial Reporting</td></tr>
<tr><td></td><td>Check scope or steps</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Description : None</td></tr>
<tr><td>Other matters disclosed: Add to be disclosed in Item 1(4) to Item 1(7) of Paragraph 6, Article 10 in the Code</td><td colspan="3">None</td></tr>
</table>

(II) Regarding the successor certified public accountant

Accounting Firm Name	Deloitte & Touche
CPA Name	Chien Ming-Yen , Wu Shih-Tsung
Date of appointment	2022/4/26
Pre-appointment accounting treatment methods or accounting principles for specific transactions and opinions on financial reports that may be issued Consultation matters and results	NA
Written opinions from the succession accountants on matters with which the former accountant disagreed	NA

(III)The content of the reply letter from the former CPA pursuant to Subparagraph 1 and Subparagraph 2(3), Paragraph 6, Article 10 of the Regulations: Not applicable.

VII. Where the Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm in the most recent year: None.

VIII. Transfer of equity interests and/or pledge of or change in equity interests by directors, supervisors, managerial officers, or shareholders with a stake of more than 10% during the most fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I) Transfer of equity interests and/or pledge of or change in equity interests by directors, supervisors, managerial officers, or shareholders with a stake of more than 10%

Unit: share

Title	Name	2022		as of April 11, 2023	
		Holding Increase (decrease)	Pledged Holding Increase (decrease)	Holding Increase (decrease)	Pledged Holding Increase (decrease)
Chairman	Chung, Tsung-Ming	-	-	-	-
Director	Yang, Chao-Ming	-	-	-	-
Director and President	Sheu, Ju-Jing	-	-	(18,000)	-
Director	Hua-Lung Financial Consulting Company Ltd. Representative: Chung, Hsiang-Heng	-	-	-	-
Director	Lu Liao Keng Co., Ltd. Representative: Chung, Hsiang- Yuan	-	-	-	-
Independent Director	Wang, Tsun-I	-	-	-	-
Independent Director	Tsai, Hwei-Ming	-	-	-	-
Independent Director	Shieh, Han-Ping D	-	-	-	-
Independent Director	Tsai, Lien-Chin	-	-	-	-
Executive Vice President	Chang, Chung-Hsing	37,500	-	-	-
Senior Vice President	Chen, Shen-Mao	-	-	-	-
Senior Vice President	Chang, Ying-Yin	-	-	(25,000)	-
Senior Vice President of Finance and Head of Accounting	Lin, Yu Huei	20,000	-	37,500	-
Vice President	Luo, Yu-Sung	24,000	-	-	-
Vice President	Wang, Wen-Kuang	-	-	-	-
Assistant Vice President	Chen, Kuan-Hsu	22,500	-	-	-
Assistant Vice President	Chiu, Kuan-Ling	-	-	-	-
Assistant Vice President	Wu, Ming-Yuan	22,500	-	-	-
Assistant Vice President	Cheng, Cheng-Heng	20,000	-	(20,000)	-
Assistant Vice President	Fon,Rong-Hua	-	-	15,000	-
Assistant Vice President	Liu,Yung-Fu	-	-	-	-

[Note] Shareholding of newly-elected started from the date of election; Shareholding of designee ended on the date of resignation

(II) Transfer of equity interests and/or pledge of or change in equity interests by directors, supervisors, managerial officers, or shareholders with a stake of more than 10% where the counterparty is a related party: None.

IX. Relationship information, among Company's top 10 shareholders any one is a related party or other relatives within the second degree of kinship of another.

April 11, 2023

Name [Note 1]	Current Shareholding		Spouse's/Minor's Shareholding		Shareholding by Nominee Agreement		Name and Relationship Between the Company's Top 10 Shareholders, or Spouses or Relatives within the second degree of kinship		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chung, Tsung-Ming	11,265,032 [Note 3]	7.49%	-	-	-	-	Chung, Hsiang-Heng Chung, Hsiang-Yuan	Father and Son Father and Daughter	
Hua-Lung Financial Consulting Company Ltd.	7,620,431	5.06%	-	-	-	-	-	-	
Representative: Chung, Hsiang-Heng	173,000	0.11%	-	-	-	-	Chung, Tsung-Ming Chung, Hsiang-Yuan	Father and Son Brother and Sister	
Lu Liao Keng Co., Ltd.	2,500,000	1.66%	-	-	-	-	-	-	
Representative: Chung, Hsiang- Yuan	-	-	60,000	0.04%	-	-	Chung, Tsung-Ming Chung, Hsiang-Heng	Father and daughter Brother and Sister	
Vanguard emerging markets stock index fund, a series of vanguard international equity index funds	1,908,000	1.27%	-	-	-	-	-	-	
Taiwan ○ Dunnan Co. Ltd.	1,900,000	1.26%	-	-	-	-	-	-	
Representative: Chang, ○ Hsin	30,000	0.02%	-	-	-	-	-	-	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,876,479	1.25%	-	-	-	-	-	-	
Yung ○ Wealth Management Consultation Co., Ltd	1,700,000	1.13%	-	-	-	-	-	-	
Representative: Chen, ○ Chi	-	-	-	-	-	-	-	-	
Yung ○ International Investment Co., Ltd.	1,420,000	0.94%	-	-	-	-	-	-	
Representative: Chen, ○ Chi	-	-	-	-	-	-	-	-	
Citibank (Taiwan) Ltd. in custody for Norges Bank	1,304,074	0.87%	-	-	-	-	-	-	
Huang, ○ Hsin	1,200,000	0.80%	-	-	-	-	-	-	

[Note 1] All top ten shareholders should be listed. For institutional shareholders, names of the institutional shareholders and their representatives should be listed separately.

[Note 2] Shareholding percentage is computed separately based on number of shares held by him/her, his/her spouse and minor, and nominee.

[Note 3] Includes shares under trust with discretion reserved.

X. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, supervisors, managerial officers, and any entities directly or indirectly controlled by the Company

December 31, 2022

Enterprises [Note]	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/Managerial Officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Dynapack Technologies (Cayman) Corporation	74,186,230	100%	-	-	74,186,230	100%
Dynapack Investment Corporation	48,000,000	100%	-	-	48,000,000	100%
Chih Ho Shun Development Co., Ltd.	1,500,000	30%	-	-	1,500,000	30%

[Note] Accounted for as equity method investment.

Four. Capital Raising

I. Capital and Shares

(I) Source of capital stock

1. Types of shares issued by the company during the preceding fiscal year and in the current fiscal year up to the date of the publication of the report

April 11, 2023
Unit: thousand shares/NT$ thousand

Year/ Month	Issue price (NT$)	Authorized Capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increased by assets other than cash	Others
July 1998	10	2,000	20,000	500	5,000	Incorporation of NT$5,000 thousand	-	-
August 2001	10	5,000	50,000	5,000	50,000	Cash capital increase of NT$45,000 thousand	-	August 17, 2001, City Municipal Construction Approval Document No. 90092464
August 2002	12	45,000	450,000	15,000	150,000	Cash capital increase of NT$100,000 thousand	-	MOEA August 8, 2002 (91), CISP No. 09101326670
October 2002	20	45,000	450,000	25,000	250,000	Cash capital increase of NT$100,000 thousand	-	FSC October 22, 2002 (91), TCZ(I) No. 0910157233
July 2003	10	45,000	450,000	32,800	328,000	Capital increased from retained earnings and capital surplus of NT$78,000 thousand	-	FSC July 8, 2003 (92), TCZ(I) No. 0920130359
December 2003	30	45,000	450,000	37,780	377,800	Cash capital increase of NT$49,800 thousand	-	FSC December 19, 2003 (92), TCZ(I) No. 0920159657
July 2004	10	75,000	750,000	50,000	500,000	Capital increased from retained earnings and capital surplus of NT$122,200 thousand	-	FSC July 6, 2004 (93), SFB(I) No. 0930129282
May 2005	10	75,000	750,000	58,500	585,000	Capital increase from retained earnings of NT$85,000 thousand	-	FSC May 23, 2005 (94), JGZYZ No. 0940120563
April 2006	10.1	75,000	750,000	59,745	597,450	Employee stock option subscription NT$12,450 thousand	-	MOEA April 21, 2006 (95), CISP No. 09501072310
May 2006	10	120,000	1,200,000	73,195	731,950	Capital increase from retained earnings of NT$134,500 thousand	-	FSC May 22, 2006 (95), JGZYZ No. 0950120644
July 2006	65.50	120,000	1,200,000	73,224	732,240	Conversion of the unsecured convertible corporate bond of NT$290 thousand	-	MOEA July 13, 2006 (95), CISP No. 09501145480
August 2006	10	120,000	1,200,000	85,724	857,240	Cash capital increase of NT$125,000 thousand	-	FSC August 16, 2006 (95), JGZYZ No. 0950135215
November 2006	51	120,000	1,200,000	86,443	864,436	Conversion of unsecured convertible corporate bond of NT$7,196 thousand	-	MOEA November 10, 2006 (95), CISP No. 09501252850
January 2007	50.3	120,000	1,200,000	87,099	870,997	Conversion of unsecured convertible corporate bond of NT$6,561 thousand	-	MOEA January 12, 2007 (96), CISP No. 09601007620
June 2007	8 50.3	120,000	1,200,000	89,577	895,776	Employee stock option subscription NT$3,785 thousand Conversion of unsecured convertible corporate bond of NT$20,994 thousand	-	MOEA June 27, 2007 (96), CISP No. 09601140070

Year/ Month	Issue price (NT$)	Authorized Capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increased by assets other than cash	Others
June 2007	10	120,000	1,200,000	95,831	958,318	Capital increase from retained earnings of NT$62,542 thousand	-	FSC June 28, 2007 (96), JGZYZ No. 0960032645
August 2007	8 50.3	120,000	1,200,000	98,633	986,339	Employee stock option subscription NT$725 thousand Conversion of unsecured convertible corporate bond of NT$27,296 thousand	-	MOEA August 23, 2007 (96), CISP No. 09601204930
October 2007	42.5 45.3	120,000	1,200,000	100,011	1,000,115	Employee stock option subscription NT$1,150 thousand Conversion of unsecured convertible corporate bond of NT$12,626 thousand	-	MOEA October 31, 2007 (96), CISP No. 09601267720
March 2008	7.4 42.5 50.3	120,000	1,200,000	101,240	1,012,396	Employee stock option subscription NT$7,005 thousand Conversion of unsecured convertible corporate bond of NT$5,276 thousand	-	MOEA March 27, 2008 (97), CISP No. 09701072200
May 2008	7.4 42.5 50.3	120,000	1,200,000	101,998	1,019,975	Employee stock option subscription NT$7,005 thousand Conversion of the unsecured convertible corporate bond of NT$574 thousand	-	MOEA May 12, 2008 (97), CISP No. 09701109390
June 2008	10	120,000	1,200,000	114,887	1,148,864	Capital increase from retained earnings of NT$128,889 thousand	-	FSC June 25, 2008 (97), JGZYZ No. 0970031708
August 2008	7.4 42.5 50.3	160,000	1,600,000	115,119	1,151,186	Employee stock option subscription NT$1,925 thousand Conversion of the unsecured convertible corporate bond of NT$397 thousand	-	MOEA August 13, 2008 (97), CISP No. 09701201630
February 2009	36.2	160,000	1,600,000	115,252	1,152,511	Employee stock option subscription NT$1,325 thousand	-	MOEA February 6, 2009 (98), CISP No. 09801021290
March 2009	36.2	160,000	1,600,000	115,355	1,153,541	Employee stock option subscription NT$1,030 thousand	-	MOEA March 13, 2009 (98), CISP No. 09801046960
May 2009	36.2	160,000	1,600,000	115,397	1,153,966	Employee stock option subscription NT$425 thousand	-	MOEA May 6, 2009 (98), CISP No. 09801089380
August 2009	10 36.2	160,000	1,600,000	128,281	1,282,815	Capital increase from retained earnings of NT$128,624 thousand Employee stock option subscription NT$225 thousand	-	MOEA August 3, 2009 (98), CISP No. 09801172690
January 2010	30.2	160,000	1,600,000	128,529	1,285,290	Employee stock option subscription NT$2,475 thousand	-	MOEA January 12, 2010 (99), CISP No. 09901006030
March 2010	30.2 72	160,000	1,600,000	128,941	1,289,415	Employee stock option subscription NT$4,125 thousand	-	MOEA March 12, 2010 (99), CISP No. 09901047700

Year/ Month	Issue price (NT$)	Authorized Capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increased by assets other than cash	Others
May 2010	30.2 72	160,000	1,600,000	129,209	1,292,090	Employee stock option subscription NT$2,675 thousand	-	MOEA May 14, 2010 (99), CISP No. 09901097860
August 2010	72	160,000	1,600,000	129,249	1,292,490	Employee stock option subscription NT$400 thousand	-	MOEA August 23, 2010 (99), CISP No. 09901192090
November 2010	28.4 67.7	160,000	1,600,000	129,514	1,295,140	Employee stock option subscription NT$2,650 thousand	-	MOEA November 16, 2010 (99), CISP No. 09901256340
April 2011	67.7	160,000	1,600,000	129,709	1,297,090	Employee stock option subscription NT$1,950 thousand	-	MOEA April 8, 2011 (100), CISP No. 10001065600
May 2011	67.7	160,000	1,600,000	129,798	1,297,985	Employee stock option subscription NT$895 thousand	-	MOEA May 5, 2011 (100), CISP No. 10001091150
September 2011	67.7	160,000	1,600,000	129,963	1,299,635	Employee stock option subscription NT$1,650 thousand	-	MOEA September 6, 2011 (100), CISP No. 10001208730
December 2011	64.8	160,000	1,600,000	130,096	1,300,960	Employee stock option subscription NT$1,325 thousand	-	MOEA December 29, 2011 (100), CISP No. 10001290670
April 2012	64.8	160,000	1,600,000	130,329	1,303,285	Employee stock option subscription NT$2,325 thousand	-	MOEA April 2, 2012 (101), CISP No. 10101055500
July 2012	64.8 47.4	160,000	1,600,000	151,711	1,517,110	Employee stock option subscription NT$2,855 thousand Conversion of unsecured convertible corporate bond privately placed of NT$210,970 thousand	-	MOEA July 12, 2012 (101), CISP No. 10101131640
September 2012	64.8	160,000	1,600,000	151,731	1,517,310	Employee stock option subscription NT$200 thousand	-	MOEA September 6, 2012 (101), CISP No. 10101186860
January 2013	64.8 62.0	160,000	1,600,000	151,769	1,517,685	Employee stock option subscription NT$375 thousand	-	MOEA January 7, 2013 (102), CISP No. 10201003180
March 2013	62.0	160,000	1,600,000	151,969	1,519,685	Employee stock option subscription NT$2,000 thousand	-	MOEA March 26, 2013 (102), CISP No. 10201053130
November 2018	10	160,000	1,600,000	147,481	1,474,805	Retirement of treasury stock of NT$44,880 thousand	-	MOEA November 29, 2018 (107), CISP No. 10701145340
March 2022	55.8	250,000	2,500,000	149,219	1,492,185	Employee stock option subscription NT$17,380 thousand	-	MOEA March 28, 2022 (111), CISP No. 11101049980
May 2022	55.8	250,000	2,500,000	149,636	1,496,355	Employee stock option subscription NT$4,170 thousand	-	MOEA May 30, 2022 (111), CISP No. 11101081790
August 2022	48.6	250,000	2,500,000	149,658	1,496,575	Employee stock option subscription NT$220 thousand	-	MOEA August 25, 2022 (111), CISP No. 11101155570
November 2022	48.6	250,000	2,500,000	149,732	1,497,315	Employee stock option subscription NT$740 thousand	-	MOEA November 15, 2022 (111), CISP No. 11101216460
March 2023	48.6	250,000	2,500,000	150,156	1,501,555	Employee stock option subscription NT$4,240 thousand	-	MOEA March 27, 2023 (112), CISP No. 11230050090
April 2023	48.6	250,000	2,500,000	150,532	1,505,315	Employee stock option subscription NT$3,760 thousand	-	In process for alteration registration

April 11, 2023
Unit: thousand shares

Share Type	Authorized Capital			Note
	Outstanding shares [Note]	Unissued shares	Total	
Common Stock	150,532	99,468	250,000	-

[Note] The shares are public listed shares and include 376 thousand shares still in process for alteration registration.

2.If approval has been granted to offer and issue securities by shelf registration, additionally disclose the approved amount and information regarding securities to be issued or already issued: None.

(II) Shareholder Structure

April 11, 2023

Shareholder Structure / Quantity	Governmental agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreign persons	Total
Number of shareholders	0	0	387	55,107	141	55,635
Shares held	0	0	33,695,253	102,195,455	14,640,813	150,531,521
Shareholding (%)	0.00%	0.00%	22.38%	67.89%	9.73%	100.00%

(III) Diffusion of ownership (par value of NT$10 per share)

1. Common Shares

April 11, 2023

Class of Shareholding	Number of Shareholders	Number of Shares held	Shareholding
1 ~ 999 shares	31,665	933,449	0.62%
1,000 ~ 5,000 shares	20,342	37,999,029	25.24%
5,001 ~ 10,000 shares	1,989	15,672,306	10.41%
10,001 ~ 15,000 shares	532	6,842,058	4.55%
15,001 ~ 20,000 shares	385	7,096,554	4.71%
20,001 ~ 30,000 shares	281	7,291,229	4.84%
30,001 ~ 40,000 shares	119	4,257,839	2.83%
40,001 ~ 50,000 shares	72	3,318,443	2.20%
50,001 ~ 100,000 shares	133	9,656,587	6.41%
100,001 ~ 200,000 shares	66	8,668,841	5.76%
200,001 ~ 400,000 shares	22	6,188,264	4.11%
400,001 ~ 600,000 shares	10	4,768,776	3.17%
600,001 ~ 800,000 shares	3	2,088,000	1.39%
800,001 ~ 1,000,000 shares	2	1,870,130	1.25%
More than 1,000,001 shares	14	33,880,016	22.51%
Total	55,635	150,531,521	100.00%

2. Preferred shares: None.

(IV) List or major shareholders: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list .

April 11, 2023

Shares / Major Shareholders	Number of Shares held	Shareholding
Chung, Tsung-Ming	11,265,032 [Note]	7.49%
Hua-Lung Financial Consulting Company Ltd.	7,620,431	5.06%
Lu Liao Keng Co., Ltd.	2,500,000	1.66%
Vanguard emerging markets stock index fund, a series of vanguard international equity index funds	1,908,000	1.27%

Major Shareholders \ Shares	Number of Shares held	Shareholding
Taiwan ○ Dunnan Co. Ltd.	1,900,000	1.26%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,876,479	1.25%
Yung ○Wealth Management Consultation Co., Ltd	1,700,000	1.13%
Yung ○ International Investment Co., Ltd.	1,420,000	0.94%
Citibank (Taiwan) Ltd. in custody for Norges Bank	1,304,074	0.87%
Huang,○ Hsin	1,200,000	0.80%

[Note] Includes shares under trust with discretion reserved.

(V) Share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information. If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Unit: NT$/thousand shares

Item \ Year			2021	2022	Current year as of March 31, 2023
Market price per share	Highest	Before retrospective adjustment	138.5	122.5	84.9
		After retrospective adjustment	-	-	-
	Lowest	Before retrospective adjustment	84.6	65.1	72.6
		After retrospective adjustment	-	-	-
	Average	Before retrospective adjustment	103.05	82.65	79.07
		After retrospective adjustment	-	-	-
Net Worth per share	Before distribution [Note 1]		64.99	57.03	51.88
	After distribution [Note 1]		49.93	50.98[Note 2]	-
Earnings per share	Weighted average shares		147,598	149,623	150,240
	Earnings per share [Note 3]	Before retrospective adjustment	22.42	5.33	0.76
		After retrospective adjustment	-	-	-
Dividend per share	Cash dividends	Before retrospective adjustment	15.02545	6.05[Note 2]	-
		After retrospective adjustment	-	-	-
	Stock dividends	From earnings	-	-	-
		From capital reserves	-	-	-
	Accumulated undistributed dividends [Note 4]		-	-	-
Analysis of investment returns	PE Ratio [Note 5]		4.60	15.51	-
	Price to dividend ratio[Note 6]		6.86	13.68[Note 2]	-
	Dividend Yield [Note 7]		14.6%	7.3%[Note 2]	-

[Note 1] Based on year end and quarter end outstanding shares of 149,219 thousand shares, 150,156 thousand shares, and 150,532 thousand shares respectively.

[Note 2] The earnings distribution of cash dividend for 2022 has been approved by the Board of Directors on March 7, 2023. The Chairman is authorized to handle the change of dividend payout ratio to NT$6.04184 dollar per share in the case of changes on the number of the Company's total outstanding shares where total number of shares entitled to distribution is 150,532 thousand shares.

[Note 3] If retrospective adjustment is needed due to stock dividends, EPS prior to and after adjustments should be disclosed.

[Note 4] If the terms and conditions of equities issuance state that dividends not paid for the year shall be accumulated and paid in a later year with positive earnings, the amount of accumulated undistributed dividends up to the current year and not yet paid should be disclosed separately.

[Note 5] PE Ratio = Average Market Price / Earnings per Share.

[Note 6] Price to dividend ratio = Average Market Price / Cash Dividends per Share.

[Note 7] Dividend Yield = Cash dividend per share / Average Market Price.

(VI) Dividend Policy and Implementation thereof

1. Dividend policy adopted in the Articles of Incorporation

If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.

Where the Company distributes preceding surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company Act, in whole or in part, by issuing new shares or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed.

Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.

The Company shall set aside special reserve. As for the shortfall of the "net increase in fair value of investment properties accumulated for the previous year" and "net debit balance of other equity items for the previous year" before the distribution of the surplus, a special reserve of the same amount shall be provided from the unappropriated earnings for the previous year. If the special reserve is still insufficient, it will be added to the net profit for the year plus the amount of the current unappropriated earnings.

In order to establish a specific and clear dividend policy, the Board of Directors will propose the following amendment to the Company's Articles of Incorporation at June 9, 2023 Annual General Shareholders' Meeting. The resolution has yet to be approved by the Annual General Shareholders' Meeting at June 9, 2023.

The Company may distribute surplus earnings after taking into consideration of financial, business, and operational factors. Each year shareholders' dividend appropriated from retained earnings available for distribution shall not be less than 30% of earnings available for appropriation for the year. Shareholders' dividend may be made by way of cash or stock dividend and shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' dividend.

2. Dividend distributions proposed at the most recent year Shareholders' Meeting

Earnings distribution of cash dividend has been approved by the Board of Directors on March 7, 2023.The ex-dividend record date of cash dividend is April 15,2023 and cash dividend were paid on May 12,2023.

Dynapack International Technology Corporation
Earnings distribution for 2022

Unit: NT

Item	Amount
(1) Net profit for the year 2022	797,416,137
(2) Remeasurement of defined benefit plans for the year 2022	4,540,450
(3) Net profit for the year plus the amount of items other than net profit for the year but included in current unappropriated earning	801,956,587
(4) Appropriation of legal reserve	(80,195,659)
(5) Reversal of special reserve appropriation	251,608,122
(6) Retained earnings in 2022 available for distribution	973,369,050
(7) Unappropriated retained earnings at the beginning of the period	2,027,990,661
(8) Retained earnings available for distribution as of December 31, 2022	3,001,359,711
(9) Distribution item Shareholders' dividend- cash (NT$6.05 per share)	 (909,487,552)
(10) Unappropriated retained earnings at the end of the period	2,091,872,159

[Note 1] Priority to distribute 2022 available earnings

[Note 2] Cash dividend per share was adjusted to NT$6.04184 due to change in the number of shares entitled to earnings distribution as of the ex-dividend record date on April 15, 2023.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

No stock dividend distribution was proposed.

(VIII) Compensation of employee, director and supervisor

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the company's articles of incorporation.

   According to Articles 27 of Articles of Incorporation, if the Company records a profit for the current year, it shall appropriate no less than 2% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation.

   The aforesaid employee compensation may be distributed by way of shares or cash while the director compensation may only be paid in cash.

   The Company's employee treasury stock, employee stock warrants, employees' rights to subscribe for any newly-issued shares, new restricted employee shares, and employee compensation may be released to the parents' or subsidiaries' employees meeting specific requirements.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

   (1) Basis of estimation:

   According to the Articles of Incorporation, for 2022, the Company appropriated employees' compensation and directors' compensation in the amount of NT$71,000,000 and NT$12,000,000 which was 6.60% and 1.12% respectively of net profit before income tax, employees' and directors' compensation.

   (2) Basis for calculating number of shares to be distributed as employee compensation:

   As employee compensation is distributed in stock, the number of shares to be calculated by taking the amount of stock compensation approved by the Board meeting divided by the closing price one day before the Board meeting, also taking into consideration of effect on ex-rights and ex-dividend. In the case that number of share to be paid is less than one share, cash payment should apply.

(3) Accounting treatment for discrepancies between actual distribution and estimation

When there is difference in the amount between Board approved and originally estimated, the difference should be recognized in the year of estimation. When adjustment is needed after publication of annual financial statements, such adjustment should be treated as change in accounting estimates which should be recognized in subsequent year.

3. Information on distribution of compensation approved by the Board of Directors

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year, the discrepancy, its cause, and the status of treatment shall be disclosed:

On March 7, 2023, the Board resolved compensation for employee and directors in the amount of NT$71,000,000 and NT$12,000,000 to be paid in cash. There is no difference from the originally estimated in 2022.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

On March 8, 2022 the amount of distribution of employee and director compensation resolved by the Board of Directors were NT$75,000,000 and NT$17,000,000 respectively for 2021. There is no difference between that and the originally recognized in the 2021 financial statements.

(IX) Status of the Company repurchasing its own shares: None.

II. **Corporate Bonds:** None.

III. **Preferred Shares:** None.

IV. **Global Depository Receipts (GDRs):** None.

V. **Status of employee stock options:**

(I) Status of unexpired employee stock option plan

April 11, 2023

Types	Fourth employee stock option	Fifth employee stock option
Date of effective registration and number of total units	November 12, 2019 5,000 units	September 9, 2021 3,000 units
Date of issuance	November 12, 2019	September 17, 2021
Number of units issued	5,000 units. Each unit may subscribe 1,000 shares of common stock.	1,076 units. Each unit may subscribe 1,000 shares of common stock.
Number of units available for issuance	-	[Note 1]
Ratio of exercisable shares to total issued and outstanding shares (%)	3.4%	0.72%
Duration	5 years	5 years
Exercise method	Issuance of new shares	Issuance of new shares
Conditional conversion period and percentage (%)	The option will vest and become exercisable by the date and percentage listed below. Vesting schedule — Ratio of accumulated highest exercisable option 2 years after granted — 50%	

Types	Fourth employee stock option	Fifth employee stock option
	3 years after granted 75% 4 years after granted 100%	
Option shares exercised	3,051,000 shares	-
Amount of option exercised	NT$30,510,000	-
Option shares exercisable [Note 2]	1,596,000 shares	1,076,000 shares
Exercise price	NT$44.9	NT$76.5
Ratio of exercisable shares to total issued and outstanding shares (%)	1.06%	0.72%
Impact to Shareholders' equity	There will be no significant impact as common shares will only be diluted by 1.06%.	There will be no significant impact as common shares will only be diluted by 0.72%.

[Note 1] 1,924 units were not issued and expired on 2022/9/9.
[Note 2] Excluding invalidated stock options of 353,000 shares.

(II) Names of managerial officers and top ten employees holding employee stock options, along with the cumulative number of such options exercised by said persons as of the date of publication of the annual report.

April 11, 2023

	Title	Name	Number of option shares granted (thousand shares)	Ratio of option shares to total issued shares (%)	Option exercised				Option not exercised			
					Option shares (thousand shares)	Exercise price (NT $)	Amount of option excised (NT$ thousand)	Ratio of option shares to total issued shares (%)	Option shares (thousand shares)	Exercise price (NT $)	Amount of option excised (NT$ thousand)	Ratio of option shares to total issued shares (%)
Managerial Officers	President	Sheu, Ju-Jing										
	Executive Vice President	Chang, Chung-Hsing										
	Senior Vice President	Chen, Shen-Mao										
	Senior Vice President	Chang, Ying-Yin	1,352 [Note 2]	0.90%	800	55.8 48.6	34,317 8,991	0.53%	552	44.9	24,785	0.37%
	Senior Vice President of Finance and Head of Accounting	Lin, Yu Huei										
	Vice President	Yen, Ching-Feng [Note 1]										
	Vice President	Luo, Yu-Sung										
	Vice President	Wang, Wen-Kuang	100 [Note 3]	0.07%	-	-	-	-	100	76.5	7,650	0.07%
	Assistant Vice President	Chen, Kuan-Hsu										
	Assistant Vice President	Chiu, Kuan-Ling										
	Assistant Vice President	Wu, Ming-Yuan										
	Assistant Vice President	Cheng, Cheng-Heng										
	Assistant Vice President	Fon,Rong-Hua										
Employees	Employee	Yeh, ○ Hsueh and others (19 people in total)	1,010 [Note 2]	0.67%	702	55.8 48.6	26,784 10,789	0.47%	308	44.9	13,829	0.21%
			-	-	-	-	-	-	-	-	-	-

[Note 1] Resigned on November 30, 2021.
[Note 2] Granted on November 12, 2019.
[Note 3] Granted on September 17,2021.
[Note 4] Number of total issued shares per the change registration filed with the Ministry of Economic Affairs.

VI. Status of New Restricted Employee Shares: None.

VII. Status of issuance of new shares in connection with merger or acquisition or with acquisition of shares of any company: None.

VIII.Status of implementation of capital allocation plan: None.

Five. Operational Overview

I. Description of the business

(I) Scope of Business

1. Major lines of businesses

   (1) Manufacture of Power Generation, Transmission and Distribution Machinery.

   (2) Manufacture of Batteries and Accumulators.

   (3) Electronics Components Manufacturing.

   (4) International Trade.

   (5) Housing and Building Development and Rental.

   (6) Industrial Factory Development and Rental.

   (7) Specific Area Development.

   (8) New Towns, New Community Development.

   (9) Real Estate Business.

   (10) Real Estate Leasing.

   (11) All business items that are not prohibited or restricted by law, except those subject to special approval.

2. Weight of major products

Unit: NT$ thousand

Product item	Sales for 2021	% of total sales	Sales for 2022	% of total sales
Lithium ion battery pack	20,744,016	99.9%	19,046,904	99.9%
Others	25,498	0.1%	25,123	0.1%
Total	20,769,514	100.0%	19,072,027	100.0%

3. Current products

   (1) Battery pack for notebooks.

   (2) Battery pack for tablets.

   (3) Battery pack for smartphones.

   (4) Other hand-held battery packs.

   (5) Battery pack for uninterruptible power supply for servers and information centers.

   (6) Energy storage battery pack.

   (7) Battery pack for electric bicycles, motorcycles, and tricycles.

   (8) Battery pack for Automatic Guided Vehicle (AGV) and Rail Guided Vehicle (RGV).

4. New products planed for development

   (1) Small and medium-sized high-voltage energy storage cabinets.

(II) Industry overview

1. Current status and development of the industry

   (1) Due to the popular use of portable consumer electronic products such as notebook PCs, tablet PCs and mobile phones, the rechargeable battery has become an indispensable component of electronic products. The Company is a manufacturer of rechargeable battery packs, which are mainly used in portable electronic devices and are closely correlated to the commercial success of downstream industry related applications. The current industry status and development of

related applications are described below.

The COVID-19 pandemic has severely impacted global economies. Countries have successively imposed border controls, intermittent city closures, and outside activity restrictions, which has profoundly changed lifestyles.The demand for work-from-home, e-learning, and stay-at-home economy have driven fundamental and temporary growth on consumption of notebook computers for two consecutive years. However, according to DIGITIMES Research, global notebook shipments in 2022 were 191 million units, representing a 22.7% decline year-over-year, due to weaker demand after COVID boom and negative impacts from Russia-Ukraine war, China lockdown, inflation, and US interest rate hikes. Demand is expected to stagger in 2023 despite global inflation is expected to gradually ease, but remains high, which has greater pressure on consumer segment, especially in the European market, followed by North America. However, China market is expected to rebound due to easing of lockdown measures. The demand for enterprise segment is also expected to decrease but better than consumer segment. The education segment, which entered into recession the earliest, is expected to rebound due to demand for replacement. On the other hand, supply side could see improvements as global supply chain began to stabilize. The launch of new processor platforms could also boost PC brand makers' confidence. However, according to DIGITIMES Research, global notebook shipments in 2023 are expected to reach 183 million units, representing a 4.2% decline compared to 2022, as the industry continues to digest inventory throughout first half 2023.

According to DIGITIMES Research, global tablet shipments in 2022 were 138 million units, representing a 18.3% decline year-over-year due to macro-economic headwinds and slowing consumer and education spending. Brand makers are conservative of 2023 shipments forecast as poor economic outlook and consumers' disposable income continues to be affected by high inflation and high interest rates. Global tablet shipments in 2023 is expected to reach 132 million units, representing a 4.3% decline year-over-year, according to DIGITIMES Research.

(2) Due to the rising awareness of environmental protection, green policies and corporate investment, the development of vehicles in recent years has moved in the direction of low energy consumption and low pollution. Electric bicycle (E-bike) is an important direction of development among personal transporters. E-bike has become a more mature product and the benefits of less carbon footprint and easier to ride have made it even more popular in recent years. E-bike market has been growing in the recent years as more people in the US and Europe, spurred by the pandemic, have opted for bicycles instead of public transportations for daily commuting. However, the growth rate in 2022 was lower than market expectation mainly due to components imbalance and logistic disruption. The high inventory is concentrated in mid-low products, while high-end E-bike models still have strong demand in European and US markets. After the inventory is cleared, it is expected that the overall demand will maintain a positive development in 2023.

(3) In the first half of 2022, the supply of the server market could not fully meet the demand of North Amercia cloud customers, mainly due to global shortages of IC and components, as well as China's strict zero tolerance and lockdown policies toward the pandemic. The global economy trended down sharply due to factors such as Russia-Ukraine war and inflation, which has affected the server industry, brand makers, and Chinese companies the most. Fortunately, the supply of IC has eased and some ODM shipments have been postponed to the third quarter due to the impact of pandemic control measures. Additionally, supported by demand from North America cloud services providers, the overall server shipments were slightly better than the first half of the year. According to DIGITIMES Research, the global server shipments in 2022 were 18.05 million units, representing a 6.2% increase year-over-year. In 2023, the global server shipments are expected to reach 18.82 million units, representing a 4.3% increase compared to 2022, driven by four major data center operators including Amazon, Microsoft, Google and Meta, who will continue to expand their services beyond public cloud and self-built video platforms to include edge cloud and industry cloud services. These application may include smart manufacturing, finance, telecome, e-commerce, and more.

2. The links between the upstream, midstream, and downstream segments of the industry supply chain

The small scale secondary battery industry can be divided into the upstream industry, which is the supply of raw material; midstream industry, which is the manufacturing of battery cells and the assembly of battery packs; and the downstream industry, which are the manufacturers of 3C applications.

Upstream		Midstream				Downstream
Electrode Electrolyte Separator Cylinder	→	Battery cells	→	Battery pack	→	Notebook Tablet Smartphone Electric car Electric power tool Various mobile products

For the upstream raw material, a battery cell is mainly formed by four components, namely electrodes (cathode and anode), electrolyte, separator and cylinder. However, the requirements for functions and materials may differ according to the battery types.

The Company represents the midstream manufacturer in battery pack assembly, which mainly engaged in selecting the appropriate battery cells and assembling them into battery pack with protection circuit and other mechanical parts to meet downstream customers' requirement.

Our country is a major player in the downstream 3C application industry and has the world's largest OEM/ODM production bases of notebooks and tablets. Meanwhile, our country also plays an important role in manufacturing smartphones and other mobile devices.

3. Product development trends and competition

(1) Various product development trends

① Battery pack products are heading toward high capacity and durability

As the portable 3C mobile devices are developing toward a light and thin trend and consumers are taking into consideration the energy-saving, durability of batteries, the market need for high energy density and long-lasting lithium polymer battery modules are growing.

② The percentage of light electric vehicles adopting lithium ion batteries is increasing.

A lead-acid battery is the main battery used in light electric vehicles. However, lithium-ion batteries have higher energy density and better looping properties. As such, the percentage of light electric vehicles adopting lithium-ion batteries is growing every year. When the energy density of batteries is increased, the weight and size of the battery can be lowered substantially, which can facilitate the design of light electric vehicles to be lighter and more diverse. In addition to the commonly used 18650 batteries, the market is gradually shifting towards larger cyclindrical batteries such as 21700, which improves the overall utilization and energy density.

③ Energy storage and battery backup unit ("BBU") are gaining popularity

As global environmental protection awareness strengthens and advanced countries promote green policy, via collaboration effort with international power system vendors, the development of large high power energy storage and BBU will be the new future battery pack trends.

(2) Competition

For battery packs assembly, the main domestic players are Simplo Technology, Celxpert, STL Technology, C-Tech, AES-KY, and Formosa Electronic Industries. In contrast, the international players are Japanese and Korean businesses, namely Panasonic, Samsung SDI, and LG. With the rising of businesses from Mainland China (Sunwoda Electronic, Desay Corporation, Cosmx, BYD Company), the battery pack industry's competition is getting tougher. As a professional battery modules manufacturer, apart from the competitive advantages in the existing costing and good quality, Dynapack has to strengthen its flexibility and speed while carefully selecting products and customers, to build up a unique competitive advantage in the ever-changing competitive market.

(III)Technology and R&D

1. Yearly R&D expenditure during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NT$ thousand

Item/Year	2022	As of March 31, 2023
R&D expense	400,456	66,854
Net operating revenue	19,072,027	3,896,571
Percentage of R&D expenditure over net operating revenue	2.1%	1.7%

2. Technologies or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Year	Main R&D performance
2022, to date	(1) Continued to optimize the semi-automation process to reduce labor costs. (2) Developed flexible electronic design through standardization to mitigate risks of components shortage and design defects. (3) Continued to invest in server battery backup unit and conducted source planning and battery cell validation to ensure product quality and future supply. (4) Continued to strengthen firmware design capabilities, build up UL1998 experiences, and expand patent portfolio in energy storage. A demonstration unit of small-scale energy storage became operational. (5) Continued to expand the laboratory at our Taiwan plant to strengthen validation capabilities of Non-IT batteries and obtained UL1973 WTDP certification. (6) The number of approved patents in Taiwan is 40; the number of approved patents in China is 25; the number of approved patents in the United States is 2; and the number of approved patents in Japan is 5.

(IV)Long and short-term business development plans

1. Short-term development plans

(1) Strengthen customer and supplier relationships, satisfy customer demands, and enhance inventory management.

(2) Improve automated production efficiency. Install solar photovoltaic system to reduce carbon footprint.

(3) Promote Non-IT products to drive revenue growth.

(4) Optimize production capacities at our Taiwan and China plants, improve cost structure, and further strengthen risk management in inventory and product quality.

(5) The joint development project with Fu-Yu Construction Co. in the Technology Park, involving 4,047 pings of residential land, is expected to transfer the title of such land to the buyers when building use permit is obtained from the government in the fourth quarter of 2023 or the first half of 2024.

(6) Continue to develop our vacant land in the Technology Park. The second building is currently under construction.

2. Long-term development plans

(1) Continue to enhance automation, smart manufacturing, and digitization of management process.

(2) Actively develop battery pack applications for e-mobility, medical, and industrial related products.

(3) Evaluate scenarios of manufacturing sites outside of China in response to customers' demand for supply chain diversification to mitigate geopolitical risks.

(4) Improve customer service efficiency in Europe and America.

II. Market and production

(I) Market Analysis

1. Sales by geographic areas for main products and services

Unit: NT$ thousand

Sales areas	2021		2022	
	Sales amount	Ratio(%)	Sales amount	Ratio(%)
USA	7,463,617	35.9	12,392,934	65.0
Singapore	6,160,067	29.7	1,693	0.0
China	2,602,350	12.5	2,057,436	10.8
Taiwan	4,504,566	21.7	4,430,364	23.2
Others	38,914	0.2	189,600	1.0
Net sales revenue	20,769,514	100	19,072,027	100

[Note] The main products of the Company currently are supplied to domestic and international manufacturers of mobile devices.

2. Market Share

Unit: thousand sets

Year	Sales volume of Notebooks and Tablet		
	Sales volume of Dynapack	Global sales volume	Market share of Dynapack
2018	32,117	308,000	10%
2019	30,704	316,000	10%
2020	39,240	361,000	11%
2021	43,822	416,000	11%
2022	34,498	329,000	11%

Source: IDC/DIGITIMES Research

3. Future market demand and supply conditions and growth potential

(1) Notebooks

According to DIGITIMES Research, global notebook shipments plunged sharply in the second quarter of 2022 due to weaker demand after COVID boom and black swan events including Russia-Ukraine war, global inflation, as well as US interest rate hikes, plus lingering supply chain instability, and posted a full year decline of more than 20%. Global notebook shipments in 2023 are expected to reach 183 million units, representing a 4.2% decline compared to 2022 as macroeconomic challenges remain headwinds through the year. Limited growth is expected to return for 2024 as economy recovery and improvement of cost and benefit of notebook PCs due to greater competition among processor platforms.

(2) Tablet PCs

Raising interest rates to curb inflation will likely weaken economic growth, leading to consumers and businesses cutting back spendings. It is expected to negatively impact the shipment of already matured tablet market. According to DIGITIMES Research, global tablet shipments in 2023 are expected to reach 132 million units, representing a 4.3% decline compared to 2022.

(3) Light electric vehicles

The sales of e-bike continue to rise as the world pursuit of environmental protection, health, energy saving, less carbon footprint, and physical activities for elderly. In addition, the pandemic plays the catalyst role as people switched to bicycle for commuting to avoid the risk of contaimination through public transport. People now find e-bike practical in daily life and e-bike is now a popular outdoor activity gear because it provides health benefits. Governments offer incentive programs making e-bike more affordable and accessible. According to research institutions Confederation of the European Bicycle Industry and European Cyclists Federation, it is estimated that the sales of bicycles and E-Bike in Europe will grow to 30 million units in 2023. While the World Economic Forum data shows that the penetration rate of E-Bike in the US is expected to increase significantly between 2022 and 2027.

(4) Servers

DIGITIMES Research estimates global server shipments in 2023 to rise 4.3% year over year to reach 18.82 million units thanks to improved ICs and components supply, strong demand for datacenter infrastructure from US-based first-tier cloud datacenter operators, and the release of new generation server processors to stimulate replacement demand.

4. Competitive niche

(1) Competitive advantage in product quality

To ensure the product functionality and safety, the Company strictly manages the quality control of battery cells and testing of protection circuit. The Company obtained several international quality certifications including ISO9001 Quality Management System, IECQ QC080000 Hazardous Substance Process Management System, and ISO13485 Medical Device Quality Management System and obtained approval from international brands. Via internal and external audits and years of quality improvement effort, the safety and reliability of the Company’s products are enhanced further.

(2) Competitive advantage in manufacturing

①Complete supply chain and high flexibility

The Company has an organized and systematic supply chain management and operating mechanism, as well as maintaining smooth communication and frequent interaction with cell and IC suppliers, and collaborating the planning of raw material needs with customers. As such, the Company can provide customers with a stable and definite supply schedule.

②High production efficiency, speedy delivery and flexible production

The Company rolls out information products in tandem with consumer trends to meet the consumers’ need for new functions. As such, adaptable and diverse products are crucial in marketing and sales. Apart from situating production in Mainland China to cater to the customers’ need for the proximity of supplies, the Company has also developed testing program and facilities (e.g. AI vision inspection system),modular work station, and automated production line to reduce manufacturing costs and ensure consistent quality while timely adjusting production schedule to cater to customers’ shortening the period for launching products. The Company is not only able to meet the mass production needs of the customers, it can also cater to the market of producing a high variety of products in small quantities to meet the flexibility and delivery needs of customers.

③Competitive pricing

To increase the pricing competitiveness of products, apart from increasing production efficiency to reduce product cost, the Company continues to improve product development and process, and has built the infrastructure capable of flexible automation, smart manufacturing, complete system management, KPI visuals, and early warning mechanism, effectively saving various costs and providing products with competitive pricing.

(3) Competitive advantage in R&D

①Short product development and design period and provision of customized design

The Company has cooperated with the international notebook makers for years and built good working relationships. The Company also develops new product areas continuously, including technology for backup, mobility, and energy storage battery packs. Via design standardization, the Company can effectively shorten the product development and design period and ensure design quality. Further, the Company possesses good designing capabilities. The Company’s laboratory has been certified by ISO17025, UL, and TUV, and has verification capabilities and equipment that comply with international regulations. The Company can customize battery packs for the customers' various products while maintaining high production efficiency and proper costing control.

②Rich technological experience and close system integration

The R&D team has accumulated years of experience in various battery cell types, control IC and mechanism design. They have much technological experience, possess good hardware and software design and certification capabilities, and they can accurately grasp product application and customer needs after achieving the UL1973 witness test qualification and obtaining the ability to conduct propagation test on energy storage system (ESS) and battery backup unit (BBU). The products developed are thus widely recognized by customers.

5. Positive and negative factors for future development and countermeasures

Positive factors

(1) Optimal design capabilities

The Company possesses superior design capabilities for hardware and software and thus can customize battery packs for various products of the customers. Customers recognize the product’s quality. Apart from 3C applications, the Company also makes a effort in the technologies of backup, mobility and energy storage battery packs. The Company also possesses years of experience in automated equipment designing, and thus can properly integrate and develop product functions, lower costing and improve production.

(2) Good product quality and high production efficiency

Since incorporation, the Company endeavors in enhancing product quality. Apart from introducing automated production facilities and testing equipment to increase production efficiency and product quality, the Company is also actively constructing new production lines to increase the overall production capacity and better product standardization to cater to new orders from customers.

(3) Environmental protection and green energy policies

As the environmental protection policy is consistently promoted, businesses applications and opportunities are incentivized to develop mobility and energy storage lithium-ion battery modules.

Negative factors and countermeasures

(1) Market of main raw material battery cell remains an oligopolistic market with supply heavily rely on import from Mainland China , Korea and Japan.

For the Company’s main raw materials, namely the lithium-ion and lithium-polymer battery cell, there are only a few domestic suppliers available, and the production volume is low. As such, the main raw materials of the Company are imported and will subject to the fluctuation of foreign exchange rates, delivery, pricing and supply shortage. If the Company cannot secure the adequate supply of raw materials, it will bring a certain degree of risk to the business operation.

Countermeasures

①Maintain good relationships and interaction with suppliers to ensure the stability of raw material sources.

②Actively cultivate new battery cell suppliers, expand sources of battery cells, and lower battery cell supply risk.

③Collect information on foreign exchange for the Company to mitigate forex risk.

(2) Increase in production costs

Increasing labor cost and operation cost due to environmental protection law, minimum wages rise and labor shortage.

Countermeasures

① Optimize production process, enhance smart manufacturing capabilities, expand automate production and implement factory digitization to increase the machinery efficiency and thus the production quality and volume and save unit labor cost and manufacturing costs.

② Stay price competitive by developing a supply chain of high quality and cost competitive raw materials to expand business.

③ Pay attention to employee welfare, reduce employee turnover rate and strengthen professional education and training to increase employee productivity.

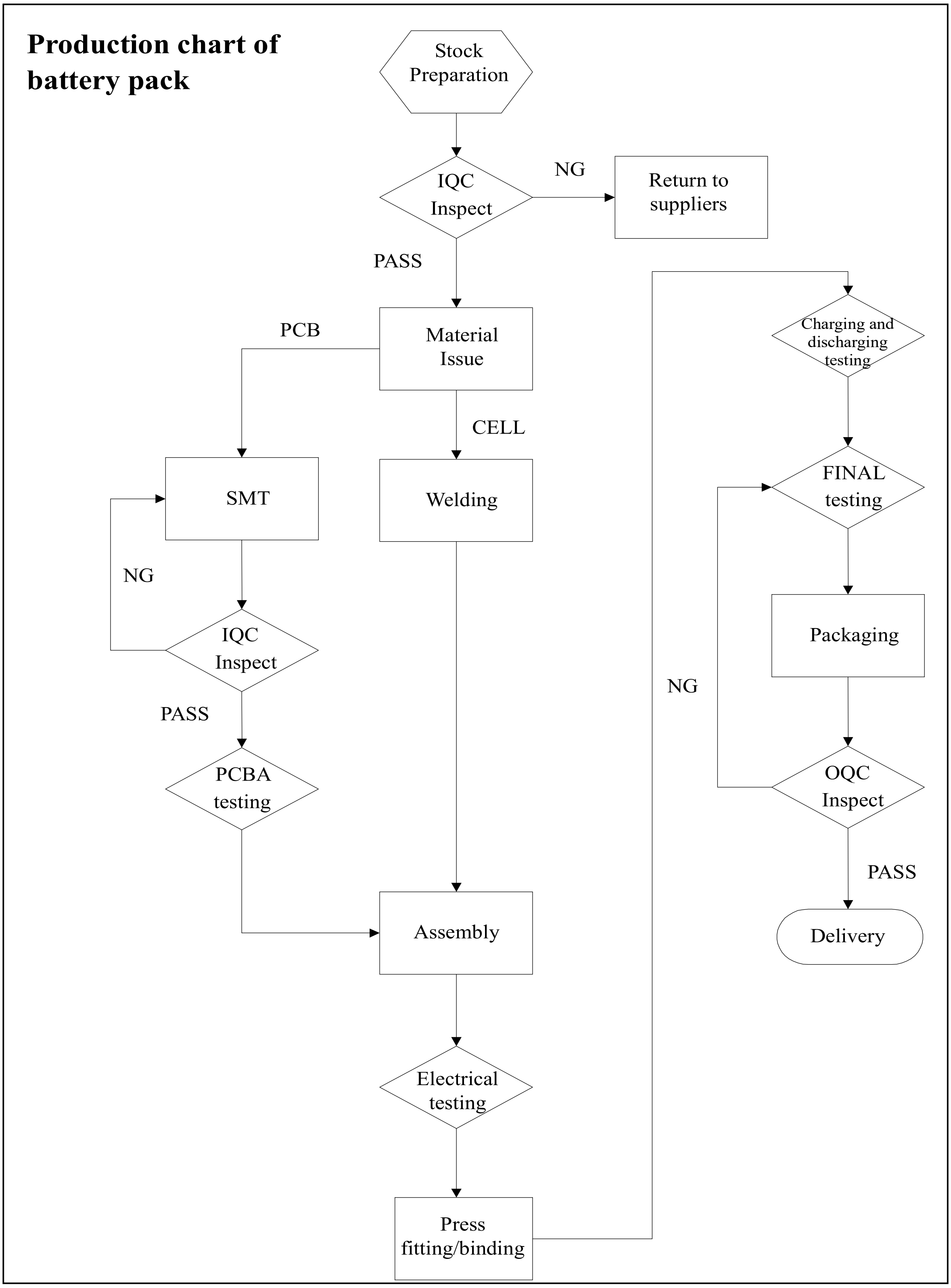
④ Continue to pay attention to environmental protection issues and comply with environmental standards.

(II) Usage and manufacturing processes for main products

1. Usage of main products

The main product of the Company is lithium-ion battery packs served as a power source for notebook and other products.

2. Manufacturing processes



(III)Supply situation of major raw materials

Major raw material	Supplier	Supply situation
Battery cells	Company A, Company B, Company C	Good, stable

The Company is a manufacturer of small-sized secondary battery pack and its main raw material is battery cell. The Company has maintained a good relationship with suppliers, hence the sources and pricing of supplies are very stable.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

1. List of major suppliers

Major suppliers for the 2 most recent fiscal years

Unit: NT$ thousand

	2021				2022				As of first quarter of 2023			
Item	Name	Amount	(%)	Relation with issuer	Name	Amount	(%)	Relation with issuer	Name	Amount	(%)	Relation with issuer
1	Company A	2,981,892	16.7%	None	Company A	3,800,257	24.6%	None	Company A	744,888	25.3%	None
2	Company B	3,632,198	20.4%	None	Company B	3,108,895	20.1%	None	Company B	689,606	23.4%	None
3	Company C	4,025,580	22.6%	None	Company C	2,482,782	16.1%	None	Company C	324,469	11.0%	None
	Others	7,189,160	40.3%	None	Others	6,063,877	39.2%	None	Others	1,189,015	40.3%	None
	Total	17,828,830	100%		Total	15,455,811	100%		Total	2,947,978	100%	

Suppliers that constituted more than 10% of total purchases for the most recent two years were battery cell suppliers. The changes in percentage for 2022 were mainly due to adjustments to meet customers' requirements and the battery cell supply circumstances.

2. List of major clients

Major clients for the 2 most recent fiscal years

Unit: NT$ thousand

	2021				2022				As of first quarter of 2023			
Item	Name	Amount	(%)	Relation with issuer	Name	Amount	(%)	Relation with issuer	Name	Amount	(%)	Relation with issuer
1	Customer A	9,598,713	46.2%	None	Customer A	7,169,902	37.6%	None	Customer A	1,445,128	37.1%	None
2	Customer B	3,900,710	18.8%	None	Customer B	5,121,347	26.9%	None	Customer B	1,094,207	28.1%	None
3	Customer C	2,508,812	12.1%	None	Customer C	2,621,710	13.7%	None	Customer C	621,499	15.9%	None
	Others	4,761,279	22.9%	None	Others	4,159,068	21.8%	None	Others	735,737	18.9%	None
	Total	20,769,514	100%		Total	19,072,027	100%		Total	3,896,571	100%	

The changes in percentage for customers that constituted more than 10% of the total sales for the most recent two years of the consolidated Company were mainly due to change of customers' needs.

(V) Values of the production volume for the 2 most recent fiscal years

Unit: thousand sets/NT$ thousand

Year / Production / Main products	2021			2022		
	Capacity	Volume	Value	Capacity	Volume	Value
Lithium-ion battery pack	67,935	54,089	19,503,826	51,832	41,728	17,407,083

(VI) Values of sales volume for the 2 most recent fiscal years

Unit: thousand sets/NT$ thousand

Year / Sales volume and value / Main products	2021				2022			
	Local		Export		Local		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Lithium-ion battery pack	10,327	5,424,295	43,540	15,319,721	8,555	4,863,193	34,556	14,183,711
Others	2	21,773	-	3,725	1	17,374	-	7,749
Total	10,329	5,446,068	43,540	15,323,446	8,556	4,880,567	34,556	14,191,460

III. Employees employed Information

Year		2021	2022	As of April 11, 2023
Number of employees	Direct labor	3,099	1,815	1,432
	Indirect labor	821	769	753
	Total	3,920	2,584	2,185
Average age		30.5	30.7	31.8
Average years of service [Indirect labor]		6.2	6.7	7.4
Average years of service [Total labor]		2.2	3.0	2.0
Distribution of education (%)	Ph.D.	0.1%	0.1%	0.1%
	Master’s Degree	2.3%	3.5%	4.0%
	Bachelor’s Degree	16.3%	21.0%	23.8%
	High School	73.9%	74.3%	70.9%
	Below High School	7.4%	1.1%	1.2%

[Note] Disclose in the consolidated basis.

IV. Disbursements for environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions) and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

In 2022 and up to the annual report publication date, the Company did not incur any material losses due to pollution incidents or violation of EU Restriction of Hazardous Substances (RoHS).

V. Labor relations

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefits

(1) Offer group lunch, subsidy for meals and long-distance commute, and parking spaces.

(2) Bonuses for birthday, bonuses and gift for major Chinese holidays and subsidy for group

dinning, wedding, and funeral expenses.

(3) Regularly organize recreational activities and corporate retreat at least once a year.

(4) Organize social events and keynote speeches from time to time.

(5) Set up breastfeeding rooms and gymnasiums at office buildings.

(6) Implement employee stock options, year-end bonuses, and incentive system.

(7) Set appropriate funding for Employee Benefits Committee.

(8) Provide labor and health insurance and arrange health check-ups every two years. Provide business travel insurance and group insurance. Group insurance plan is paid by the Company and covers employees and family members including term life insurance, catastrophic illness, injuries, and hospital expense.

2. Career development and training for employees

(1) In order to respond to the rapid changes in the industry and ensure the development of employees' talents, the company has established “Procedures for Employee Training” and formulate an annual employee training plan and provide employees opportunities and funds to participate in internal and external training in accordance with this procedures, so that each employee can contribute what they have learned and through work and training to improve work quality , functions and create the company's overall profits at the same time.

Course	Session	Total number of participants	Total number of training hours	Total expense
Training for new recruits	260	9,886	77,622	NT$1,205 thousand
Professional training	664	7,190	15,444	
Management capability	25	568	2,358	
Self-inspiration	12	109	232	
Digital learning	14	29	559	
Total	975	17,782	96,215	

(2) Status of corporate governance training and education of the Company’s managers (General manager, assistant general managers, and heads of Accounting and Finance Divisions) and internal auditor.

Job title	Name	Date of training	Course title	Hours of training
President	Sheu, Ju-Jing	2022/07/19	Trends in carbon management towards net-zero emission and measures to respond to them	3
		2022/08/16	The all-around view of ESG – from knowledge to implementation	3
Senior Vice President of Finance and Head of Accounting	Lin, Yu Huei	2022/08/19	Tax regulation and practices of Controlled Foreign Corporation	3
		2022/08/23	The practice of tax governance and issues related to finance and tax for Taiwan Companies overseas Investment	3
		2022/11/21 ~ 2022/11/22	Continuing Education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Head of Internal Audit Division	Chang, Hui-Mei	2022/02/22	How to analyze corporate key financial data to strengthen crisis early warning capabilities	6
		2022/06/30	Practical study on audit of corporate costs and value creation	6

(3)Certifications obtained from the relevant competent authorities by personnel of the Company involving transparency of financial information.

① ROC CPA: Senior Vice President, Lin, Yu Huei

② "Certification of Professional Qualification for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges" organized by Accounting Research and Development Foundation of ROC: Senior Vice President Lin, Yu Huei

③ "Professional Training of Internal Audit" organized by The Institute of Internal Auditors-Chinese Taiwan/Computer Audit Association/Accounting Research and Development Foundation of ROC: Manager Chang, Hui-Mei

3. Retirement system

The Company maintains pension plans to safeguard employees' life after retirement. For employees eligible for the pension system stipulated in the "Labor Standard Act", pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. For employees eligible for the pension system stipulated in the "Labor Pension Act", the Company makes monthly contribution to employees' individual pension accounts at 6% of monthly salaries.

4. Agreement between employee and the Company and measures for preserving employees' interests and rights

(1) Preserving employees' interests and rights

① Appointment, dismiss and compensation of employees are determined in accordance with human resource protocols and procedures conforming to the labor law and the principles of respecting basic labor rights.

② The Company holds communication event at least once a year, which serves as the communication channel between the Company and employees. If a major business change arises, the Company will notify the employees in accordance with the labor law to preserve employees' interests and rights.

③ The Company has set up the Employee Welfare Committee whose tasks including planning, custody and utilization of employee welfare fund and other matters related to employee welfare stipulated by relevant regulations.

④ "Labor-management meeting" system has been established in pursuant to the Labor Standard Act. The Labor-management meeting is comprised of 10 members equally from both the labor and management sides, in charge of formation and revision of "Employee Work Rules" to specify the rights and duties of labor and management and regular labor-management meetings are held to discuss and coordinate labor-management relations.

(2) Employees code of conduct and ethics

The Company has established the "Employee Work Rules" to specify the rights and duties of labor and management to improve the management system. Information can be found on the Company's intranet.

The Company has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Conduct" to provide proper guidance for Directors, Managers, and employees. For the relevant information, please refer to the Company's website at www.dynapack.com.tw.

(3) Working environment and protective measures for employees' personal safety

The Company has established the Office of Environment, Safety and Health in accordance with regulations and designated personnel to ensure workplace safety and hygiene. Measures taken to prevent laborers from being involved in occupational accidents are as follows:

① Adoption of ISO45001 occupational health and safety management system and observation of regulations and other binding matters related to environmental protection and safety and health.

② Conduct inspection of places using fire, refuge and escape equipment and fire safety equipment every month; annual building public safety inspection and repair declarations. Twice-yearly firefighting and evacuation team training and submit inspection report for fire safety equipment once a year to reduce risks of fire damage.

③ Install access control and security system. When alarm is activated, security personnel will immediately call the emergency contact to resolve any abnormality to ensure the safety of employees and the security of assets.

④ Organize employee health check-ups once every two years, and safety, health and Automated External Defibrillator (AED) training for new hires from time to time.

⑤ In response to emerging occupational health topics and issues of the Occupational Safety and Health Act, we have formulated relevant plans and improvement measures for human factors engineering , prevention of unlawful infringement , maternity health protection, and prevention of abnormal workloads, and conducted health risk assessment according to the survey of workplace health management to reduce the risk of employee exposure to hazards and occupational diseases; we conduct semi-annual monitoring of our operating environment to ensure measures are in place. Ensure workplace cleanliness and safety at all times. For hazardous articles and substances, and potentially dangerous areas, install warning notices and labels to reduce the potential workplace danger and the occurrence of accidents.

For the above information, please visit the company's website at www.dynapack.com.tw.

(II) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

According to Order No. Lao-Jian-Zi-11100865701 and No. 11100865700 by Taoyuan City Government on April 7, 2022, the Company was fined NT$150,000 for violating Article 24 item 1 and item 2 of the Labor Standards Act for not paying overtime wages for employee working extended hours.

The Company has reviewed the management of working hours and improved related system.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework and cyber security policies

The Group has established the Cyber Security Management Committee in 2018 to handle the review of cyber security management, risk assessment, classification and protection of information system, and continuous training and drill. It also has the "MIS Security Management Measures" in place to regulate the utility and conservation of MIS for the integrity and feasibility of MIS and the safety of related property. The Committee will report to the Board once a year regarding the status cyber security governance and strategy and direction thereof.

2. Concrete management programs

In view of emerging cyber security threats, the Group has enhanced cyber security protection capability by adjusting cyber security policies, enhancing network protection, and implementing data backup, and performed unscheduled vulnerability scanning and penetration testing to strengthen information security protection capabilities. The implementation status has been reported to the Board of Directors on December 27, 2022.

(1) Adjusting cyber security policies: implementing behavior analysis system and using Artificial Intelligence for cyber security.

(2)Enhancing network protection: upgrading to next generation firewall, utilizing Open DNS analysis, and implementing firewall to production lines.

(3) Enhancing data backup system: upgrading hardware backup solutions and using cloud backup applications to risks.

3. Investments in resources for cyber security management

(1) Designate personnel responsible for handling cyber security planning and protection.

(2) Continue to assess and invest in cyber security protection system.

(II) List any losses suffered by the Company in the most recent year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts

Contract type	Counterparty	Period	Major Contents	Restrictions
Land purchase and sale contract	Ministry of the Interior	From signing the contract on April 18, 2012 until the registration of caution of all land areas have been cancelled in accordance with the contract terms.	On February 1, 2012, the Company, Chroma ATE Inc. and HERAN Co., Ltd. jointly obtained “Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project” in Guishan District, Taoyuan City The total bid price was $10,088,890 thousand. The ratio of each member is 30%, 35% and 35% respectively.	When applying for land title transfer, the awarded bidder agree that caution title is registered on undeveloped land by Ministry of the Interior. For land where a building use permit has been issued or is registered for factory use, the Ministry of the Interior should cancel registration of caution on a case-by-case basis.
Borrowing contract	Taishin International Bank	April 7, 2020 – April 7, 2025	Long-term borrowing	Comply with regulations stipulated in Action plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan by National Development Council.
Borrowing contract	CTBC Bank	August 31, 2022 – August 31, 2024	Mid-term borrowing	The consolidated financial statements must maintain the agreed financial ratios during the period of the borrowings.
Borrowing contract	CTBC Bank	January 30, 2020 – January 30, 2025	Long-term borrowing	Comply with regulations stipulated in Action plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan by National Development Council.
Borrowing contract	Bank of Taiwan	December 21, 2022 – December 13, 2023	Mid-term borrowing	None.
Joint construction and separate sale contract	Fu-Yu Construction Co., Ltd	January 31, 2019 – until the land transfer and receipt of full payment of sales price	The Company entered into the joint construction and separate sale agreement with Fu-Yu for a parcel of residential land of 13,378 square meters (approx. 4,046.9 pings) located on Lot 56, Lejie Section, Guishan District, Taoyuan City. Total selling price of the land is NT $2.63 billion regardless of market fluctuation.	From the date of signing the contract, this land cannot be used for registration of other rights, leasing, lending, or occupation.

Contract type	Counterparty	Period	Major Contents	Restrictions
Lease agreement	King's Town Bank (the trustee of Millerful No.1 Real Estate Investment Trust)	December 15,2021–December 14,2026 December 15,2021–December 14,2031	The Company leased back five floors of the building at No. 188, Wenhe Rd., Guishan Dist., Taoyuan City by sale-and-lease-back agreement.	None.
Construction contract	Immense Team Construction & Building Co.,Ltd.	July 12,2023–January 31,2025	Construction of the Company's second building	None
Construction contract	FU-GE Construction Company Limited	August 1, 2022 until the engineering acceptance	Construction of electrical and mechanical works of the Company's second building	None

Six. Financial Overview

I. Condensed Balance Sheet and Statement of Comprehensive Income for the past 5 fiscal years, showing the name of the certified public accountant and the auditor's opinion given thereby；If, before the date of publication of the annual report, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed therewith

(I) Condensed Balance Sheet and Statement of Comprehensive Income for the past 5 fiscal years

1. Condensed Consolidated Balance Sheet

Unit: NT$ thousand

Item / Year		2018	2019	2020	2021	2022	Financial data in the current year as of March 31, 2023
Current assets		11,538,641	10,723,153	12,364,301	16,053,525	12,064,795	11,208,244
Property, plant and equipment		1,287,627	1,485,227	1,648,096	1,375,302	1,478,338	1,440,568
Intangible assets		-	-	-	-	12,477	10,525
Other assets		4,456,547	4,650,064	4,729,224	3,784,308	3,798,405	3,906,719
Total assets		17,282,815	16,858,444	18,741,621	21,213,135	17,354,015	16,566,056
Current liabilities	Before distribution	6,399,014	5,764,335	6,875,375	8,415,957	5,548,872	4,617,216
	After distribution	6,915,196	6,501,738	7,833,998	10,664,299	6,458,360	5,526,704
Non-current liabilities		3,963,568	4,111,016	4,543,499	3,098,075	3,241,032	3,229,229
Total liabilities	Before distribution	10,362,582	9,875,351	11,418,874	11,514,032	8,789,904	7,846,445
	After distribution	10,878,764	10,612,754	12,377,497	13,762,374	9,699,392	8,755,933
Equity attributable to owners of parent company		6,920,233	6,983,093	7,322,747	9,699,103	8,564,111	7,810,123
Share capital		1,474,805	1,474,805	1,474,805	1,492,345	1,501,555	1,505,315
Capital surplus		1,987,840	1,990,190	2,007,457	2,105,416	2,155,992	2,172,780
Retained earnings	Before distribution	3,690,121	3,999,660	4,294,646	6,646,692	5,200,306	5,313,785
	After distribution	3,173,939	3,262,257	3,336,023	4,398,350	4,290,818	4,404,297
Other equity		(232,533)	(481,562)	(454,161)	(545,350)	(293,742)	(272,269)
Treasury stock		-	-	-	-	-	-
Noncontrolling interests		-	-	-	-	-	-
Total equity	Before distribution	6,920,233	6,983,093	7,322,747	9,699,103	8,564,111	8,719,611
	After distribution	6,404,051	6,245,690	6,364,124	7,450,761	7,654,623	7,810,123

[Note 1] The financial data of the past years and current year have been audited and reviewed by CPAs.

[Note 2] The earnings disturbution of cash dividend for 2022 has been approved by the Board of Directors on March 7,2023.

2. Condensed Parent Company Only Balance Sheet

Unit: NT$ thousand

Item \ Year		2018	2019	2020	2021	2022
Current assets		12,669,764	9,265,597	8,417,353	12,706,233	11,316,657
Property, plant and equipment		105,974	385,271	469,914	62,733	104,507
Intangible assets		-	-	-	-	3,919
Other assets		12,322,949	12,676,043	13,042,564	12,758,293	13,500,022
Total assets		25,098,687	22,326,911	21,929,831	25,527,259	24,925,105
Current liabilities	Before distribution	14,215,956	11,233,462	10,064,224	12,730,081	13,119,962
	After distribution	14,732,138	11,970,865	11,022,847	14,978,423	14,029,450
Non-current liabilities		3,962,498	4,110,356	4,542,860	3,098,075	3,241,032
Total liabilities	Before distribution	18,178,454	15,343,818	14,607,084	15,828,156	16,360,994
	After distribution	18,694,636	16,081,221	15,565,707	18,076,498	17,270,482
Equity attributable to owners of parent company		6,920,233	6,983,093	7,322,747	9,699,103	8,564,111
Share capital		1,474,805	1,474,805	1,474,805	1,492,345	1,501,555
Capital surplus		1,987,840	1,990,190	2,007,457	2,105,416	2,155,992
Retained earnings	Before distribution	3,690,121	3,999,660	4,294,646	6,646,692	5,200,306
	After distribution	3,173,939	3,262,257	3,336,023	4,398,350	4,290,818
Other equity		.(232,533)	(481,562)	(454,161)	(545,350)	(293,742)
Treasury stock		-	-	-	-	-
Noncontrolling interests		-	-	-	-	-
Total equity	Before distribution	6,920,233	6,983,093	7,322,747	9,699,103	8,564,111
	After distribution	6,404,051	6,245,690	6,364,124	7,450,761	7,654,623

[Note 1] The financial data of the past years have been audited by CPAs.

[Note 2] The earnings distribution of cash dividend for 2022 has been approved by the Board of Directors on March 7, 2023.

3. Condensed Consolidated Statement of Comprehensive Income

Unit: NT$ thousand

Item / Year	2018	2019	2020	2021	2022	Financial data in the current year as of March 31, 2023
Operating revenue	17,886,525	17,780,452	19,348,268	20,769,514	19,072,027	3,896,571
Gross profit	1,327,545	1,595,154	2,070,349	1,635,532	1,697,505	298,394
Profit from operations	679,129	884,741	1,343,585	848,327	870,631	135,427
Non-operating income and expenses	143,369	273,195	907	2,910,913	269,827	802
Profit before tax	822,498	1,157,936	1,344,492	3,759,240	1,140,458	136,229
Profit from continuing operation in current period	641,558	827,454	1,035,255	3,309,019	797,416	113,479
Loss from discontinued operations	-	-	-	-	-	-
Current period net profit	641,558	827,454	1,035,255	3,309,019	797,416	113,479
Other comprehensive income/(loss) in current period (net of tax)	(51,287)	(250,763)	24,535	(89,539)	256,148	21,473
Total current period comprehensive income	590,271	576,691	1,059,790	3,219,480	1,053,564	134,952
Net profit attributed to the owners of parent company	641,558	827,454	1,035,255	3,309,019	797,416	113,479
Net profit attributable to noncontrolling interests	-	-	-	-	-	-
Comprehensive income attributable to the owners of parent company	590,271	576,691	1,059,790	3,219,480	1,053,564	134,952
Comprehensive income attributable to noncontrolling interests	-	-	-	-	-	-
Earnings per share (NT$)	4.35	5.61	7.02	22.42	5.33	0.76

[Note] The financial data of the past years and current year have been audited and reviewed by CPAs.

4. Condensed Parent Company Only Statement of Comprehensive Income

Unit: NT$ thousand

Item \ Year	2018	2019	2020	2021	2022
Operating revenue	17,075,154	16,386,678	17,957,195	19,870,213	18,645,007
Gross profit	699,876	888,763	1,149,310	912,699	953,829
Profit from operations	343,066	435,528	707,223	387,640	419,013
Non-operating income and expenses	278,873	580,233	566,058	3,266,263	573,179
Profit before tax	621,939	1,015,761	1,273,281	3,653,903	992,192
Profit from continuing operation in current period	641,558	827,454	1,035,255	3,309,019	797,416
Loss from discontinued operations	-	-	-	-	-
Current period net profit	641,558	827,454	1,035,255	3,309,019	797,416
Other comprehensive income/(loss) in current period (net of tax)	(51,287)	(250,763)	24,535	(89,539)	256,148
Total current period comprehensive income	590,271	576,691	1,059,790	3,219,480	1,053,564
Net profit attributed to the owners of parent company	641,558	827,454	1,035,255	3,309,019	797,416
Net profit attributable to noncontrolling interests	-	-	-	-	-
Comprehensive income attributable to the owners of parent company	590,271	576,691	1,059,790	3,219,480	1,053,564
Comprehensive income attributable to noncontrolling interests	-	-	-	-	-
Earnings per share (NT$)	4.35	5.61	7.02	22.42	5.33

[Note] The financial data of the past years have been audited by CPAs.

(II) Names of CPAs for the past five years and the auditors' opinions

Year	Accounting Firm	Name of CPA	Audit opinion
2018	Deloitte & Touche	Chien Ming-Yen、Kuo Tzu-Jung	Unqualified opinion
2019	Deloitte & Touche	Kuo Tzu-Jung、Wu Shih-Tsung	Unqualified opinion
2020	Deloitte & Touche	Kuo Tzu-Jung、Wu Shih-Tsung	Unqualified opinion
2021	Deloitte & Touche	Kuo Tzu-Jung、Wu Shih-Tsung	Unqualified opinion
2022	Deloitte & Touche	Chien Ming-Yen 、Wu Shih-Tsung	Unqualified opinion

II. Financial analysis for the past five fiscal years; if, before the date of publication of the annual report, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be included in the financial analyses.

(I) Consolidated financial analysis

Item	Year	2018	2019	2020	2021	2022	current year as of March 31, 2023
Financial structure (%)	Liabilities to Assets	59.95	58.57	60.92	54.27	50.65	52.85
	Long-term fund to property, plant and equipment	845.26	746.96	719.99	930.49	798.54	766.31
Solvency (%)	Current ratio	180.31	186.02	179.83	190.75	217.42	202.80
	Quick ratio	146.55	156.92	143.31	154.28	172.16	164.73
	Interest coverage ratio	1,025	1,173	2,868	11,164	3,606	1,609
Operating ability	Receivables turnover (times)	4.55	4.11	4.58	4.31	3.75	3.56
	Average collection days	80	88	79	84	97	102
	Inventory turnover (times)	8.26	9.02	8.71	7.16	6.48	6.52
	Payables turnover (times)	5.33	5.46	5.63	5.50	5.40	5.27
	Average inventory turnover days	44	40	41	50	56	55
	Property, plant and equipment turnover (times)	13.49	12.82	12.35	13.73	13.36	10.68
	Total Assets Turnover (times)	1.08	1.04	1.08	1.04	0.98	0.91
Profitability	Return on asset (%)	4.30	5.35	6.03	16.70	4.27	2.84
	Return on equity (%)	9.42	11.90	14.47	38.88	8.73	5.54
	Pre-tax income to paid-in capital (%)	55.77	78.51	91.16	251.90	75.95	36.19
	Net profit margin (%)	3.58	4.65	5.35	15.93	4.18	2.91
	Basic earnings per share (NT$)	4.35	5.61	7.02	22.42	5.33	0.76
	Diluted earnings per share (NT$)	4.32	5.57	6.94	22.12	5.26	0.75
	EPS after retrospective adjustment (NT$)	4.35	5.61	7.02	22.42	5.33	0.76
Cash Flow (%) [Note 2]	Cash flow ratio	-	31.65	15.16	-	17.48	21.56
	Cash flow adequacy ratio	62.38	55.86	54.45	37.17	41.65	57.90
	Cash flow reinvestment ratio	-	10.29	2.27	-	-	2.20
Leverage	Operating leverage	2.34	2.08	1.68	2.33	2.43	2.87
	Financial leverage	1.15	1.13	1.03	1.04	1.03	1.07

Reasons for the financial ratio fluctuations within the most recent two years. (Increase or decrease lower than 20% is exempted from the analysis)

1. The decrease in the interest coverage ratio, return on asset, return on equity, pre-tax income to paid-in capital, net profit margin and earnings per share was mainly due to the decrease in profit of 2022 and a gain on sale of the building occurred in 2021.
2. The increase in cash flow ratio was mainly due to the increase in net cash inflow from operating activities.

[Note 1] The financial data of the past years and current year have been audited and reviewed by CPAs.

[Note 2] For cash flow analysis, net cash flow from operating activities refers to net cash inflow from operating activities. A net cash outflow position is not included in the computation.

(II) Parent Company Only Financial Analysis

Item		2018	2019	2020	2021	2022
Financial structure (%)	Liabilities to Assets	72.43	68.72	66.61	62.00	65.64
	Long-term fund to property, plant and equipment	10,269.25	2,879.39	2,525.06	20,399.44	11,296.03
Solvency (%)	Current ratio	89.12	82.48	83.64	99.81	86.26
	Quick ratio	77.27	70.20	62.53	79.66	69.49
	Interest coverage ratio	1,126	1,538	4,934	13,996	4,288
Operating ability	Receivables turnover (times)	2.43	2.35	3.75	3.78	3.17
	Average collection days	150	155	97	97	115
	Inventory turnover (times)	9.95	10.48	9.79	8.23	7.57
	Payables turnover (times)	1.47	1.39	1.83	2.00	1.65
	Average inventory turnover days	37	35	37	44	48
	Property, plant and equipment turnover (times)	301.38	66.71	42.00	74.61	222.97
	Total Assets Turnover (times)	0.74	0.69	0.81	0.84	0.74
Profitability	Return on asset (%)	3.00	3.73	4.77	14.03	3.24
	Return on equity (%)	9.42	11.90	14.47	38.88	8.73
	Pre-tax income to paid-in capital (%)	42.17	68.87	86.34	244.84	66.08
	Net profit margin (%)	3.76	5.05	5.77	16.65	4.28
	Basic earnings per share (NT$)	4.35	5.61	7.02	22.42	5.33
	Diluted earnings per share (NT$)	4.32	5.57	6.94	22.12	5.26
	EPS after retrospective adjustment (NT$)	4.35	5.61	7.02	22.42	5.33
Cash Flow (%) [Note 2]	Cash flow ratio	-	16.11	0.94	-	12.54
	Cash flow adequacy ratio	75.06	81.33	50.59	29.88	44.54
	Cash flow reinvestment ratio	-	11.88	-	-	-
Leverage	Operating leverage	1.70	1.77	1.42	2.00	2.04
	Financial leverage	1.21	1.19	1.04	1.07	1.06

Reasons for the financial ratio fluctuations within the most recent two years. (Increase or decrease lower than 20% is exempted from the analysis)

1. The decrease in the long-term fund to property, plant and equipment, interest coverage ratio, return on asset, return on equity, pre-tax income to paid-in capital, net profit margin and earnings per share was mainly due to the decrease in profit of 2022 and a gain on sale of the building occurred in 2021.
2. The increase in property, plant and equipment turnover was mainly due to the sale of the building in 2021.
3. The increase in cash flow ratio and cash flow adequacy ratio was mainly due to the increase in net cash inflow from operating activities.

[Note 1] The financial data of the past years have been audited by CPAs.

[Note 2] For cash flow analysis, net cash flow from operating activities refers to net cash inflow from operating activities. A net cash outflow position is not included in the computation.

1. Financial structure
   (1) Liabilities to Assets = Total liabilities / Total assets
   (2) Long-term fund to property, plant and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment
2. Solvency
   (1) Current ratio = Current Assets / Current liability
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liability
   (3) Interest coverage ratio = Net income before tax and interest / Interest expense
3. Operating ability
   (1) Receivables (including account receivable and notes receivable from operation) turnover = Net sales / the Average of account receivable (including account receivable and notes receivable from operation) in various period
   (2) Average collection days = 365 / receivables turnover
   (3) Inventory turnover = Cost of sales / Average inventory
   (4) Payables (including account payable and notes payable from operation) turnover = Cost of sales / the average of account payable (including account payable and notes payable from operation) in various period
   (5) Average inventory turnover days = 365 / Inventory turnover
   (6) Property, plant and equipment turnover = Net sales / Net property, plant and equipment
   (7) Total assets turnover = Net sales / Total assets
4. Profitability
   (1) Return on asset = [Gain (loss) after tax + Interest expense × (1 - Interest rate)] / Average total assets
   (2) Return on equity = Gain (loss) after tax / Average net equity
   (3) Pre-tax income to paid-in capital = Profit before Tax / Paid-in Capital
   (4) Net profit margin = Gain (loss) after tax / Net sales
   (5) EPS = (Profit or loss attributable to owners of the parent company - Dividend from preferred stock) / Weighted average outstanding shares
5. Cash Flow
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities
   (2) Cash flow adequacy ratio = Most recent 5-year cash flow from operating activities / Most recent 5-year (Capital expenditure + Increase of inventory + Cash dividend)
   (3) Cash investment ratio = (Cash flow from operating activities - cash dividend) / (Gross fixed of Property, plant and equipment + Long-term investment + Other assets + Working capital)
6. Leverage:
   (1) Operating leverage = (Net revenue - Variable operating costs and expense) / Operating income.
   (2) Financial leverage = Operating income / (Operating income - Interest expenses).

III. Supervisors or audit committee's report for the most recent year's financial statement

Dynapack International Technology Corporation

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2022 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and Proposal for Earnings Distributions to the Audit Committee. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by CPAs, Chien Ming-Yen and Wu Shih-Tsung of Deloitte & Touche, and an Audit Report has been issued. The aforementioned Business Report, Financial Statements and Proposal for Earnings Distributions have been reviewed by the Audit Committee and we are of the opinion that no discrepancy has been observed. Hence, we submit the report in accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

The above is respectfully submitted to

Dynapack International Technology Corporation

2023 Annual General Shareholders' Meeting

Chairman of the Audit Committee

Tsai, Hwei-Ming

March 17, 2023

IV. Financial statement for the most recent fiscal year

Please see page 97 to page 161.

V. A parent company only financial statement for the most recent fiscal year, certified by a CPA

Please see page 162 to page 219.

VI. Impact on the Company's financial position if the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

The Company and its affiliates have not experienced financial difficulties in year 2022 or during the current fiscal year up to the date of publication of the annual report.

Seven. Review and Analyze of Financial Position, Performance, and Risks

I. Financial Position

Unit: NT$ thousand

Year / Item	December 31, 2022	December 31, 2021	Difference	
			Amount	%
Current assets	$12,064,795	$16,053,525	$(3,988,730)	(25)
Property, plant and equipment	1,478,338	1,375,302	103,036	7
Other assets	3,810,882	3,784,308	26,574	1
Total assets	17,354,015	21,213,135	(3,859,120)	(18)
Current liabilities	5,548,872	8,415,957	(2,867,085)	(34)
Non-current liabilities	3,241,032	3,098,075	142,957	5
Total liabilities	8,789,904	11,514,032	(2,724,128)	(24)
Share capital	1,501,555	1,492,345	9,210	1
Capital surplus	2,155,992	2,105,416	50,576	2
Retained earnings	5,200,306	6,646,692	(1,446,386)	(22)
Other equity	(293,742)	(545,350)	251,608	46
Treasury stock	-	-	-	-
Total equity	8,564,111	9,699,103	(1,134,992)	(12)

(I) For the past two fiscal years, the main reasons for any material change in assets, liabilities and equity (the change between the beginning and end of the period exceed 20% and NT$10 million) ：

1. Current assets decreased mainly due to the decrease in time deposits with original maturities less than 3 months.
2. Current liabilities and non-current liabilities decreased due to the decrease in short-term borrowing.
3. Retained earnings decreased mainly due to the decrease in profit of 2022 and a gain on sale of the building occurred in 2021.
4. Other equity increased mainly due to the decrease in exchange losses on translation of the financial statements of foreign operations.

(II)The change above has no material effect to the Company.

II. Financial Performance

Unit: NT$ thousand

Year / Item	2022	2021	Increase (decrease)	Percentage of change (%)	Analysis of the change
Net operating revenue	19,072,027	20,769,514	(1,697,487)	(8)	1
Operating costs	17,374,522	19,133,982	(1,759,460)	(9)	
Gross profit	1,697,505	1,635,532	61,973	4	
Operating expenses	826,874	787,205	39,669	5	
Profit from operations	870,631	848,327	22,304	3	2
Non-operating income and expenses	269,827	2,910,913	(2,641,086)	(91)	
Profit from continuing operations before tax	1,140,458	3,759,240	(2,618,782)	(70)	3
Income tax	343,042	450,221	(107,179)	(24)	
Profit from continuing operations	797,416	3,309,019	(2,511,603)	(76)	
Other comprehensive income/(loss)	256,148	(89,539)	345,687	386	
Total comprehensive income	1,053,564	3,219,480	(2,165,916)	(67)	

(I) For the past two fiscal years, the main reasons for any material change in operating revenue, operating income and income before tax

1. Operating revenue: Decreased due to decline in market demand, resulting in lower shipment of battery packs and revenue.
2. Operating income: Increased slightly due to improved gross margin.
3. Income before tax: Decreased due to the decrease in profit of 2022 and a gain on sale of the building occurred in 2021.

(II)Sales volume forecast and the basis therefor, and describe the effect upon the Company's financial operations as well as measures to be taken in response

End-market demand declined in 2022 due to various negative factors, including inflation, which are expected to continue impacting global economy in 2023. Price competition will continue due to supply and demand imbalance; and localized production will increase to mitigate supply chain risks resulted from heightened geopolitical challenges. Global notebook PCs and 3C markets are expected to trend downward in 2023, but may stabilize in the second half of 2023 after a year-long inventory adjustments. Despite the challenging macro-economic conditions, Dynapack will continue to invest in IT products and proactively develop Non-IT applications to position itself for growth.

III. Cash Flow

(I) Cash flow change analysis during the most recent fiscal year

Unit: NT$ thousand

Item	Cash inflow (outflow) 2022	Cash inflow (outflow) 2021	Increase (decrease) Amount	Increase (decrease) %	Explanatory note
Operating activities	$ 970,371	$ (427,531)	$ 1,397,902	327	1
Investing activities	1,625,824	3,724,348	(2,098,524)	(56)	2
Financing activities	(4,466,904)	(1,189,400)	(3,277,504)	(276)	3

1. Operating activities: Cash inflow increased due to the recoverable amount of trade receivables and reduction in inventory through effective management.
2. Investing activities: Cash inflow decreased due to the receipt of proceeds from sale of the factory/office building in 2021.
3. Financing activities: Cash outflow increased due to payment of cash dividends significantly increased and repayment of short-term debt.

(II) Corrective measures to be taken in response to liquidity: Not applicable.

(III)Liquidity analysis for the coming year:

Unit: NT$ thousand

Beginning of the year Cash and Cash Equivalents	Net cash flow from operating activities	Net cash flow from investing and financing activities	Cash Surplus (Deficit)	Plans of cash deficit	
				Investment Plans	Financing Plans
3,057,536	1,456,472	1,547,278	2,966,730	-	-

IV. Effect upon financial operations of any major capital expenditures during the Most Recent Year:

The Company used 6,366.4 square meters (approximately 1,925.8 pings) of land to construct its second building. The signing of construction contract for the second building was approved by the board of directors on April 26, 2022. The total contract price, including value-added business tax, was $1,280,000 thousand, and it is expected to be completed in the first quarter of 2025. This major capital expenditures has no effect upon financial operations of the Company.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Reinvestment policy

Reinvestments should take into account the operational needs or the future growth of the Company.

(II) Main reasons for the profit or loss generated thereby

The Company recognized the share of loss of associates accounted for using equity method NT$938 thousand for 2022.

(III) Plan for improving re-investment profitability: None.

(IV) Investment plans for the coming year:

On April 27, 2023, the Board of Directors resolved to directly invest US $5 million to establish a 100% owned Vietnam subsidiary to meet customer demand and in response to overall development of the Company.

VI. Risk analysis and assessment of the following matters during the most recent fiscal year and up to the date of publication of the annual report

(I) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. The effect upon the Company's profits (losses) of interest rate fluctuations, and response measures to be taken in the future

   The interest revenue and interest expense for 2022 constituted less than 1% of the net sales, and thus has no material effect on the profit and loss of the Company. The financial department monitors the fluctuation of interest rate continuously to lower its impact on the profit and loss of the Company.

2. The effect upon the Company's profits (losses) of exchange rate fluctuations, and response measures to be taken in the future

   The purchases and sales of the Company are mainly traded in US dollars. By offsetting the foreign asset and liabilities to achieve natural hedge. The financial department contacts with the forex department of financial institutions to gather the relevant information on the exchange rate fluctuations, to keep up to date on the future trend of the exchange rates, and lower the impact on the Company's profit and loss.

3. The effect upon the Company's profits (losses) of changing in the inflation rate, and response measures to be taken in the future: None.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. High-risk and highly leveraged investments: None.

   The rules of the Company's financial trading are conservative and does not engage in high risks, highly leveraged investments.

2. Loans to other parties, endorsements, guarantees: None.

   In the future, such occurrence shall be handled in accordance with the “Procedures for Loaning of Funds to Other Parties” and “Procedures for Making of Endorsements or Guarantees”.

3. Derivative transactions: To mitigate the risks arising from exchange and interest rates fluctuation conservatively, the Company has established the “Procedures for Derivative Transactions" to manage the transactions' risks. In 2021, the Company recognized the realized gain NT$9,642 thousand in closing out positions for trading the cross-currency swaps.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

Since incorporation, the Company has been focusing on in-house R&D. The main source of technologies comes from research projects developed by internal R&D talents that the Company has cultivated over the years. The Company’s future R&D plan will actively involve the development of battery packs module related to mobility, energy storage, medical, and industrial products.

In 2023, the expenditures expected for research and development work shall amount to 0.377 billion. In the future, the Company will continue to use its R&D results accumulated for years to increase product and production efficiency to gain a competitive advantage in the market.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company constantly monitors the domestic and international policies and regulatory changes and evaluates their potential effect. For the most recent year and up to the publication date of the annual report, brand customers have accelerated net-zero schedule requirement and it has increased the operational impact on the Company. To respond to relevant carbon reduction polices, the Company has set the year 2020 as the base year and a target to reduce 50% carbon emission by 2030 and to achieve carbon neutrality by 2050.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

Due to the rapid development of the information and telecommunication industry, battery packs have become the power source of mobile devices. As such, the demand for battery packs will grow with the increase in demand for mobile devices. In the future, the Company will continue to focus on R&D, increase its design and certification capabilities, development the testing program for specific use battery packs and expedite the improvement of product quality to cater to the market demand for mobile devices. The Company will also actively invest in developing product applications for power battery packs, energy storage battery packs and server battery backup unit to cater to the future industrial trend.

Pertaining to the risk control on information security, the Company has established Regulations Governing the Information Security and the Information Security Management Committee, which is responsible for raising awareness in information security, inspecting the information security risks of internal protocols, providing improvement plans, making yearly reporting to the Board of Directors on the information security status, yearly information security policy, and planning and conducting information security risk assessment every half a year and internal audit on information security, to ensure the effectiveness of the regulations and compliance to regulatory requirements. As such, the information security risk is not a major operational risk of the Company. Please visit the Company’s website at www.dynapack.com.tw.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The company's corporate image is excellent. In the most recent year, there has been no incident that requires crisis management.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

In order to activate assets, the Company’s audit committee and board of directors approved the construction of its second building that can be rented out for long-term rental income or sold to generate profit from real estate development.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

The Company maintains a stable working relationship with major customers by using its advantages in technologies, product quality and pricing. For future development, the Company's measures include actively expanding production capacity and cultivating sufficient R&D talents to secure more customer and product orders. Due to the good working relationship with raw material suppliers, the Company can properly control the supply of key materials. Currently, supply shortage is not a concern.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

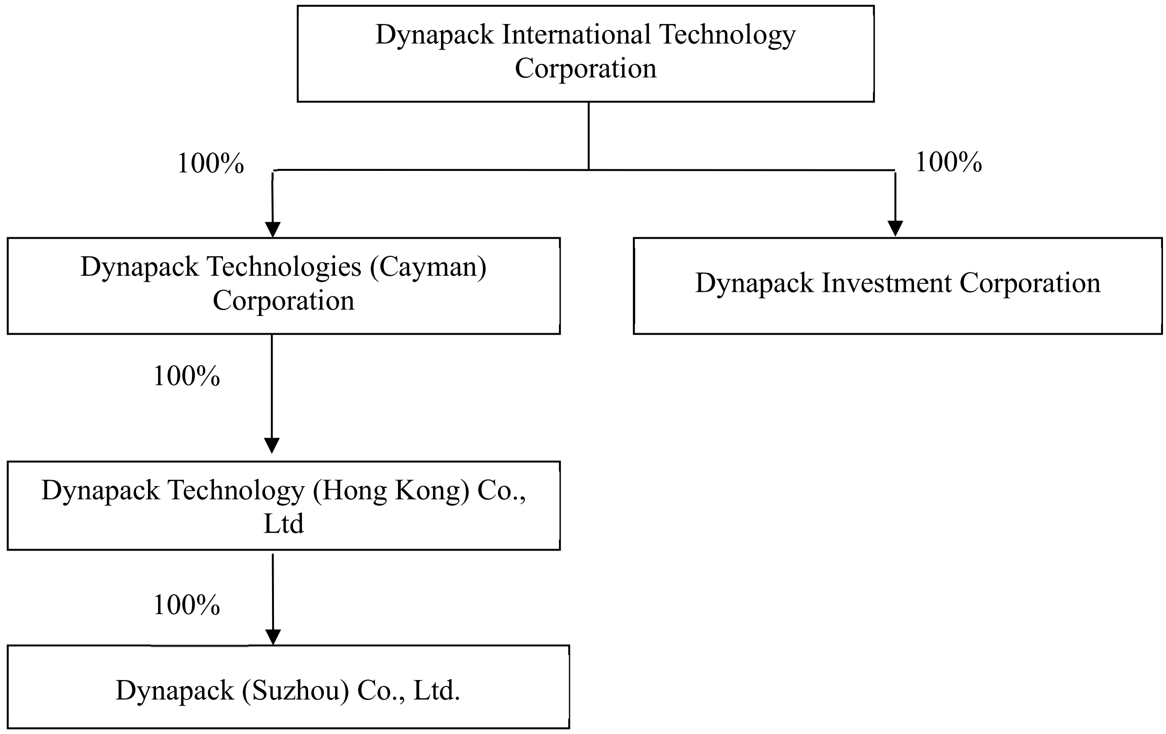
VII. Other important matters: None.

Eight. Special Items

I. Information related to the affiliates

(I) Consolidated business report covering affiliated enterprises

1. Affiliated enterprises chart



2. Basic information of affiliated enterprise

December 31, 2022
Unit: NT$ thousand

Company	Date of Establishment	Address	Paid-in Capital [Note]	Principle business
Dynapack International Technology Corporation	July 15, 1998	13F., No. 188, Wenhe Rd., Guishan Dist., Leshan vil., Taoyuan City, Taiwan	1,501,555	Manufactures and sells lithium-ion battery packs
Dynapack Investment Corporation	May 27, 2010	13F., No. 188, Wenhe Rd., Guishan Dist., Leshan vil., Taoyuan City, Taiwan	480,000	Investment
Dynapack Technologies (Cayman) Corporation	February 1, 2001	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies.	2,298,472 (USD74,186 thousand)	Investment and selling lithium-ion battery packs
Dynapack Technology (Hong Kong) Co., Ltd.	February 27, 2008	15/F, BOC Group Life Assurance Tower, No. 136 Des Voeux Road Central, Central, Hong Kong	2,236,165 (USD 72,300 thousand)	Investment
Dynapack (Suzhou) Co., Ltd.	March 9, 2001	No. 8, Hua-Gang Road, Wujiang Economic and Technological Development Zone, Suzhou city Jiang Su, PRC	2,487,238 (USD 80,000 thousand)	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.

[Note] Calculated based on historical cost of investment.

3. Shareholders in common of the company and its affiliates with deemed control and subordination: None.

4. Directors, supervisors, and general managers of affiliated enterprise

April 11, 2023

Company	Job title	Name or Representative	Shares held	
			Number of shares (capital contribution)	Shareholding percentage (percentage of capital contribution)
Dynapack International Technology Corporation	Chairman	Chung, Tsung-Ming	11,265,032 [Note]	7.49%
	Director	Yang, Chao-Ming	526,477	0.35%
	Director and President	Sheu, Ju-Jing	82,043	0.05%
	Director	Hua-Lung Financial Consulting Company Ltd.	7,620,431	5.06%
		Representative: Chung, Hsiang-Heng	173,000	0.11%
	Director	Lu Liao Keng Co., Ltd.	2,500,000	1.66%
		Representative: Chung, Hsiang- Yuan	-	-%
	Independent Director	Wang, Tsun-I	-	-%
	Independent Director	Tsai, Hwei-Ming	30,000	0.02%
	Independent Director	Shieh, Han-Ping D	-	-%
	Independent Director	Tsai, Lien-Chin	3,828	0.00%
Dynapack Investment Corporation	Chairman	Dynapack International Technology Corporation Representative: Lin, Yu Huei	48,000,000 shares	100.00%
	Director	Dynapack International Technology Corporation Representative: Chung, Hsiang-Heng		
	Director	Dynapack International Technology Corporation Representative:Huang, Szu-Yuan		
Dynapack Technologies (Cayman) Corporation	Chairman and President	Chung, Tsung-Ming	Dynapack International Technology Corporation 74,186,230 shares held	100.00%
Dynapack Technology (Hong Kong) Co., Ltd.	Chairman and President	Chung, Tsung-Ming	Dynapack Technologies (Cayman) Corporation 82,300,000 shares held	100.00%
Dynapack (Suzhou) Co., Ltd.	Chairman Director Director and President Supervisor	Chung, Tsung-Ming Yang, Chao-Ming Sheu, Ju-Jing Chen, Shen-Mao	Dynapack Technologies (Hong Kong) Co., Ltd Capital contribution of USD72,100,000	100.00%

[Note] This includes the number of shares under trust account with discretion reserved.

5. Operational Highlights of Affiliated enterprise

December 31, 2022
Unit: NT$ thousand

Company	Capital	Total assets	Total liabilities	Equity	Operating revenue	Operating income(loss)	Net profit(loss) for the period (After tax)	EPS after tax (NT$)
Dynapack International Technology Corporation	1,501,555	24,925,105	16,360,994	8,564,111	18,645,007	419,013	797,416	5.33[Note 1]
Dynapack Investment Corporation	480,000	588,285	13,338	574,947	197,999	77,838	70,966	-
Dynapack Technologies (Cayman) Corporation	2,298,472	19,146,711	9,781,194	9,365,517	4,920,156	(154)	565,331	-
Dynapack Technology (Hong Kong) Co., Ltd.	2,236,165	7,605,401	64	7,605,337	-	(170)	571,683	-
Dynapack (Suzhou) Co., Ltd.	2,487,238	11,315,078	3,715,731	7,599,348	18,037,143	429,773	571,830	-

[Note 1] Audited basic EPS amounted to NT$5.33; audited diluted EPS amounted to NT$5.26.
[Note 2] Calculated based on the financial statements audited by the parent company's CPA in Taiwan.

(II) Consolidated financial statements of affiliated enterprises

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Dynapack International Technology Corporation as of and for the year ended December 31, 2022, under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Dynapack International Technology Corporation and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

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CHUNG TSUN-MING
Chairman

March 7, 2023

(III) Affiliation report: Not applicable.

II. **Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.

III. **Holding or disposal of the company's shares by subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.

IV. **Other matters that require additional description:** None.

Nine. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dynapack International Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Dynapack International Technology Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Revenue from Specific Customers

The Group's products include battery packs for notebooks and tablet PCs. Since there is a significant change in the amount of revenue from specific customers compared with the previous year, we identified the authenticity of revenue from specific customers as a key audit matter.

The main audit procedures we performed were as follows:

1. We obtained an understanding of the design and implementation of internal controls and tested the operating effectiveness of revenue derived from specific customers.

2. We selected samples and tested such transaction documents related to revenue derived from specific customers, including sales orders and shipping documents.

3. We selected samples and tested such payment receipts related to revenue derived from specific customers and verified the authenticity of revenue.

Other Matter

We have also audited the parent company only financial statements of Dynapack International Technology Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ming-Yen Chien and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2023

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,057,536	18	$ 4,473,932	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	480,046	3	233,296	1
Financial assets at amortized cost - current (Notes 4, 8 and 32)	942,099	5	2,955,236	14
Trade receivables from unrelated parties (Notes 4 and 9)	5,020,094	29	5,149,858	24
Other receivables (Note 4)	25,603	-	141,395	1
Inventories (Notes 4 and 10)	2,410,322	14	2,945,115	14
Other current assets (Note 17)	129,095	1	154,693	1
Total current assets	12,064,795	70	16,053,525	76
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 12)	12,779	-	13,717	-
Property, plant and equipment (Notes 4 and 13)	1,478,338	8	1,375,302	7
Right-of-use assets (Notes 4 and 14)	267,090	1	289,661	1
Investment properties (Notes 4 and 15)	3,062,533	18	2,752,677	13
Intangible assets (Notes 4 and 16)	12,477	-	-	-
Deferred tax assets (Notes 4 and 26)	251,806	1	305,452	1
Net defined benefit assets - non-current (Notes 4 and 22)	3,542	-	-	-
Refundable deposits (Note 17)	95,422	1	122,542	1
Other non-current assets (Note 17)	105,233	1	300,259	1
Total non-current assets	5,289,220	30	5,159,610	24
TOTAL	$ 17,354,015	100	$ 21,213,135	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 750,000	4	$ 3,269,430	15
Trade payables from unrelated parties (Note 19)	2,985,921	17	3,438,140	16
Other payables (Note 21)	725,112	4	958,543	5
Current tax liabilities (Notes 4 and 26)	203,951	1	340,412	2
Provisions - current (Notes 4 and 20)	64,896	1	72,123	-
Lease liabilities - current (Notes 4 and 14)	43,370	-	41,383	-
Current portion of long-term borrowings (Note 18)	588,528	4	100,000	1
Other current liabilities (Note 21)	187,094	1	195,926	1
Total current liabilities	5,548,872	32	8,415,957	40
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	1,075,789	6	1,261,397	6
Deferred tax liabilities (Notes 4 and 26)	1,173,502	7	1,066,415	5
Lease liabilities - non-current (Notes 4 and 14)	199,928	1	239,506	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	-	-	1,650	-
Guarantee deposits received (Note 15)	789,160	5	526,110	2
Other non-current liabilities (Note 21)	2,653	-	2,997	-
Total non-current liabilities	3,241,032	19	3,098,075	14
Total liabilities	8,789,904	51	11,514,032	54
EQUITY (Notes 4, 22, 23, 26 and 28)				
Capital				
Share capital	1,501,555	9	1,492,185	7
Capital collected in advance	-	-	160	-
Total capital	1,501,555	9	1,492,345	7
Capital surplus	2,155,992	12	2,105,416	10
Retained earnings				
Legal reserve	1,825,009	11	1,493,942	7
Special reserve	545,350	3	454,161	2
Unappropriated earnings	2,829,947	16	4,698,589	22
Total retained earnings	5,200,306	30	6,646,692	31
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(293,742)	(2)	(545,350)	(2)
Total equity	8,564,111	49	9,699,103	46
TOTAL	$ 17,354,015	100	$ 21,213,135	100

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

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 35)				
Net sales revenue	$ 19,072,027	100.0	$ 20,769,514	100.0
OPERATING COSTS (Notes 4, 10, 13, 14, 25 and 28)				
Cost of goods sold	17,374,522	91.1	19,133,982	92.1
GROSS PROFIT	1,697,505	8.9	1,635,532	7.9
OPERATING EXPENSES (Notes 4, 9, 13, 14, 22, 25 and 28)				
Selling and marketing expenses	111,003	0.6	103,398	0.5
General and administrative expenses	316,420	1.6	315,156	1.5
Research and development expenses	400,456	2.1	362,713	1.8
Expected credit loss	(1,005)	-	5,938	-
Total operating expenses	826,874	4.3	787,205	3.8
PROFIT FROM OPERATIONS	870,631	4.6	848,327	4.1
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7, 12, 13, 14, 15, 25 and 33)				
Interest income	62,269	0.3	38,391	0.2
Dividend income	5,319	-	7,460	-
Other income	61,909	0.3	129,343	0.6
Net gain on disposal of property, plant and equipment	593	-	721,994	3.5
Net gain on disposal of investment property	-	-	1,949,996	9.4
Net gain on disposal of investments	142,581	0.8	64,291	0.3
Net foreign exchange gain	55,847	0.3	68,732	0.3
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	(23,179)	(0.1)	25,205	0.1
Miscellaneous disbursements	(2,051)	-	(59,762)	(0.3)
Finance costs	(32,523)	(0.2)	(33,976)	(0.1)
Share of loss of associates accounted for using the equity method	(938)	-	(761)	-
Total non-operating income	269,827	1.4	2,910,913	14.0

(Continued)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX	$ 1,140,458	6.0	$ 3,759,240	18.1
INCOME TAX EXPENSE (Notes 4 and 26)	(343,042)	(1.8)	(450,221)	(2.2)
NET PROFIT FOR THE YEAR	797,416	4.2	3,309,019	15.9
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	4,540	-	1,650	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	314,510	1.6	(113,986)	(0.5)
Income tax relating to items that may be reclassified subsequently to profit or loss	(62,902)	(0.3)	22,797	0.1
	251,608	1.3	(91,189)	(0.4)
Other comprehensive income (loss) for the year, net of income tax	256,148	1.3	(89,539)	(0.4)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,053,564	5.5	$ 3,219,480	15.5
EARNINGS PER SHARE (Note 27)				
Basic	$ 5.33		$ 22.42	
Diluted	$ 5.26		$ 22.12	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Capital (Note 23)				Capital Surplus (Notes 4, 23 and 28)	Retained Earnings (Note 23)				Other Equity (Notes 4, 23 and 26)	
	Shares (In Thousands)	Share Capital	Capital Collected in Advance	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2021	147,481	$ 1,474,805	$ -	$ 1,474,805	$ 2,007,457	$ 1,390,703	$ 481,562	$ 2,422,381	$ 4,294,646	$ (454,161)	$ 7,322,747
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	-	103,239	-	(103,239)	-	-	-
Special reserve	-	-	-	-	-	-	(27,401)	27,401	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(958,623)	(958,623)	-	(958,623)
Compensation cost of employee share options	-	-	-	-	17,626	-	-	-	-	-	17,626
Share-based payment transaction	1,738	17,380	160	17,540	80,333	-	-	-	-	-	97,873
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	3,309,019	3,309,019	-	3,309,019
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	1,650	1,650	(91,189)	(89,539)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	3,310,669	3,310,669	(91,189)	3,219,480
BALANCE AT DECEMBER 31, 2021	149,219	1,492,185	160	1,492,345	2,105,416	1,493,942	454,161	4,698,589	6,646,692	(545,350)	9,699,103
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	-	331,067	-	(331,067)	-	-	-
Special reserve	-	-	-	-	-	-	91,189	(91,189)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(2,248,342)	(2,248,342)	-	(2,248,342)
Compensation cost of employee share options	-	-	-	-	12,138	-	-	-	-	-	12,138
Share-based payment transaction	937	9,370	(160)	9,210	38,438	-	-	-	-	-	47,648
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	797,416	797,416	-	797,416
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	4,540	4,540	251,608	256,148
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	801,956	801,956	251,608	1,053,564
BALANCE AT DECEMBER 31, 2022	150,156	$ 1,501,555	$ -	$ 1,501,555	$ 2,155,992	$ 1,825,009	$ 545,350	$ 2,829,947	$ 5,200,306	$ (293,742)	$ 8,564,111

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

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,140,458	$ 3,759,240
Adjustments for:		
Depreciation expense	302,408	235,720
Amortization expense	23,977	62,505
Expected credit (reserved) loss	(1,005)	5,938
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	23,413	(15,563)
Finance costs	32,523	33,976
Interest income	(62,269)	(38,391)
Dividend income	(5,319)	(7,460)
Compensation cost of employee share options	12,138	17,626
Share of loss of associates accounted for using the equity method	938	761
Gain on disposal of property, plant and equipment	(593)	(721,994)
Gain on disposal of investment property	-	(1,949,996)
Inventory write-downs	74,071	143,858
Reversal of provisions	(4,606)	(832)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	(264,161)	(76,002)
Trade receivables from unrelated parties	129,945	(689,572)
Other receivables	122,093	(113,300)
Inventories	459,282	(690,970)
Other current assets	10,501	(56,263)
Financial liabilities at fair value through profit or loss - current	-	(9,218)
Trade payables from unrelated parties	(452,219)	(73,856)
Other payables	(234,179)	23,772
Provisions	(2,621)	-
Other current liabilities	(8,832)	(48,039)
Net defined benefit liabilities	(652)	(665)
Other non-current liabilities	(344)	(1,294)
Cash generated from/(used in) operations	1,294,947	(210,019)
Interest received	55,968	39,667
Income tax paid	(380,544)	(257,179)
Net cash generated from/(used in) operating activities	970,371	(427,531)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(4,907,067)	(8,732,501)
Proceeds from sale of financial assets at amortized cost	6,989,807	8,471,764
Payments for property, plant and equipment	(159,892)	(269,500)
Proceeds from disposal of property, plant and equipment	1,671	1,216,508
Increase in refundable deposits	(1,850)	(121,327)
Decrease in refundable deposits	28,970	1,100

(Continued)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Payments for intangible assets	$ (15,131)	$ -
Payments for investment properties	(292,395)	(895)
Proceeds from disposal of investment properties	-	3,277,496
Increase in other non-current assets	(23,608)	(95,755)
Dividends received	5,319	7,460
Income tax paid	-	(30,002)
Net cash generated from investing activities	1,625,824	3,724,348
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	7,704,654	10,394,161
Repayments of short-term borrowings	(10,461,438)	(9,037,325)
Proceeds from long-term borrowings	4,502,920	3,579,740
Repayments of long-term borrowings	(4,200,000)	(5,340,483)
Proceeds from guarantee deposits received	263,050	113,119
Repayment of the principal portion of lease liabilities	(43,288)	(3,789)
Cash dividends distributed	(2,248,342)	(958,623)
Proceeds from employee share options	47,648	97,873
Interest paid	(32,108)	(34,073)
Net cash used in financing activities	(4,466,904)	(1,189,400)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	454,313	(120,607)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,416,396)	1,986,810
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,473,932	2,487,122
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,057,536	$ 4,473,932

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Dynapack International Technology Corporation (the "Company") was incorporated in the Republic of China (ROC) on July 15, 1998. The Company mainly manufactures and sells lithium-ion battery packs.

The Company's shares have been listed on the Taipei Exchange (TPEx) since November 8, 2004.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 7, 2023.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) on the measurement date in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 11, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Group (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and merchandise inventories and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

At the end of the period, the inventory obsolescence losses are assessed based on the actual inventory status.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method within useful lives. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include properties held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment and right-of-use assets and investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets and investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular transactions of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets held by the Group are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 12 months past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL, which are held for trading, are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 30.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, which mainly include cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

m. Provisions

Provisions, if the time value of money has a significant impact, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranties</u>

Provisions for the expected cost of warranty obligations in sales contracts are recognized at the date of sale of the relevant products at the best estimate by the management of the Company of the expenditure required to settle the Group's obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

The revenue of the Group from the sale of goods mainly comes from sales of lithium-ion battery packs. Revenue are recognized when the goods are shipped or when the customers pick up the goods from a specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

q. Share-based payment arrangements

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

There are no critical accounting judgments and estimation uncertainty in the assessment of the Group's.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 738	$ 701
Checking accounts and demand deposits	1,414,539	2,784,903
Cash equivalents		
Time deposits with original maturities less than 3 months	1,642,259	1,688,328
	$ 3,057,536	$ 4,473,932

The ranges of interest rates for bank deposits at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Bank deposits	0.05%-5.00%	0.01%-2.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Domestic listed shares (a)	$ 59,346	$ 85,810
Domestic listed convertible bonds (a)	-	25,200
Domestic unlisted shares (a)	295,492	108,436
Foreign listed shares (a)	109,836	-
Foreign unlisted convertible bonds (a)	15,372	13,850
	$ 480,046	$ 233,296

a. Since the Group holds domestic and foreign listed shares and unlisted shares, preference shares, convertible bonds, it recognized net loss of $23,413 thousand and net gain $15,563 thousand on FVTPL in 2022 and 2021, respectively.

b. Since the Group entered into cross-currency swap contracts, the Group recognized net gain of $234 thousand and $9,642 thousand on FVTPL in 2022 and 2021, respectively. The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities. Those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting. As of December 31, 2022 and 2021, the Group did not have transactions and contracts of derivative financial instruments under hedge accounting.

8. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31	
	2022	2021
Time deposits with original maturities more than 3 months	$ 941,813	$ 2,871,744
RMB structured financial instrument	-	83,372
Restricted assets (Note 32)	286	120
	$ 942,099	$ 2,955,236

The ranges of interest rates for time deposits with original maturities more than 3 months were approximately 3.70%-5.15% and 0.22%-0.88% per annum as of December 31, 2022 and 2021, respectively.

Dynapack (Suzhou) Co., Ltd. undertook RMB19,200 thousand for RMB structured instrument on December 31, 2021. The relevant information was as follows: (December 31, 2022: None)

	December 31, 2021
Maturity date	January 2022
Annualized rate of return	3.05%-3.15%

9. TRADE RECEIVABLES FROM UNRELATED PARTIES

	December 31	
	2022	2021
Trade receivables - at amortized cost		
Gross carrying amount	$ 5,071,664	$ 5,201,609
Less: Loss allowance	(51,570)	(51,751)
	$ 5,020,094	$ 5,149,858

The credit period of sales of goods was approximately 30 to 90 days. No interest was charged as a result of the shorter credit period.

In order to control credit risk and ensure the recoverable amount of trade receivables, the management of the Group has evaluated individual customers' financial positions to determine credit limits and subsequently monitored the factors possibly affecting customers' payment ability such as its own trading records and current economic conditions.

The Group adopts the simplified approach of IFRS 9 to measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The ECLs on trade receivables are estimated using a provision matrix. Since the different customer groups of the Group have different loss patterns, the Group adopts different provision matrix by the customer group and considers the number of days overdue of the customer's trade receivables, current financial position and industrial economic condition to set the expected credit loss rate. In addition, the Group reviews the recoverable amount of each individual trade receivables at the each end of the reporting period to ensure that adequate allowance is made for amounts possibly having credit risk. In this regard, the management believes the Group's credit risk was significantly reduced.

The following aging schedule details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2022

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 270 days	Total
Gross carrying amount	$ 4,986,859	$ 25,340	$ 7,887	$ -	$ 8	$ -	$ 51,570	$ 5,071,664
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	(51,570)	(51,570)
Amortized cost	$ 4,986,859	$ 25,340	$ 7,887	$ -	$ 8	$ -	$ -	$ 5,020,094

December 31, 2021

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 270 days	Total
Gross carrying amount	$ 5,121,436	$ 27,543	$ 238	$ 566	$ 75	$ -	$ 51,751	$ 5,201,609
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	(51,751)	(51,751)
Amortized cost	$ 5,121,436	$ 27,543	$ 238	$ 566	$ 75	$ -	$ -	$ 5,149,858

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 51,751	$ 46,056
Add: Impairment loss (reversed) recognized on receivables	(1,005)	5,938
Foreign exchange gains and losses	824	(243)
Balance at December 31	$ 51,570	$ 51,751

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 973,517	$ 1,240,252
Raw materials	1,436,805	1,704,863
	$ 2,410,322	$ 2,945,115

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was $17,374,522 thousand and $19,133,982 thousand, respectively. The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory write-downs of $74,071 thousand and $143,858 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Percentage of Ownership December 31 2022	Percentage of Ownership December 31 2021
The Company	Dynapack Technologies (Cayman) Corporation (hereinafter referred to as the "Dynapack (Cayman)")	Investment and selling lithium-ion battery packs	100	100
The Company	Dynapack Investment Corporation	Investment	100	100
Dynapack (Cayman)	Dynapack Technology (Hong Kong) Corporation Limited (hereinafter referred to as the "Dynapack (Hong Kong)")	Investment	100	100
Dynapack (Hong Kong)	Dynapack (Suzhou) Co., Ltd.	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.	100	100

As of December 31, 2022, the Company has invested in Dynapack (Cayman) US$74,186 thousand, then reinvested US$72,300 thousand in Dynapack (Hong Kong), and then reinvested US$72,100 thousand in Dynapack (Suzhou) Co., Ltd.

Dynapack (Cayman) reduced the capital by cash in November 2022, and the Company received repatriation of US$10,000 thousand. Dynapack (Cayman) completed the capital reduction process in December 2022.

Dynapack (Hong Kong) reduced the capital by cash in July 2021, and Dynapack (Cayman) received repatriations of US$10,000 thousand. Dynapack (Hong Kong) completed capital reduction process in October 2021.

In order to meet the needs of Dynapack Investment Corporation's investment business, the Company's board of directors resolved to subscribe the cash capital increase of $280,000 thousand to Dynapack Investment Corporation on March 9, 2021. The record date of cash capital increase was March 31, 2021. As of December 31, 2022, the Company has invested $480,000 thousand in Dynapack Investment Corporation.

After considering the market operating environment and group operating strategy, production and operation functions of Dynapack (Kunshan) Co., Ltd., ended at the end of 2017 and the liquidation process was completed in July 2021.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2022	December 31 2021
Associate that is not individually material		
Chih Ho Shun Development Co., Ltd.	$ 12,779	$ 13,717

The Group's percentage of ownership and voting rights in associate that is not individually material at the end of the year are as follows, and for the rest of the relevant information, refer to Table 6.

Name of Associate	**December 31 2022**	**December 31 2021**
Chih Ho Shun Development Co., Ltd.	30%	30%

For "Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project", the Group jointly invested and established Chih Ho Shun Development Co., Ltd. to perform the development of public facilities in the industrial zone in April 2012 with Chroma ATE Inc. and HERAN Co., Ltd. As of December 31, 2022, the Company has invested $15,000 thousand in Chih Ho Shun Development Co., Ltd. with a 30% of ownership.

The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	December 31 2022	**December 31 2021**
Current assets	$ 41,477	$ 44,271
Non-current assets	1,437	1,797
Current liabilities	(319)	(344)
Equity	$ 42,595	$ 45,724

	For the Year Ended December 31 2022	**For the Year Ended December 31 2021**
Net loss for the year	$ (3,129)	$ (2,536)

Investments accounted for using the equity method and the share of profit and loss by the Group is calculated based on the financial statements of Chih Ho Shun Development Co., Ltd., that have not been audited by a certified public accountant. However, the management of the Group believes that the above financial statements of the investee, which were not audited by a certified public accountant, did not have a significant impact.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Unfinished Construction and Equipment Pending Acceptance	Total
Cost								
Balance at January 1, 2022	$ 6,643	$ 1,153,886	$ 1,884,258	$ 11,001	$ 136,209	$ 60,252	$ -	$ 3,252,249
Additions	-	3,298	76,047	750	11,783	23,579	132,920	248,377
Reclassification	-	8,120	97,475	-	-	195,436	(105,595)	195,436
Disposals	-	(436)	(151,905)	-	(24,226)	(36,317)	-	(212,884)
Effect of foreign currency exchange differences	-	18,537	17,442	42	1,127	(1,729)	-	35,419
Balance at December 31, 2022	6,643	1,183,405	1,923,317	11,793	124,893	241,221	27,325	3,518,597

(Continued)

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Unfinished Construction and Equipment Pending Acceptance	Total
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 300,866	$ 1,427,630	$ 6,016	$ 94,129	$ 48,306	$ -	$ 1,876,947
Depreciation expense	-	32,164	182,437	1,900	15,670	39,886	-	272,057
Reclassification	-	-	-	-	-	81,030	-	81,030
Disposals	-	(255)	(144,258)	-	(23,964)	(35,854)	-	(204,331)
Effect of foreign currency exchange differences	-	4,666	9,684	30	688	(512)	-	14,556
Balance at December 31, 2022	-	337,441	1,475,493	7,946	86,523	132,856	-	2,040,259
Carrying amount at December 31, 2022	$ 6,643	$ 845,964	$ 447,824	$ 3,847	$ 38,370	$ 108,365	$ 27,325	$ 1,478,338
Cost								
Balance at January 1, 2021	$ 113,106	$ 1,337,880	$ 1,798,334	$ 13,319	$ 118,576	$ 113,284	$ -	$ 3,494,499
Additions	-	94,615	225,876	-	25,761	22,885	-	369,137
Reclassification	-	-	193	-	(193)	-	-	-
Disposals	(106,463)	(273,107)	(123,747)	(2,305)	(7,185)	(75,289)	-	(588,096)
Effect of foreign currency exchange differences	-	(5,502)	(16,398)	(13)	(750)	(628)	-	(23,291)
Balance at December 31, 2021	6,643	1,153,886	1,884,258	11,001	136,209	60,252	-	3,252,249
Accumulated depreciation and impairment								
Balance at January 1, 2021	-	282,616	1,420,661	6,027	86,813	50,286	-	1,846,403
Depreciation expense	-	38,245	138,693	2,301	14,746	9,569	-	203,554
Reclassification	-	-	16	-	(16)	-	-	-
Disposals	-	(18,596)	(117,313)	(2,305)	(6,752)	(10,949)	-	(155,915)
Effect of foreign currency exchange differences	-	(1,399)	(14,427)	(7)	(662)	(600)	-	(17,095)
Balance at December 31, 2021	-	300,866	1,427,630	6,016	94,129	48,306	-	1,876,947
Carrying amount at December 31, 2021	$ 6,643	$ 853,020	$ 456,628	$ 4,985	$ 42,080	$ 11,946	$ -	$ 1,375,302

(Concluded)

Refer to Note 15 for details about disposals of land and building for the year ended December 31, 2021.

The Group had no capitalized interest and did not recognize any impairment loss for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main building	36-50 years
Electromechanical power	15-20 years
Factory engineering	10-20 years
Machinery equipment	2-15 years
Transportation equipment	4-5 years
Office equipment	3-5 years
Other equipment	2-10 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	Right to Use Land	Buildings	Transportation Equipment	Total
Cost				
Balance at January 1, 2022	$ 139,470	$ 162,266	$ 5,653	$ 307,389
Additions	-	-	6,382	6,382
Disposal	-	-	(5,323)	(5,323)
Effect of foreign currency exchange differences	2,240	-	-	2,240
Balance at December 31, 2022	$ 141,710	$ 162,266	$ 6,712	$ 310,688
Accumulated depreciation				
Balance at January 1, 2022	$ 11,047	$ 1,028	$ 5,653	$ 17,728
Depreciation expense	3,761	24,670	1,920	30,351
Disposal	-	-	(4,639)	(4,639)
Effect of foreign currency exchange differences	158	-	-	158
Balance at December 31, 2022	$ 14,966	$ 25,698	$ 2,934	$ 43,598
Carrying amount at December 31, 2022	$ 126,744	$ 136,568	$ 3,778	$ 267,090
Cost				
Balance at January 1, 2021	$ 140,194	$ -	$ 5,653	$ 145,847
Additions	-	162,266	-	162,266
Effect of foreign currency exchange differences	(724)	-	-	(724)
Balance at December 31, 2021	$ 139,470	$ 162,266	$ 5,653	$ 307,389
Accumulated depreciation				
Balance at January 1, 2021	$ 7,403	$ -	$ 3,769	$ 11,172
Depreciation expense	3,681	1,028	1,884	6,593
Effect of foreign currency exchange differences	(37)	-	-	(37)
Balance at December 31, 2021	$ 11,047	$ 1,028	$ 5,653	$ 17,728
Carrying amount at December 31, 2021	$ 128,423	$ 161,238	$ -	$ 289,661

The Group did not recognize any impairment for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

b. Lease liabilities

	December 31	
	2022	**2021**
Carrying amount		
Current	$ 43,370	$ 41,383
Non-current	$ 199,928	$ 239,506

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	**2021**
Transportation equipment	0.75%-1.06%	1.14%
Buildings	0.90%	0.90%

c. Material leasing activities and terms

The prepaid lease payments for the right to use land in Wujiang District, Suzhou City, China obtained by the Group were recognized as right-of-use assets.

The Group leases transportation equipment for operation with lease term of 1 to 3 years. Part of the lease agreement contains renewal options at the end of the lease period.

In November 2021, the Company signed the trading contract for real estate to sell its building and the lease agreement to lease back 5 floors for operations with lease terms of 5 to 10 years. According to the lease agreement, the Company has the right and option to renew the lease. The annual lease payment is $43,740 thousand for the first four years, $45,088 thousand for the 5th year, $14,268 thousand for the 6th to 8th years, and $14,716 thousand for the 9th and 10th years. Refer to Note 15 for details about the sale of land and building.

d. Other lease information

	For the Year Ended December 31	
	2022	**2021**
Expenses relating to short-term leases	$ 4,208	$ 11,203
Total cash outflow for leases	$ (49,888)	$ (15,120)

The Group elected to apply the recognition exemption of short-term leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Investment Properties under Construction	Total
Cost			
Balance at January 1, 2022	$ 2,752,677	$ -	$ 2,752,677
Additions	-	309,856	309,856
Carrying amount at December 31, 2022	$ 2,752,677	$ 309,856	$ 3,062,533
Cost			
Balance at January 1, 2021	$ 3,088,555	$ 881,660	$ 3,970,215
Additions	895	-	895
Disposals	(336,773)	(881,660)	(1,218,433)
Balance at December 31, 2021	$ 2,752,677	$ -	$ 2,752,677
Accumulated depreciation			
Balance at January 1, 2021	$ -	$ 34,753	$ 34,753
Depreciation expense	-	25,573	25,573
Disposals	-	(60,326)	(60,326)
Balance at December 31, 2021	$ -	$ -	$ -
Carrying amount at December 31, 2021	$ 2,752,677	$ -	$ 2,752,677

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main building	50 years
Electromechanical power	15 years
Factory engineering	10 years

The fair value of investment property was based on valuations carried out by independent qualified professional valuers, and the fair value was measured using Level 3 inputs. The valuation of the land was arrived at by reference to comparison approach and land development analysis approach. The appraisal fair value was as follows:

	December 31	
	2022	2021
Land (17,387.3 pings include joint construction land for residence of 4,046.9 pings)	$ 12,420,000	$ 11,299,000

On February 1, 2012, the Company, Chroma ATE Inc. and HERAN Co., Ltd. jointly obtained "Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project" in Guishan District, Taoyuan City. The total bid price was $10,088,890 thousand. The agreement was signed on April 18, 2012 and the shareholding ratio of each member was 30%, 35% and 35%, respectively. The bid price obtained by the Company was $3,035,176 thousand, the area of the acquired land was 66,877 square meters (approximately 20,230 pings). The acquired land of 38,707 square meters (approximately 11,709 pings) had registration of caution which stipulated that the land cannot be transferred to a third party if the land has not been constructed and has not obtained a building use permit.

In order to activate assets and raise land development fund, on December 7, 2020, the Company's board of directors approved the signing of the preliminary trading contract for real estate. In November 2021, the Company signed the trading contract for real estate and the lease agreement to lease back part of the building spaces. The sale of the Company's land (approximately 2,801.2 pings) and all of the above-ground building and underground parking spaces (approximately 17,734.0 pings) at No. 55, 55-5, and 55-6 Lejie Section, Guishan District, Taoyuan City was completed in December 2021. The sale price, including value-added business tax, was $4,500,000 thousand. Refer to Note 14 for details about sale-and-lease-back.

On January 30, 2019, the board of directors approved the agreement for joint construction and separate sale with Fu-Yu Construction Co., Ltd. ("Fu-Yu") for a parcel of residential land of 13,378.2 square meters (approximately 4,046.9 pings) located at No. 56, Lejie Section, Guishan District, Taoyuan City. According to the agreement, the Company will receive total guaranteed revenue of $2,630,500 thousand without regard to changes in market condition. As of December 31, 2022, the Company has received 30% of total guaranteed revenue in the amount of $789,160 thousand which is recognized as guarantee deposit received. Registration of caution is applied to the land in this case. It is expected that registration of caution can be cancelled after the construction is completed and building use permit is obtained. Fu-Yu is expected to obtain the use permit in the fourth quarter of 2023 or the first half of 2024.

The Company used 6,366.4 square meters (approximately 1,925.8 pings) of land to construct its second building. The signing of construction contract for the second building was approved by the board of directors on April 26, 2022. The total contract price, including value-added business tax, was $1,280,000 thousand, and it is expected to be completed in the first quarter of 2025.

16. INTANGIBLE ASSETS (DECEMBER 31, 2021: NONE)

	December 31, 2022
	Computer Software
Cost	
Balance at January 1, 2022	$ -
Additions	15,131
Reclassification	10,702
Disposals	(4,485)
Effect of foreign currency exchange differences	(230)
Balance at December 31, 2022	21,118

(Continued)

	December 31, 2022
	Computer Software
Accumulated amortization	
Balance at January 1, 2022	$ -
Amortization expenses	7,506
Reclassification	5,783
Disposals	(4,485)
Effect of foreign currency exchange differences	(163)
Balance at December 31, 2022	8,641
Carrying amount at December 31, 2022	$ 12,477

(Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-3 years

The Group did not recognize any impairment loss for the year ended December 31, 2022 since there was no indication of impairment.

17. OTHER ASSETS

	December 31	
	2022	2021
Current		
Refundable deposits	$ 27,968	$ 30,882
Prepayments and others	101,127	123,811
	$ 129,095	$ 154,693
Non-current		
Prepayments for construction and equipment	$ 104,933	$ 183,299
Others	300	116,960
	$ 105,233	$ 300,259

Prepayments for construction and equipment are mainly payments for the construction accounts and addition of new production lines. Refundable deposits are mainly paid to suppliers for stable supply and classified into current and non-current accounts, respectively, according to liquidity.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Credit borrowings	$ 750,000	$ 3,269,430

The ranges of interest rate of short-term borrowings were 1.400%-1.650% and 0.488%-0.755% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Credit borrowings	$ 1,664,317	$ 1,361,397
Less: Current portion of long-term borrowings	(588,528)	(100,000)
	$ 1,075,789	$ 1,261,397

The ranges of interest rate of long-term borrowings were 0.475%-1.670% and 0.000%-0.831% per annum as of December 31, 2022 and 2021, respectively, and will be due in succession before April 2025.

According to the bank loan contract, the consolidated financial statements must maintain the agreed financial ratios during the period of the borrowings; as of December 31, 2022, the Group has not violated the agreed financial ratios.

As of December 31, 2022 and 2021, the unused line of credit of long-term and short-term loans of the Group was $8,353,582 thousand and $5,653,142 thousand, respectively.

19. TRADE PAYABLES FROM UNRELATED PARTIES

	December 31	
	2022	2021
Trade payables - operating	$ 2,985,921	$ 3,438,140

The average credit period of purchases of goods is approximately 65-70 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. PROVISIONS - CURRENT

	December 31	
	2022	2021
Warranties	$ 64,896	$ 72,123

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 72,123	$ 72,955
Reversal of provisions	(4,606)	(832)
Using of provisions	(2,621)	-
Balance at December 31	$ 64,896	$ 72,123

21. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for salaries and bonuses (including compensation of employees)	$ 377,785	$ 444,255
Payables for purchases of equipment	49,673	46,944
Payables for taxes and levies	28,975	127,113
Payables for insurance	28,456	8,002
Payables for mold and fixture	27,446	48,222
Payables for professional expenses	25,802	33,770
Payables for freight and export	21,846	17,015
Payables for repair and maintenance	14,300	19,837
Payables for compensation of directors	12,605	17,606
Payables for pension	12,510	10,489
Payables for consumption expenses	11,445	19,307
Payables for construction	11,380	26,522
Others	102,889	139,461
	$ 725,112	$ 958,543
Other liabilities		
Refund liabilities	$ 106,584	$ 114,404
Others	80,510	81,522
	$ 187,094	$ 195,926
Non-current		
Long-term employee benefits	$ 2,653	$ 2,997

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiary Dynapack (Cayman) adopted a defined contribution plan and makes monthly contributions at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualified actuaries.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ (24,146)	$ (26,593)
Fair value of plan assets	27,688	24,943
Net defined benefit assets (liabilities) - non-current	$ 3,542	$ (1,650)

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Balance at January 1, 2021	$ (27,790)	$ 23,825	$ (3,965)
Recognized in profit or loss			
Net interest (expense) income	(139)	121	(18)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	314	314
Actuarial loss			
Changes in demographic assumptions	(824)	-	(824)
Actuarial gain			
Experience adjustments	2,160	-	2,160
Recognized in other comprehensive income	1,336	314	1,650
Contributions from the employer	-	683	683
Balance at December 31, 2021	$ (26,593)	$ 24,943	$ (1,650)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Balance at January 1, 2022	$ (26,593)	$ 24,943	$ (1,650)
Recognized in profit or loss			
Net interest (expense) income	(133)	127	(6)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	1,960	1,960
Actuarial loss			
Changes in demographic assumptions	(443)	-	(443)
Actuarial gain			
Change in financial assumptions	3,471	-	3,471
Actuarial loss			
Experience adjustments	(448)	-	(448)
Recognized in other comprehensive income	2,580	1,960	4,540
Contributions from the employer	-	658	658
Balance at December 31, 2022	$ (24,146)	$ 27,688	$ 3,542

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations on the measurement date are as follows:

	December 31	
	2022	2021
Discount rate	1.500%	0.500%
Expected rate of salary increase	2.750%	2.750%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
0.25% increase	$ (781)	$ (948)
0.25% decrease	$ 816	$ 992
Expected rate of salary increase		
0.25% increase	$ 792	$ 995
0.25% decrease	$ (763)	$ (918)

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Average duration of the defined benefit obligation	13.2 years	14.5 years

23. EQUITY

a. Ordinary share capital

	December 31	
	2022	2021
Number of authorized shares (in thousands of shares)	250,000	250,000
Amount of authorized shares	$ 2,500,000	$ 2,500,000
Number of issued and fully paid shares (in thousands of shares)	150,156	149,219
Amount of issued and fully paid shares	$ 1,501,555	$ 1,492,185
Capital collected in advance	$ -	$ 160

The issued ordinary shares with a par value of $10 entitle the holders with the right to vote and receive dividends.

The Company's authorized shares reserved for the employee share options are 10,000 thousand shares.

The difference in capital is due to the execution of share options by employees. The capital collected in advance is due to the execution of shares by employee share options. (Refer to Note 28 for details.)

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 1,810,960	$ 1,764,555
Premium from conversion of bonds	318,790	318,790
May not be used for any purpose		
Employee share options	26,242	22,071
	$ 2,155,992	$ 2,105,416

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (limited to a certain percentage of the Company's paid-up capital and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, if the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution. Where the Company distributes preceding surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting. Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company Act, in whole or in part, by issuing new stock dividend or by cash dividend. Where legal reserve is distributed by issuing stock dividend or by cash dividend, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed. Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting. Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration of financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.

For the policies on the distribution of compensation of employees and directors refer to compensation of employees and directors in Note 25-g.

The appropriations of earnings for 2021 and 2020 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Fiscal Year 2021	For Fiscal Year 2020	For Fiscal Year 2021	For Fiscal Year 2020
Legal reserve	$ 331,067	$ 103,239		
Special reserve	$ 91,189	$ (27,401)		
Cash dividends	$2,248,342	$ 958,623	$ 15.05	$ 6.50

The above appropriations of earnings for 2020 were resolved by the shareholders' meeting on July 1, 2021. The cash dividends for 2021 were resolved by the Company's board of directors on March 8, 2022; the other proposed appropriations were resolved by the shareholders' meeting on June 6, 2022.

The change in the number of issued shares due to the implementation of employee share options, the cash dividend per share in 2021 was adjusted to $15.02545.

The appropriation of earnings for 2022, which was proposed by the Company's board of directors on March 7, 2023, was as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 80,196	
Special reserve	$ (251,608)	
Cash dividends	$ 909,488	$6.05

The cash dividends have been approved by the Company's board of directors, and the other proposed appropriations for 2022 is to be resolved in the shareholders' meeting on June 9, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Beginning at January 1	$ 454,161	$ 481,562
Appropriations in respect of		
Debit/(credit) to other equity items	91,189	(27,401)
Balance at December 31	$ 545,350	$ 454,161

Pursuant to Rule No. 1090150022 issued by the FSC, the Company is required to set aside additional special reserve equivalent to the net debit balance of other equity items from the sum of net profit for the year and the amount of items other than net profit for the year but included in the unappropriated earnings. When there is still a deficit, it shall be set aside from previous unappropriated earnings. As for the shortfall of the "net increase in fair value of investment properties accumulated for the previous year" and "net debit balance of other equity items for the previous year" before the distribution of the surplus, a special reserve of the same amount shall be provided from the unappropriated earnings for the previous year. If the special reserve is still insufficient, it will be added to the net profit for the year plus the amount of the current unappropriated earnings. Any special reserve may be reversed and distributed to the extent of reversal of the net debit balance.

e. Other equity items

<u>Exchange differences on translation of the financial statements of foreign operations</u>

The exchange differences arising on translation of the financial statements of foreign operation's net assets from its functional currency to the Group's presentation currency (i.e., New Taiwan dollars) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences on translation of the financial statements of foreign operations previously accumulated in the foreign currency translation reserve are reclassified to profit and loss when the foreign operation is disposed of.

24. REVENUE

a. Contract information

Refer to Notes 4 and 35.

b. Contract balances

Refer to trade receivables in Note 9.

25. NET PROFIT FOR THE YEAR

Net profit for the year includes the following items:

a. Interest income

	For the Year Ended December 31	
	2022	**2021**
Bank deposits	$ 61,626	$ 18,939
RMB structured financial instruments	555	19,434
Others	88	18
	$ 62,269	$ 38,391

b. Other income

	For the Year Ended December 31	
	2022	**2021**
Subsidy income	$ 30,284	$ 37,165
Rental income	3,125	89,902
Others	28,500	2,276
	$ 61,909	$ 129,343

c. Net foreign exchange (loss) gain

	For the Year Ended December 31	
	2022	2021
Foreign exchange gain	$ 1,506,054	$ 547,423
Foreign exchange loss	(1,450,207)	(478,691)
Net gain (loss)	$ 55,847	$ 68,732

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank borrowings	$ 30,021	$ 33,727
Interest on lease liabilities	2,392	128
Others	110	121
	$ 32,523	$ 33,976

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 232,298	$ 166,068
Operating expense	70,110	44,079
Non-operating income and expense	-	25,573
	$ 302,408	$ 235,720
An analysis of amortization by function		
Operating costs	$ 3,682	$ 29,238
Operating expense	20,295	33,267
	$ 23,977	$ 62,505

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits (Note 22)		
Defined contribution plans	$ 12,882	$ 11,940
Defined benefit plans	6	18
	12,888	11,958
Share-based payments (Note 28)		
Equity-settled	12,138	17,626

(Continued)

	For the Year Ended December 31	
	2022	2021
Other employee benefits		
Salaries expense	$ 1,132,475	$ 1,259,709
Labor/health insurance expense	150,032	140,514
Compensation of directors	23,536	33,819
Other personnel expenses	86,814	98,612
	1,392,857	1,532,654
Total employee benefits expense	$ 1,417,883	$ 1,562,238
An analysis of employee benefits expense by function		
Operating costs	$ 971,101	$ 1,098,997
Operating expense	446,782	430,741
Non-operating income and expense	-	32,500
	$ 1,417,883	$ 1,562,238

(Concluded)

g. Compensation of employees and directors

According to the Company's Articles before amendments, the Company shall appropriate compensation of employees and compensation of directors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and directors. According to the Company's amended Articles resolved by shareholders' meeting on July 1, 2021, if the Company records a profit for the year starting from 2021, the Company shall appropriate compensation of employees and compensation of directors at rates of no less than 2% and no higher than 3%, respectively, of the net profit before income tax, compensation of employees and directors. The compensation of employees and directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 7, 2023 and March 8, 2022, respectively, are as follows:

	For the Year Ended December 31			
	2022		2021	
	Appropriate Rate	Amount	Appropriate Rate	Amount
Compensation of employees	6.603%	$ 71,000	2.002%	$ 75,000
Compensation of directors	1.116%	$ 12,000	0.454%	$ 17,000

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded in the next fiscal year as a change in the accounting estimate. If the board of directors resolves to distribute compensation of employees by shares, the number of shares of the compensation of employees is determined by dividing the amount of the compensation of employees by the closing price per share on the day immediately preceding the meeting of the Company's board of directors.

There is no difference between the amounts of compensation of employees and directors resolved by board of directors to pay and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 242,832	$ 412,216
Income tax on unappropriated earnings	32,003	58
Adjustments for prior years	(25,102)	(8,145)
	249,733	404,129
Deferred tax		
In respect of the current year	98,959	46,092
Adjustments for prior years	(5,650)	-
	93,309	46,092
Income tax expense recognized in profit or loss	$ 343,042	$ 450,221

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 1,140,458	$ 3,759,240
Income tax expense calculated at the statutory rate	$ 392,244	$ 851,446
Revenue excluded from taxable income	(64,069)	(423,777)
Additional income tax under the Alternative Minimum Tax Act	7,966	574
Income tax on unappropriated earnings	32,003	58
Land value increment tax	-	30,002
Adjustments for prior years' tax	(25,102)	(8,145)
Others	-	63
Income tax expense recognized in profit or loss	$ 343,042	$ 450,221

The income tax rate of companies in the ROC according to the Income Tax Act is 20%; the income tax rate applicable to its subsidiaries in China is 25%; the taxes incurred in other regions are calculated based on the tax rate of corresponding region.

Since the resolution of the appropriation of earnings in the shareholders' meeting in 2023 is still uncertain, the potential income tax consequences of 5% income tax on the unappropriated earnings for 2022 cannot be determined reliably.

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
Translation of the financial statements of foreign operations	$ 62,902	$ (22,797)

c. Current tax liabilities

	December 31	
	2022	2021
Income tax payable	$ 203,951	$ 340,412

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Inventory write-downs	$ 82,189	$ 18,975	$ -	$ 360	$ 101,524
Refund liabilities	22,880	(1,563)	-	-	21,317
Provisions	14,425	(1,446)	-	-	12,979
Payables for annual leave	4,654	(189)	-	33	4,498
Defined benefit obligations	2	(2)	-	-	-
Exchange differences on translation of the financial statements of foreign operations	136,338	-	(62,902)	-	73,436
Unrealized exchange loss	-	4,500	-	-	4,500
Book-tax differences from different depreciation method for fixed asset	5,875	(3,879)	-	115	2,111
Allowance for expected credit loss	12,938	(251)	-	205	12,892
Others	26,151	(8,017)	-	415	18,549
	$ 305,452	$ 8,128	$ (62,902)	$ 1,128	$ 251,806

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Share of profit of associates accounted for using the equity method	$ 1,055,921	$ 117,581	$ -	$ -	$ 1,173,502
Unrealized exchange gain	10,494	(10,494)	-	-	-
	$ 1,066,415	$ 107,087	$ -	$ -	$ 1,173,502

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Inventory write-downs	$ 51,804	$ 30,553	$ -	$ (168)	$ 82,189
Refund liabilities	40,367	(17,487)	-	-	22,880
Provisions	14,591	(166)	-	-	14,425
Payables for annual leave	3,452	1,211	-	(9)	4,654
Defined benefit obligations	135	(133)	-	-	2
Exchange differences on translation of the financial statements of foreign operations	113,541	-	22,797	-	136,338
Unrealized loss on financial liabilities	1,844	(1,844)	-	-	-
Book-tax differences from different depreciation method for fixed asset	9,873	(3,945)	-	(53)	5,875
Allowance for expected credit loss	11,514	1,485	-	(61)	12,938
Others	38,764	(12,373)	-	(240)	26,151
	$ 285,885	$ (2,699)	$ 22,797	$ (531)	$ 305,452

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Share of profit of associates accounted for using the equity method	$ 990,821	$ 65,100	$ -	$ -	$ 1,055,921
Unrealized exchange gain	31,566	(21,072)	-	-	10,494
Others	639	(635)	-	(4)	-
	$ 1,023,026	$ 43,393	$ -	$ (4)	$ 1,066,415

e. Income tax assessments

The income tax returns of the Company and its subsidiary Dynapack Investment Corporation through 2020 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31 2022	2021
Basic earnings per share	$ 5.33	$ 22.42
Diluted earnings per share	$ 5.26	$ 22.12

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2022	2021
Earnings used in the computation of basic and diluted earnings per share	$ 797,416	$ 3,309,019

Shares

Unit: Shares (In Thousands)

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	149,623	147,598
Effect of potentially dilutive ordinary shares:		
Employee share options	788	1,163
Compensation of employees	1,106	866
Weighted average number of ordinary shares used in the computation of diluted earnings per share	151,517	149,627

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

Qualified employees of the Company, controlling company and its subsidiaries were granted 1,076 options on September 17, 2021 and 5,000 options in November 12, 2019. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company’s ordinary shares listed on the Taipei Exchange on the grant date. For any subsequent changes in the Company’s capital or cash dividend distribution, the exercise price is adjusted accordingly.

Information on issued employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands)	Weighted-average Exercise Price ($)	Number of Options (In Thousands)	Weighted-average Exercise Price ($)
Balance at January 1	4,076	$ 66.1	5,000	$ 59.3
Options granted	-	-	1,076	95.0
Options forfeited	(85)	49.5	(262)	55.8
Options exercised	(937)	51.8	(1,738)	55.8
Balance at December 31	3,054	60.6	4,076	66.1
Options exercisable, end of the year	862	48.6	677	55.8

The weighted-average share price on the exercise date of the share options for the year ended December 31, 2022 and 2021 were $88.57 and $97.45, respectively.

Information on outstanding options was as follows:

	December 31	
	2022	2021
Exercise price ($)	$48.6, $82.7	$55.8, $95.0
Weighted-average remaining contractual life (in years)	1.87-3.71 years	2.87-4.71 years

Due to the Company’s dividend exclusion, the exercise price of the employee share options granted on September 17, 2021 and November 12, 2019 were adjusted from $95 to $82.7 and from $55.8 to $48.6, respectively, from the ex-dividend dates, April 6, 2022.

Options granted in September 2021 and November 2019 was priced using the Black-Scholes-Merton pricing model, and the inputs to the model are as follows:

	September 2021	November 2019
Grant-date share price	$95.0	$63.2
Grant-date exercise price	$95.0	$63.2
Expected volatility	27.33%-28.59%	22.89%-24.09%
Expected life (in years)	5	5
Expected dividend yield	-	-
Risk-free interest rate	0.28%-0.29%	0.57%-0.58%
Weighted-average fair value of options granted ($)	$20.77	$12.02

Expected volatility is based on the historical share price volatility over the past 5 years. The historical share price is the average value of the annualized standard deviation of the daily return rate of the Company, which is a hypothetical value.

Compensation costs recognized for the years ended December 31, 2022 and 2021 were $12,138 thousand and $17,626 thousand, respectively.

29. CAPITAL MANAGEMENT

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management believes that all the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the consolidated financial statements approximate their fair values or their fair value cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 59,346	$ -	$ -	$ 59,346
Domestic unlisted shares	295,492	-	-	295,492
Foreign listed shares	109,836	-	-	109,836
Foreign unlisted convertible bonds	-	-	15,372	15,372
	$ 464,674	$ -	$ 15,372	$ 480,046

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 85,810	$ -	$ -	$ 85,810
Domestic listed convertible bonds	25,200	-	-	25,200
Domestic unlisted shares	-	-	108,436	108,436
Foreign unlisted convertible bonds	-	-	13,850	13,850
	$ 111,010	$ -	$ 122,286	$ 233,296

There were no transfers between Levels 1 and 2 for the years ended December 31 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments (December 31, 2021: None)

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1	$ 122,286
Recognized in profit and loss "net gain on financial assets at fair value through profit or loss"	1,522
Transfers out of Level 3	(108,436)
Balance at December 31	$ 15,372

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group's evaluation process for the fair value of financial instruments classified as Level 3 is based on independent data to conduct independent fair value verification and regular reviews to ensure that the evaluation results are reasonable.

The fair values of domestic unlisted shares were determined using the market method with reference to the value multiples of comparable listed companies and the recent transaction price of the target company. The significant unobservable input is the discount for lack of marketability, and the higher the discount for lack of marketability, the fair value of such investments will decrease.

The fair values of foreign unlisted preference shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees and to use the evaluation model to allocate the overall company value to each preference share. The significant unobservable inputs used are listed below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the WACC would result in an increase in the fair value.

The fair values of foreign unlisted convertible bonds were determined using the trinomial model based on the theoretical ordinary share price. The price at the time of issuance (i.e., face value) and the theoretical share price on the date of issuance are first calibrated with the implicit credit overweight at the time of issuance, and on subsequent reassessment, fair value was determined by separately deriving the theoretical share price on the reassessment date and using the interest-rate market parameters on the reassessment date and the volatility of comparable companies' historical share price. Considering the issue condition of convertible bonds, the model calculates the possible present value of expected returns from holding this investment. Based on the theoretical ordinary share price using the evaluation model to allocate the overall company value to the ordinary shares, an increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the WACC or market interest rates would result in an increase in the fair value of the convertible bonds.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 480,046	$ 233,296
Financial assets at amortized cost (1)	9,168,722	12,873,845
Financial liabilities		
Financial liabilities at amortized cost (2)	6,917,163	9,556,617

1) The balances include cash and cash equivalents, financial assets at amortized cost - current, trade receivables from unrelated parties, other receivables, and refundable deposits.

2) The balances include short-term borrowings, trade payables from unrelated parties, other payables, long-term borrowings (including current portion of long-term borrowings), guarantee deposits received and other non-current liabilities.

d. Financial risk management objectives and policies

The risk control and hedge strategies of the Group are affected by the operating environment. However, the Group has incorporated various risks into management in accordance with the nature of the business and the principle of risk diversification, and set risk management procedures, evaluation methods, and management indicators to control and manage risks effectively.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The foreign currency denominated monetary financial assets and liabilities held by the Group are subject to the risk of exchange rate changes. The Group has established relevant control to monitor the positions held and the fluctuations of the market exchange rate at any time, and applied the derivatives of cross-currency swap contracts to reduce the exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

Foreign currencies other than functional currencies of the entities in the Group is mainly exposed to the U.S. dollar.

The Group's sensitivity analysis mainly focuses on changes in the exchange rates of relevant foreign currencies to the functional currencies of the entities in the Group at the end of the reporting period. If the functional currency of the entities in the Group had a 1% increase and decrease of the New Taiwan dollar against the U.S. dollars, the Group's post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $17,830 thousand and $23,800 thousand, respectively. If the functional currency of the entities in the Group had a 1% increase and decrease of the RMB against the U.S. dollars, the Group's post-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by $33,619 thousand and $25,127 thousand, respectively.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the value of financial instruments caused by changes in market interest rates. The Group closely monitors the fluctuations of market interest rates to manage interest rate risk.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 2,584,072	$ 4,643,444
Financial liabilities	993,298	3,550,319
Cash flow interest rate risk		
Financial assets	1,414,825	2,785,023
Financial liabilities	1,664,317	1,361,397

Sensitivity analysis

The fixed interest rate financial assets and financial liabilities held by the Group are measured at amortized cost; therefore, they are not included in the analysis; the sensitivity analysis of interest rate risk is based on the financial assets and financial liabilities with floating interest rates at the end of the reporting period. If interest rates had increased/decreased by 1%, the Group's post-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by $1,871 thousand and increased/decreased by $11,455 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities and convertible bonds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis of investment in equity securities and convertible bonds was determined based on the exposure to equity price risks at the end of the year. If the prices of equity securities and convertible bonds had increased/decreased by 1%, the Group's post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $4,800 thousand and $2,333 thousand, respectively, due to changes in the fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The credit risk of the Group mainly comes from the receivables from operating activities, fixed income investments from investment activities and other financial instruments. Operation-related credit risks and financial credit risks are managed separately.

Operation-related credit risk

In order to maintain the quality of trade receivables, the Group has established management procedures for operation-related credit risks.

To mitigate the risk of financial loss from defaults, the Group has adopted a policy to assess individual customers and takes into account factors that may affect the customers' ability to pay, including the customers' financial position, ratings by credit rating agencies, internal credit ratings of the Group, historical transaction records, and current economic condition. The Group also uses some credit enhancement tools at appropriate times, such as requesting customers to pay for goods in advance and provide credit insurance, to reduce the credit risk of specific customers.

As of December 31, 2022 and 2021, the balance of trade receivables of the top five customers accounted for more than 85% of the balance of trade receivables of the Group. Since the top five customers are all creditworthy manufacturers, the credit risk is limited. After the Group considered the specific factors and performed the risk assessment, the Group did not have significant credit risk exposure to customers.

Financial credit risk

The credit risks of bank deposits, fixed income investments and other financial instruments are measured and monitored by the management of the Group. Since the counterparties of the Group are creditworthy banks and financial institutions with investment grade, corporate organizations and government agencies or above without major performance concerns, there is no significant credit risk.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of credit line of bank loan and ensures compliance with loan covenants.

The Group's working capital and credit line of bank loan are deemed adequate to finance its operations; therefore, there is no liquidity risk of inability to fulfill contractual obligations.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of the financial liabilities from the earliest date on which the Group may be required to pay the principal.

The Group may be required to immediately pay the principal amount within the earliest period, regardless of the probability of exercising immediate enforcement rights by the bank.

December 31, 2022

	On Demand or Less than 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities				
Non-interest bearing	$ 4,062,087	$ -	$ -	$ 4,062,087
Lease liabilities	43,740	159,757	43,048	246,545
Floating interest rate liabilities	588,528	1,075,789	-	1,664,317
Fixed interest rate liabilities	750,000	-	-	750,000
	$ 5,444,355	$ 1,235,546	$ 43,048	$ 6,722,949

December 31, 2021

	On Demand or Less than 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities				
Non-interest bearing	$ 3,788,658	$ 526,110	$ -	$ 4,314,768
Lease liabilities	43,740	189,229	57,316	290,285
Floating interest rate liabilities	100,000	1,261,397	-	1,361,397
Fixed interest rate liabilities	3,269,430	-	-	3,269,430
	$ 7,201,828	$ 1,976,736	$ 57,316	$ 9,235,880

31. TRANSACTIONS WITH RELATED PARTIES

Remuneration of Key Management Personnel

The remuneration of directors and key executives is as follows:

	For the Year Ended December 31	
	2022	2021
Short-term benefit	$ 62,280	$ 76,393
Post-employment benefit	648	600
Other long-term benefit	17	20
Share-based payments	1,595	3,221
	$ 64,540	$ 80,234

The remuneration of directors and key executives, as determined by the remuneration committee and the board of directors, is based on the overall performance of the Company and individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as tax payment account and customs deposit for outbound processing of bonded materials and imported raw materials:

		December 31	
Asset	Description	2022	2021
Restricted asset - cash	Tax payment account and customs deposit	$ 286	$ 120

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Assets denominated in foreign currencies			
Monetary items			
USD	$ 286,708	30.728 (USD:NTD)	$ 8,809,976
USD	246,523	6.9646 (USD:RMB)	7,575,146
			$ 16,385,122

(Continued)

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Liabilities denominated in foreign currencies			
Monetary items			
USD	$ 359,239	30.728 (USD:NTD)	$ 11,038,687
USD	100,645	6.9646 (USD:RMB)	3,092,605
			$ 14,131,292

(Concluded)

December 31, 2021

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Assets denominated in foreign currencies			
Monetary items			
USD	$ 270,548	27.685 (USD:NTD)	$ 7,490,113
USD	344,763	6.3757 (USD:RMB)	9,544,761
			$ 17,034,874
Liabilities denominated in foreign currencies			
Monetary items			
USD	378,008	27.685 (USD:NTD)	$ 10,465,154
USD	223,750	6.3757 (USD:RMB)	6,194,514
			$ 16,659,668

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency (In Thousands)	For the Year Ended December 31 2022	2021
USD	$ 34,671	$ 28,790
RMB	21,050	39,942
Others (EUR)	126	-
	$ 55,847	$ 68,732

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 1)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 2)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (Note 7)

10) Intercompany relationships and significant intercompany transactions (Table 5)

11) Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net profit and loss for the year, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year (Table 3)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (Table 3)

c) The amount of property transactions and the amount of the resultant gains or losses (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes (None)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds (None)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

35. SEGMENT INFORMATION

a. Operating segment information

The chief operating decision maker allocates resources and evaluates performance by using the financial information of the Group based on IFRS 8 Operating Segments. The Group manages organization and allocates resources with single operating segment, and the sales revenue of operating activity accounts for more than 90% of the Group's total revenue.

b. Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

	For the Year Ended December 31	
	2022	**2021**
Lithium-ion battery packs	$ 19,046,904	$ 20,744,016
Others	25,123	25,498
	$ 19,072,027	$ 20,769,514

c. Geographical information

The Group's revenue from external customers' order by location and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	**2021**	**2022**	**2021**
America	$ 12,392,934	$ 7,463,617	$ -	$ -
Singapore	1,693	6,160,067	-	-
China	2,057,436	2,602,350	1,515,286	1,587,901
Taiwan	4,430,364	4,504,566	3,416,355	3,129,998
Others	189,600	38,914	-	-
	$ 19,072,027	$ 20,769,514	$ 4,931,641	$ 4,717,899

Non-current assets excluded financial instruments and deferred tax assets.

d. Information about major customers

Single customers that contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2022	**2021**
Customer A	$ 7,169,902	$ 9,598,713
Customer B	5,121,347	3,900,710
Customer C	2,621,710	2,508,812
	$ 14,912,959	$ 16,008,235

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Dynapack Technologies (Cayman) Corporation	Silicon Motion Technology Corporation - ordinary shares	None	Financial assets at fair value through profit or loss - current	55	$ 109,836	0.17	$ 109,836	-
	Zentera Systems, Inc. A-1 - preference shares	None	Financial assets at fair value through profit or loss - current	662	-	4.07	-	-
	Zentera Systems, Inc. A-2 - preference shares	None	Financial assets at fair value through profit or loss - current	368	-	2.26	-	-
	Zentera Systems, Inc. - convertible bonds	None	Financial assets at fair value through profit or loss - current	-	15,372	N/A	15,372	-
Dynapack Investment Corporation	Taiwan Fertilizer Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	432	23,112	0.04	23,112	-
	I Sheng Electric Wire & Cable Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	602	25,404	0.32	25,404	-
	Gotech Energy Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	750	-	4.92	-	-
	Vactronics technologies Inc. - ordinary shares	None	Financial assets at fair value through profit or loss - current	3,201	295,492	5.33	295,492	-
	Chun Yuan Industry Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	679	10,830	0.10	10,830	-

Note: The marketable securities were not pledged.

TABLE 2

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Dynapack International Technology Corporation	Construction of the second phase of the factory building	2022.04.26	$ 1,280,000 (Including value-added business tax)	By contract	Immense Team Construction & Building Co. Ltd.	None	-	-	-	-	Not applicable	Asset activation	None

TABLE 3

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	Subsidiary of the Company	Purchase	$ 4,914,104	28	Note 1	None	None	$ (9,099,675)	82	Note 2
Dynapack Technologies (Cayman) Corporation	Dynapack International Technology Corporation	Parent company of the Company	Sale	4,914,104	100	Note 1	None	None	9,099,675	80	Note 2
	DynaPack (Suzhou) Co., Ltd.	Subsidiary of the Company	Purchase	4,865,189	100	Note 1	None	None	(7,488,418)	77	Note 2
Dynapack (Suzhou) Co., Ltd.	Dynapack Technologies (Cayman) Corporation	Parent company of the Company	Sale	4,865,189	98	Note 1	None	None	7,488,418	98	Note 2

Note 1: Open account 60 days, and the Company may make adjustments according to its working capital requirements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	Subsidiary company	$ 621,762	13.27	$ -	-	US$ 6,794	$ -
Dynapack Technologies (Cayman) Corporation	Dynapack International Technology Corporation	Parent company	9,099,675	1.99	-	-	US$ 80,496	-
Dynapack (Suchou) Co., Ltd.	Dynapack Technologies (Cayman) Corporation	Parent company	7,488,418	2.44	-	-	US$ 80,347	-

Note 1: Subsequent period will be on February 28, 2023.

Note 2: All intercompany transactions have been eliminated upon consolidation.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	
0	Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	a	Trade receivables	$ 621,762	Note 4	4.0
		Dynapack Technologies (Cayman) Corporation	a	Sales revenue	23,183	-	0.1
1	Dynapack Technologies (Cayman) Corporation	Dynapack International Technology Corporation	b	Trade receivables	9,099,675	Note 4	52.0
		Dynapack International Technology Corporation	b	Sales revenue	4,914,104	-	26.0
2	Dynapack (Suzhou) Co., Ltd.	Dynapack Technologies (Cayman) Corporation	b	Trade receivables	7,488,418	Note 4	43.0
		Dynapack Technologies (Cayman) Corporation	b	Sales revenue	4,865,189	-	26.0

Note 1: The information about the transactions between the Company and the subsidiaries are marked in the note column as follows:

a. The Company: 0.
b. The subsidiaries were marked in numerical order from 1.

Note 2: Investment types as follows:

a. The Company to the subsidiaries.
b. The subsidiaries to the Company.
c. Between the subsidiaries.

Note 3: The ratio of transaction amounts to total sales revenue or assets is calculated as follows: (1) asset or liability: The ratio was calculated based on the ending balance over the total consolidated assets; (2) income or loss: The ratio was calculated based on the ending balance of the accumulated amounts over the total consolidated sales revenue.

Note 4: Open account 60 days, and the Company may make adjustments according to its working capital requirements.

Note 5: All intercompany transactions have been eliminated upon consolidation.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2022			Net Income (Loss) of the Investee (Notes 2 and 3)	Share of Profits (Loss) (Notes 2 and 3)	Note
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	British Cayman Islands	Investment and selling lithium-ion battery packs	$ 2,298,472 (US$ 74,186)	$ 2,610,052 (US$ 84,186)	74,186	100	$ 9,351,897	$ 565,331 (US$ 18,825)	$ 581,405 (Note 4)	Subsidiary (Note 5)
	Dynapack Investment Corporation	ROC	Investment	480,000	480,000	48,000	100	574,947	70,966	70,966	Subsidiary (Note 5)
	Chih Ho Shun Development Co., Ltd.	ROC	New towns, new community development	15,000	15,000	1,500	30	12,779	(3,129)	(938)	Investee accounted for using the equity method
Dynapack Technologies (Cayman) Corporation	Dynapack Technology (Hong Kong) Corporation Limited	Hong Kong	Investment	2,236,165 (US$ 72,300)	2,236,165 (US$ 72,300)	82,300	100	7,605,337	571,683 (US$ 19,016)	571,683 (US$ 19,016)	Subsidiary (Notes 5)

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2022.

Note 3: The basis for investment income (loss) recognition, except for Chih Ho Shun Development Co., Ltd., is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The difference is the net written-off amount of $16,074 thousand in upstream transactions.

Note 5: All intercompany transactions have been eliminated upon consolidation.

Note 6: For information on investee companies in mainland China, refer to Table 7.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outflow	Inflow						
Dynapack (Suzhou) Co., Ltd.	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.	$ 2,487,238 (US$ 80,000) (Note 4)	(Note 5)	$ 2,229,856 (US$ 72,100)	$ -	$ -	$ 2,229,856 (US$ 72,100)	$ 571,830 (RMB 127,955)	100	$ 571,830 (RMB 127,955)	$ 7,599,348	$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$2,229,856 (US$72,100)	$2,229,856 (US$72,100)	$5,138,467

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2022.

Note 3: The basis for investment income (loss) recognition is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The paid-in capital includes the original outward remittance for investment from Taiwan of US$72,100 thousand and the earnings transferred to ordinary shares of US$7,900 thousand.

Note 5: The Company indirectly invested in mainland China through Dynapack Technology (Hong Kong) Corporation Limited by investing via a third region.

Note 6: All intercompany transactions have been eliminated upon consolidation.

TABLE 8

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hua Long Financial Co., Ltd.	7,620,431	5.07

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dynapack International Technology Corporation

Opinion

We have audited the accompanying parent company only financial statements of Dynapack International Technology Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Revenue from Specific Customers

The Company's products include battery packs for notebooks and tablet PCs. Since there is a significant change in the amount of revenue from specific customers compared with the previous year, we identified the authenticity of revenue from specific customers as a key audit matter.

The main audit procedures we performed were as follows:

1. We obtained an understanding of the design and implementation of internal controls and tested the operating effectiveness of revenue derived from specific customers.

2. We selected samples and tested such transaction documents related to revenue derived from specific customers, including sales orders and shipping documents.

3. We selected samples and tested such payment receipts related to revenue derived from specific customers and verified the authenticity of revenue.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ming-Yen Chien and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2023

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,584,672	10	$ 2,276,405	9
Financial assets carried at amortized cost - current (Notes 4 and 8)	937,204	4	1,600,000	6
Trade receivables from unrelated parties (Notes 4 and 9)	4,927,424	20	4,956,346	20
Trade receivables from related parties (Notes 4, 9 and 30)	621,762	2	1,265,512	5
Other receivables (Note 4)	14,737	-	4,283	-
Other receivables from related parties (Notes 4 and 30)	3,367	-	10,224	-
Inventories (Notes 4 and 10)	2,152,813	9	2,519,505	10
Other current assets (Notes 16)	74,678	-	73,958	-
Total current assets	11,316,657	45	12,706,233	50
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	9,939,623	40	9,348,185	37
Property, plant, and equipment (Notes 4 and 12)	104,507	1	62,733	-
Right-of-use assets (Notes 4 and 13)	140,346	1	161,238	1
Investment properties (Notes 4 and 14)	3,062,533	12	2,752,677	11
Intangible Assets (Notes 4 and 15)	3,919	-	-	-
Deferred tax assets (Notes 4 and 25)	156,953	1	220,203	1
Net defined benefit assets (Notes 4 and 21)	3,542	-	-	-
Refundable deposits (Notes 16)	95,396	-	122,516	-
Other non-current assets (Notes 16)	101,629	-	153,474	-
Total non-current assets	13,608,448	55	12,821,026	50
TOTAL	$ 24,925,105	100	$ 25,527,259	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	$ 750,000	3	$ 1,110,000	4
Trade payables from unrelated parties (Note 18)	1,940,040	8	2,131,366	8
Trade payables from related parties (Notes 18 and 30)	9,099,675	37	8,336,088	33
Other payables (Notes 20 and 30)	327,660	1	447,057	2
Current tax liabilities (Notes 4 and 25)	125,712	1	305,539	1
Provisions - current (Notes 4 and 19)	64,896	-	72,123	-
Lease liabilities - current (Notes 4 and 13)	43,370	-	41,383	-
Current portion of long-term borrowings (Note 17)	588,528	2	100,000	1
Other current liabilities (Notes 20)	180,081	1	186,525	1
Total current liabilities	13,119,962	53	12,730,081	50
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 17)	1,075,789	4	1,261,397	5
Deferred tax liabilities (Notes 4 and 25)	1,173,502	5	1,066,415	4
Lease liabilities - non-current (Notes 4 and 13)	199,928	1	239,506	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	-	-	1,650	-
Guarantee deposits received (Note 14)	789,160	3	526,110	2
Other non-current liabilities (Note 20)	2,653	-	2,997	-
Total non-current liabilities	3,241,032	13	3,098,075	12
Total liabilities	16,360,994	66	15,828,156	62
EQUITY (Notes 4,11,21,22, 25 and 27)				
Capital				
Share capital	1,501,555	6	1,492,185	6
Capital collected in advance	-	-	160	-
Total capital	1,501,555	6	1,492,345	6
Capital surplus	2,155,992	8	2,105,416	8
Retained earnings				
Legal reserve	1,825,009	7	1,493,942	6
Special reserve	545,350	2	454,161	2
Unappropriated earnings	2,829,947	12	4,698,589	18
Total retained earnings	5,200,306	21	6,646,692	26
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(293,742)	(1)	(545,350)	(2)
Total equity	8,564,111	34	9,699,103	38
TOTAL	$ 24,925,105	100	$ 25,527,259	100

The accompanying notes are an integral part of the parent company only financial statements.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23, and 30)				
Net sales revenue	$ 18,645,007	100.0	$ 19,870,213	100.0
OPERATING COSTS (Notes 4, 10, 12, 13, 24, 27 and 30)				
Cost of goods sold	17,691,178	94.9	18,957,514	95.4
GROSS PROFIT	953,829	5.1	912,699	4.6
OPERATING EXPENSES (Notes 4, 12, 13, 21, 24, 27 and 30)				
Selling and marketing expenses	38,828	0.2	38,469	0.2
General and administrative expenses	178,788	1.0	192,301	0.9
Research and development expenses	317,200	1.7	294,289	1.5
Total operating expenses	534,816	2.9	525,059	2.6
PROFIT FROM OPERATIONS	419,013	2.2	387,640	2.0
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7, 11,12, 13,14,24, 30 and 31)				
Interest income	42,664	0.2	2,615	-
Other income	58,982	0.3	126,939	0.6
Net Gain on disposal of property, plant, and equipment	-	-	721,679	3.6
Net gain on disposal of investment property	-	-	1,949,996	9.8
Net gain on disposal of investments	74,257	0.4	-	-
Net gain on financial assets (liabilities) at fair value through profit or loss	234	-	9,642	0.1
Miscellaneous disbursements	(996)	-	(58,535)	(0.3)
Net foreign exchange (loss) gain	(229,704)	(1.2)	93,855	0.5
Finance costs	(23,691)	(0.1)	(26,295)	(0.1)
Share of gain of subsidiaries and associated accounted using the equity method	651,433	3.5	446,367	2.2
Total non-operating income	573,179	3.1	3,266,263	16.4
ROFIT BEFORE INCOME TAX	992,192	5.3	3,653,903	18.4

(Continued)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 25)	(194,776)	(1.0)	(344,884)	(1.8)
NET PROFIT FOR THE YEAR	797,416	4.3	3,309,019	16.6
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 11, 21, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	4,540	-	1,650	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	314,510	1.7	(113,986)	(0.5)
Income tax relating to items that may be reclassified subsequently to profit or loss	(62,902)	(0.4)	22,797	0.1
	251,608	1.3	(91,189)	(0.4)
Other comprehensive income (loss) for the year, net of income tax	256,148	1.3	(89,539)	(0.4)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,053,564	5.6	$ 3,219,480	16.2
EARNINGS PER SHARE (Note 26)				
Basic	$ 5.33		$ 22.42	
Diluted	$ 5.26		$ 22.12	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Capital (Note 22)					Retained Earnings (Note 22)				Other Equity (Notes 4, 22 and 25)	
	Shares (In Thousands)	Share Capital	Capital Collected in Advance	Total	Capital Surplus (Notes 4, 22 and 27)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2021	147,481	$ 1,474,805	$ -	$ 1,474,805	$ 2,007,457	$ 1,390,703	$ 481,562	$ 2,422,381	$ 4,294,646	$ (454,161)	$ 7,322,747
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	-	103,239	-	(103,239)	-	-	-
Special reserve	-	-	-	-	-	-	(27,401)	27,401	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(958,623)	(958,623)	-	(958,623)
Other changes in capital surplus:											
Changes in equity of subsidiaries for using the equity method	-	-	-	-	4,650	-	-	-	-	-	4,650
Compensation cost of employee share options	-	-	-	-	12,976	-	-	-	-	-	12,976
Share-based payment transaction	1,738	17,380	160	17,540	80,333	-	-	-	-	-	97,873
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	3,309,019	3,309,019	-	3,309,019
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	1,650	1,650	(91,189)	(89,539)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	3,310,669	3,310,669	(91,189)	3,219,480
BALANCE AT DECEMBER 31, 2021	149,219	1,492,185	160	1,492,345	2,105,416	1,493,942	454,161	4,698,589	6,646,692	(545,350)	9,699,103
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	-	331,067	-	(331,067)	-	-	-
Special reserve	-	-	-	-	-	-	91,189	(91,189)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(2,248,342)	(2,248,342)	-	(2,248,342)
Other changes in capital surplus:											
Changes in equity of subsidiaries for using the equity method	-	-	-	-	1,875	-	-	-	-	-	1,875
Compensation cost of employee share options	-	-	-	-	10,263	-	-	-	-	-	10,263
Share-based payment transaction	937	9,370	(160)	9,210	38,438	-	-	-	-	-	47,648
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	797,416	797,416	-	797,416
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	4,540	4,540	251,608	256,148
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	801,956	801,956	251,608	1,053,564
BALANCE AT DECEMBER 31, 2022	150,156	$ 1,501,555	$ -	$ 1,501,555	$ 2,155,992	$ 1,825,009	$ 545,350	$ 2,829,947	$ 5,200,306	$ (293,742)	$ 8,564,111

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

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 992,192	$ 3,653,903
Adjustments for		
Depreciation expense	64,375	62,095
Amortization expense	581	16,308
Finance costs	23,691	26,295
Interest income	(42,664)	(2,615)
Compensation cost of employee share options	10,263	12,976
Share of gain of subsidiaries and associated accounted using the equity method	(651,433)	(446,367)
Gain on disposal of property, plant, and equipment	-	(721,679)
Gain on disposal of investment property	-	(1,949,996)
Inventory write-downs (reversed)	(9,139)	108,235
Reversal of provisions	(4,606)	(832)
Changes in operating assets and liabilities		
Trade receivables from unrelated parties	28,922	(657,779)
Trade receivables from related parties	643,750	(1,265,512)
Other receivables	(1,694)	2,102
Other receivables from related parties	6,857	815
Inventories	375,831	(541,101)
Other current assets	(720)	(36,779)
Financial liabilities at fair value through profit or loss - current	-	(9,218)
Trade payables from unrelated parties	(191,326)	147,045
Trade payables from related parties	763,587	1,850,105
Other payables	(119,296)	14,953
Provisions	(2,621)	-
Other current liabilities	(6,444)	(574,705)
Net defined benefit liabilities	(652)	(665)
Other non-current liabilities	(344)	(1,294)
Cash (used in)/generated from operations	1,879,110	(313,710)
Interest received	33,904	2,919
Income tax paid	(267,168)	(155,874)
Net cash (used in)/generated from operating activities	$ 1,645,846	(466,665)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(2,030,361)	($ 2,082,500)
Proceeds from sale of financial assets at amortized cost	2,654,613	1,062,165
Purchase of Investments accounted for using the equity method	-	(280,000)
Repatriation of capital reduction from Investments accounted for using the equity method	311,580	-
Payments for property, plant and equipment	(25,348)	(56,487)
Proceeds from disposal of property, plant and equipment	-	1,215,645
Increase in refundable deposits	(1,850)	(121,327)
Decrease in refundable deposits	28,970	1,100
Payments for Intangible Assets	(4,500)	-
Payments for investment properties	(292,395)	(895)
Proceeds from disposal of investment properties	-	3,277,496

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DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Increase in other non-current assets	(20,884)	(41,642)
Dividend received from subsidiary	64,800	30,000
Income tax paid	-	(30,002)
Net cash generated from investing activities	684,625	2,973,553
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,440,000	4,010,000
Repayments of short-term borrowings	(5,800,000)	(3,100,000)
Proceeds from long-term borrowings	4,502,920	3,579,740
Repayments of long-term borrowings	(4,200,000)	(5,340,483)
Proceeds from guarantee deposits received	263,050	113,119
Repayment of the principal portion of lease liabilities	(43,288)	(3,789)
Cash dividends distributed	(2,248,342)	(958,623)
Proceeds from employee share options	47,648	97,873
Interest paid	(22,736)	(25,895)
Net cash used in financing activities	(2,060,748)	(1,628,058)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	38,544	(5,165)
NET INCREASE IN CASH AND CASH EQUIVALENTS	308,267	873,665
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,276,405	1,402,740
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,584,672	$ 2,276,405

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Dynapack International Technology Corporation (the "Company") was incorporated in the Republic of China (ROC) on July 15, 1998. The Company mainly manufactures and sells lithium-ion battery packs.

The Company's shares have been listed on the Taipei Exchange (TPEx) since November 8, 2004.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

This parent company only financial statements were approved by the Company's t board of directors on March 7, 2023.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

This parent company only financial report has been prepared based on historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) on the measurement date in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Company use the equity method to account for its investments in subsidiaries and associated companies. Amounts of profit, other comprehensive income, and equity presented in the parent company only financial report and amounts of profit, other comprehensive income, and equity attributable to the Company's owners shown in the consolidated financial report are consistent. There is no difference in accounting treatment between the parent company only basis and the consolidated basis.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign Currency

In preparing the parent company only financial statements, transactions denominated in currencies other than the functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the financial statements of the Company’s foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and merchandise inventories and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

At the end of the period, the inventory obsolescence losses are assessed based on the actual inventory status.

f. Investments accounted for using the equity method

The Company use the equity method to account for its investments in subsidiaries and associated companies.

1) Investments in subsidiary

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Profits or losses resulting from downstream transactions are eliminated in full only in the Company’s financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company’s financial statements only to the extent that are not related to the Company’s equity in subsidiaries.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized had no impairment loss been recognized in prior years.

2) Investments in associates

An associated company is an entity in which the Company has significant influence and that is neither a subsidiary nor a joint venture.

Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company’s share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes its share in the changes in the equities of associates

When assessing impairments, the entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method within useful lives. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include properties held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss

j. Impairment of property, plant and equipment and right-of-use assets and investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets and investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest Company of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (net of amortization or depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular transactions of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into financial assets at amortized cost.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

i) Internal or external information shows that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 12 months past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL, which are held for trading, are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 29.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, which mainly include cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

l. Provisions

Provisions, if the time value of money has a significant impact, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranties

Provisions for the expected cost of warranty obligations in sales contracts are recognized at the date of sale of the relevant products at the best estimate by the management of the Company of the expenditure required to settle the Company's obligation.

m. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

The revenue of the Company from the sale of goods mainly comes from sales of lithium-ion battery packs. Sales of lithium-ion battery packs are recognized as revenue when the goods are shipped or when the customers pick up the goods from a specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

p. Share-based payment arrangements

1) Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options.

At the end of each reporting period, the Company revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

2) Share-based payment arrangement for equity granted to subsidiaries' employees

The Company grants subsidiaries' employees share options that can be exercised in exchange for equity instruments of the Company. These transactions are accounted as capital investments from the Company to subsidiaries, and are measured at the fair value of equity instrument as of the grant date. The Company recognizes increase in the book value of subsidiary investments over the vesting period against a corresponding adjustment to capital surplus - employee share options.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

There are no critical accounting judgments and estimation uncertainty in the assessment of the Company.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 499	$ 494
Checking accounts and demand deposits	1,206,330	2,075,911
Cash equivalents		
Time deposits with original maturities less than 3 months	1,377,843	200,000
	$ 2,584,672	$ 2,276,405

The ranges of interest rates for bank deposits at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Bank deposits	0.39%～5.00%	0.01%～0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Since the Company entered into cross-currency swap contracts, the Company recognized net gain of $234 thousand and $9,642 thousand on FVTPL in 2022 and 2021, respectively. The Company entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities. Those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting. As of December 31, 2022 and 2021, the Company did not have transactions and contracts of derivative financial instruments under hedge accounting.

8. FINANCIAL ASSETS AT AMORTIZED COST – CURRENT

	December 31	
	2022	2021
Time deposits with original maturities more than 3 months	$ 937,204	$ 1,600,000

The ranges of interest rates for time deposits with original maturities more than 3 months were approximately 4.58～5.15% and 0.35% per annum as of December 31, 2022 and 2021, respectively.

9. TRADE RECEIVABLES

	December 31	
	2022	2021
Unrelated parties		
Trade receivables - at amortized cost	$ 4,927,424	$ 4,956,346
Related parties		
Trade receivables - at amortized cost	$ 621,762	$ 1,265,512

The credit period of sales of goods was approximately 30 to 90 days. No interest was charged as a result of the shorter credit period.

In order to control credit risk and ensure the recoverable amount of trade receivables, the management of the Company has evaluated individual customers' financial positions to determine credit limits and subsequently monitored the factors possibly affecting customers' payment ability such as its own trading records and current economic conditions.

The Company adopts the simplified approach of IFRS 9 to measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The ECLs on trade receivables are estimated using a provision matrix and considers the number of days overdue of the customer's trade receivables, current financial position and industrial economic condition to set the expected credit loss rate. In addition, the Company reviews the recoverable amount of each individual trade receivables at the each end of the reporting period to ensure that adequate allowance is made for amounts possibly having credit risk. In this regard, the management believes the Company's credit risk was significantly reduced.

Using the provision matrix, the management has determined the expected credit loss rate at zero, and therefore reported zero ECL as of December 31, 2022 and 2021.

Aging analysis of trade receivables was as follows:

December 31, 2022

	Not Past Due	Less than 1-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Gross carrying amount							
Amortized cost	$5,515,951	$ 25,340	$ 7,887	$ -	$ 8	$ -	$5,549,186

December 31, 2021

	Not Past Due	Less than 1-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Gross carrying amount							
Amortized cost	$6,193,436	$ 27,543	$ 238	$ 566	$ 75	$ -	$6,221,858

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 913,484	$ 1,150,318
Raw materials	1,239,329	1,369,187
	$ 2,152,813	$ 2,519,505

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was $17,691,178 thousand and $18,957,514 thousand, respectively.

The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory write-downs reversed of $9,139 thousand and inventory write-downs of $108,235 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiary	$ 9,926,844	$ 9,334,468
Investments in associate	12,779	13,717
	$ 9,939,623	$ 9,348,185

a. Investments in subsidiary

	December 31	
	2022	2021
Non-listed companies		
Dynapack Technologies (Cayman) Corporation (hereinafter referred to as the "Dynapack (Cayman)")	$ 9,351,897	$ 8,765,548
Dynapack Investment Corporation	574,947	568,920
	$ 9,926,844	$ 9,334,468

The Company's percentage of ownership and voting rights in subsidiaries at the end of the year are as follows, and for the rest of the relevant information, refer to Table 5.

	December 31	
Investee	2022	2021
Dynapack (Cayman)	100%	100%
Dynapack Investment Corporation	100%	100%

As of December 31, 2022, the Company has invested in Dynapack (Cayman) US$74,186 thousand, then reinvested US$72,300 thousand in Dynapack (Hong Kong), and then reinvested US$72,100 thousand in Dynapack (Suzhou) Co., Ltd.

Dynapack (Cayman) reduced the capital by cash in November 2022, and the Company received repatriation of US$10,000 thousand. Dynapack (Cayman) completed the capital reduction process in December 2022.

Dynapack (Hong Kong) reduced the capital by cash in July 2021, and Dynapack (Cayman) received repatriations of US$10,000 thousand. Dynapack (Hong Kong) completed capital reduction process in October 2021.

In order to meet the needs of Dynapack Investment Corporation's investment business, the Company's board of directors resolved to subscribe the cash capital increase of $280,000 thousand to Dynapack Investment Corporation on March 9, 2021. The record date of cash capital increase was March 31, 2021. As of December 31, 2022, the Company has invested $480,000 thousand in Dynapack Investment Corporation.

After considering the market operating environment and group operating strategy, production and operation functions of Dynapack (Kunshan) Co., Ltd., ended at the end of 2017 and the liquidation process was completed in July 2021.

Share of profit and loss and other comprehensive income from subsidiaries under the equity method in 2022 and 2021 were recognized based on audited financial statements of the respective subsidiaries for the corresponding periods.

b. Investments in associate

	December 31	
	2022	**2021**
Associate that is not individually material		
Chih Ho Shun Development Co., Ltd.	$ 12,779	$ 13,717

The Company's percentage of ownership and voting rights in associate that is not individually material at the end of the year are as follows, and for the rest of the relevant information, refer to Table 5.

	December 31	
Name of Associate	**2022**	**2021**
Chih Ho Shun Development Co., Ltd.	30%	30%

For "Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project", the Company jointly invested and established Chih Ho Shun Development Co., Ltd. to perform the development of public facilities in the industrial zone in April 2012 with Chroma ATE Inc. and HERAN Co., Ltd. As of December 31, 2022, the Company has invested $15,000 thousand in Chih Ho Shun Development Co., Ltd. with a 30% of ownership.

The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

	December 31	
	2022	**2021**
Current assets	$ 41,477	$ 44,271
Non-current assets	1,437	1,797
Current liabilities	(319)	(344)
Equity	$ 42,595	$ 45,724

	For the Year Ended December 31	
	2022	2021
Net loss for the year	($ 3,129)	($ 2,536)

Investments accounted for using the equity method and the share of profit and loss by the Company is calculated based on the financial statements of Chih Ho Shun Development Co., Ltd., that have not been audited by a certified public accountant. However, the management of the Company believes that the above financial statements of the investee, which were not audited by a certified public accountant, did not have a significant impact.

12.PROPERTY, PLANT AND EQUIPMENT

2022	Land	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance at January 1, 2022	$ 6,643	$ 40,054	$ 8,410	$ 38,392	$ 8,063	$ 101,562
Additions	-	15,439	750	10,352	5,734	32,275
Reclassification	-	-	-	-	78,066	78,066
Disposals	-	(1,241)	-	(18,973)	-	(20,214)
Balance at December 31, 2022	$ 6,643	$ 54,252	$ 9,160	$ 29,771	$ 91,863	$ 191,689
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 10,307	$ 4,038	$ 21,744	$ 2,740	$ 38,829
Depreciation expense	-	9,652	1,520	9,771	16,842	37,785
Reclassification	-	-	-	-	30,782	30,782
Disposals	-	(1,241)	-	(18,973)	-	(20,214)
Balance at December 31, 2022	$ -	$ 18,718	$ 5,558	$ 12,542	$ 50,364	$ 87,182
Carrying amount at December 31, 2022	$ 6,643	$ 35,534	$ 3,602	$ 17,229	$ 41,499	$ 104,507

2021	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2021	$ 113,106	$ 273,107	$ 19,419	$ 10,715	$ 27,184	$ 62,703	$ 506,234
Additions	-	-	20,588	-	11,562	19,756	51,906
Reclassification	-	-	193	-	(193)	-	-
Disposals	(106,463)	(273,107)	(146)	(2,305)	(161)	(74,396)	(456,578)
Balance at December 31, 2021	$ 6,643	$ -	$ 40,054	$ 8,410	$ 38,392	$ 8,063	$ 101,562
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ -	$ 10,888	$ 4,165	$ 4,657	$ 11,684	$ 4,926	$ 36,320
Depreciation expense	-	7,708	6,137	1,686	10,163	7,916	33,610
Reclassification	-	-	16	-	(16)	-	-
Disposals	-	(18,596)	(11)	(2,305)	(87)	(10,102)	(31,101)
Balance at December 31, 2021	$ -	$ -	$ 10,307	$ 4,038	$ 21,744	$ 2,740	$ 38,829
Carrying amount at December 31, 2021	$ 6,643	$ -	$ 29,747	$ 4,372	$ 16,648	$ 5,323	$ 62,733

Refer to Note 14 for details about disposals of land and building for the year ended December 31, 2021.

The Company had no capitalized interest and did not recognize any impairment loss for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main building	50 years
Electromechanical power	15 years
Factory engineering	10 years
Machinery Equipment	3-15 years
Transportation Equipment	5 years
Office Equipment	3-5 years
Other Equipment	3-10 years

13.LEASES ARRANGEMENTS

a. Right-of-use assets

	Buildings	2022 Transportation Equipment	TOTAL
COST			
BALANCE AT JANUARY 1, 2022	$ 162,266	$ 5,653	**$ 167,919**
ADDITIONS	-	6,382	**6,382**
DISPOSALS	-	(5,323)	**(5,323)**
BALANCE AT DECEMBER 31, 2022	$ 162,266	$ 6,712	**$ 168,978**
ACCUMULATED DEPRECIATION			
BALANCE AT JANUARY 1, 2022	$ 1,028	$ 5,653	**$ 6,681**
DEPRECIATION EXPENSE	24,670	1,920	**26,590**
DISPOSALS	-	(4,639)	**(4,639)**
BALANCE AT DECEMBER 31, 2022	$ 25,698	$ 2,934	**$ 28,632**
CARRYING AMOUNT AT DECEMBER 31, 2022	**$ 136,568**	**$ 3,778**	**$ 140,346**

	Buildings	2021 Transportation Equipment	TOTAL
COST			
BALANCE AT JANUARY 1, 2021	$ -	$ 5,653	**$ 5,653**
ADDITIONS	162,266	-	**162,266**
BALANCE AT DECEMBER 31, 2021	$ 162,266	$ 5,653	**$ 167,919**
ACCUMULATED DEPRECIATION			
BALANCE AT JANUARY 1, 2021	$ -	$ 3,769	**$ 3,769**
DEPRECIATION EXPENSE	1,028	1,884	**2,912**
BALANCE AT DECEMBER 31, 2021	$ 1,028	$ 5,653	**$ 6,681**
CARRYING AMOUNT AT DECEMBER 31, 2021	**$ 161,238**	**$ -**	**$ 161,238**

The Company did not recognize any impairment for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

b. Lease liabilities

	December 31 2022	December 31 2021
Carrying amount		
Current	$ 43,370	$ 41,383
Non-current	$199,928	$239,506

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Transportation equipment	0.75～1.06%	1.14%
Buildings	0.90%	0.90%

c. Material leasing activities and terms

The Company leases transportation equipment for operation with lease term of 1 to 3 years. Part of the lease agreement contains renewal options at the end of the lease period.

In November 2021, the Company signed the trading contract for real estate to sell its building and the lease agreement to lease back 5 floors for operations with lease terms from 5 to 10 years. According to the lease agreement, the Company has the right and option to renew the lease. The annual lease payment is $43,740 thousand for the first four years, $45,088 thousand for the 5th year, $14,268 thousand for the 6th to 8th years, and $14,716 thousand for the 9th and 10th years. Refer to Note 14 for details about the sale of land and building.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 34	$ 34
Total cash outflow for leases	($ 45,714)	($ 3,951)

The Company elected to apply the recognition exemption of short-term leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	2022		
	Land	Investment Properties under Construction	Total
Cost			
Balance at January 1, 2022	$ 2,752,677	$ -	$ 2,752,677
Additions	-	309,856	309,856
Balance at December 31, 2022	$ 2,752,677	$ 309,856	$ 3,062,533

	2021		
	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 3,088,555	$ 881,660	$ 3,970,215
Additions	895	-	895
Disposals	(336,773)	(881,660)	(1,218,433)
Balance at December 31, 2021	$ 2,752,677	$ -	$ 2,752,677
Accumulated depreciation			
Balance at January 1, 2021	$ -	$ 34,753	$ 34,753
Depreciation expense	-	25,573	25,573
Disposals	-	(60,326)	(60,326)
Balance at December 31, 2021	$ -	$ -	$ -
Carrying amount at December 31, 2021	$ 2,752,677	$ -	$ 2,752,677

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main building	50 years
Electromechanical power	15 years
Factory engineering	10 years

The fair value of investment property was based on valuations carried out by independent qualified professional valuers, and the fair value was measured using Level 3 inputs. The valuation of the land was arrived at by reference to comparison approach and land development analysis approach. The appraisal fair value was as follows:

	December 31	
	2022	2021
Land (17,387.3 pings include joint construction land for residence of 4,046.9 pings)	$ 12,420,000	$ 11,299,000

On February 1, 2012, the Company, Chroma ATE Inc. and HERAN Co., Ltd. jointly obtained “Taoyuan Airport MRT A7 Station Development Zone Industrial Zone (Bid A) Bidding Investment Project” in Guishan District, Taoyuan City. The total bid price was $10,088,890 thousand. The agreement was signed on April 18, 2012 and the shareholding ratio of each member was 30%, 35% and 35%, respectively. The bid price obtained by the Company was $3,035,176 thousand, the area of the acquired land was 66,877 square meters (approximately 20,230 pings). The acquired land of 38,707 square meters (approximately 11,709 pings) had registration of caution which stipulated that the land cannot be transferred to a third party if the land has not been constructed and has not obtained a building use permit.

In order to activate assets and raise land development fund, on December 7, 2020, the Company’s board of directors approved the signing of the preliminary trading contract for real estate. In November 2021, the Company signed the trading contract for real estate and the lease agreement to lease back part of the building spaces. The sale of the Company’s land (approximately 2,801.2 pings) and all of the above-ground building and underground parking spaces (approximately 17,734.0 pings) at No. 55, 55-5, and 55-6 Lejie Section, Guishan District, Taoyuan City was completed in December 2021. The sale price, including value-added business tax, was $4,500,000 thousand. Refer to Note 13 for details about sale-and-lease-back.

On January 30, 2019, the board of directors approved the agreement for joint construction and separate sale with Fu-Yu Construction Co., Ltd. (“Fu-Yu”) for a parcel of residential land of 13,378.2 square meters (approximately 4,046.9 pings) located at No. 56, Lejie Section, Guishan District, Taoyuan City. According to the agreement, the Company will receive total guaranteed revenue of $2,630,500 thousand without regard to changes in market condition. As of December 31, 2022, the Company has received 30% of total guaranteed revenue in the amount of $789,160 thousand which is recognized as guarantee deposit received. Registration of caution is applied to the land in this case. It is expected that registration of caution can be cancelled after the construction is completed and building use permit is obtained. Fu-Yu is expected to obtain the use permit in the fourth quarter of 2023 or the first half of 2024.

The Company used 6,366.4 square meters (approximately 1,925.8 pings) of land to construct its second building. The signing of construction contract for the second building was approved by the board of directors on April 26, 2022. The total contract price, including value-added business tax, was $1,280,000 thousand, and it is expected to be completed in the first quarter of 2025.

15.INTANGIBLE ASSETS (DECEMBER 31, 2021: NONE)

	December 31, 2022
	Computer Software
Cost	
Balance at January 1, 2022	$ -
Additions	4,500
Balance at December 31, 2022	4,500
Accumulated amortization	
Balance at January 1, 2022	-
Amortization expenses	581
Balance at December 31, 2022	581
Carrying amount at December 31, 2022	$ 3,919

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3 years

The Company did not recognize any impairment loss for the year ended December 31, 2022 since there was no indication of impairment.

16.OTHER ASSETS

	December 31	
	2022	2021
Current		
Refundable deposits	$ 27,950	$ 27,950
Prepayments and others	46,728	46,008
	$ 74,678	$ 73,958
Non-current		
Prepayments for construction and equipment	$ 101,329	$ 105,889
Others	300	47,585
	$ 101,629	$ 153,474

Prepayments for construction and equipment are mainly payments for the construction of building. Refundable deposits are mainly paid to suppliers for stable supply and classified into current and non-current accounts, respectively, according to liquidity.

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Credit borrowings	$ 750,000	$1,110,000

The ranges of interest rate of short-term borrowings were 1.400%～1.650% and 0.750%-0.755% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Credit borrowings	$ 1,664,317	$ 1,361,397
Less: Current portion of long-term borrowings	(588,528)	(100,000)
	$ 1,075,789	$ 1,261,397

The ranges of interest rate of long-term borrowings were 0.475%～1.670% and 0.000%-0.831% per annum as of December 31, 2022 and 2021, respectively, and will be due in succession before the end of April 2025.

According to the bank loan contract, the financial statements must maintain the agreed financial ratios during the period of the borrowings; as of December 31, 2022, the Company has not violated the agreed financial ratios.

As of December 31, 2022 and 2021, the unused line of credit of long-term and short-term loans of the Company was $3,908,777 thousand and $3,445,263 thousand, respectively.

18. TRADE PAYABLES

	December 31	
	2022	2021
Unrelated parties		
Trade payables - operating	$ 1,940,040	$ 2,131,366
Related parties		
Trade payables - operating	$ 9,099,675	$ 8,336,088

With the exception of trade payables to related parties, the average credit period for purchases of goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. PROVISIONS – CURRENT

	December 31	
	2022	2021
Warranties	$ 64,896	$ 72,123

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 72,123	$ 72,955
Reversal of provisions	(4,606)	(832)
Using of provisions	(2,621)	-
Balance at December 31	$ 64,896	$ 72,123

20. OTHER LIABILITIES

	December 31,	
	2022	2021
Current		
Other payables		
Payables for salaries and bonuses (including compensation of employees)	$ 229,756	$ 261,477
Payables for insurances	28,456	7,999
Payables for professional expenses	20,541	24,650
Payables for remuneration of directors	12,605	17,606
Payables for taxes and levies	221	102,286
Others	36,081	33,039
	$ 327,660	$ 447,057
Other liabilities		
Refund liabilities	$ 106,584	$ 114,404
Others	73,497	72,121
	$ 180,081	$ 186,525
Non-current		
Long-term employee benefits	$ 2,653	$ 2,997

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualified actuaries.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	($ 24,146)	($ 26,593)
Fair value of plan assets	27,688	24,943
Net defined benefit assets (liabilities) - non-current	$ 3,542	($ 1,650)

Movements in net defined benefit assets (liabilities) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Balance at January 1, 2021	$ (27,790)	$ 23,825	$ (3,965)
Recognized in profit or loss			
Net interest (expense) income	(139)	121	(18)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	314	314
Actuarial loss			
Changes in demographic assumptions	(824)	-	(824)
Actuarial gain			
Experience adjustments	2,160	-	2,160
Recognized in other comprehensive income	1,336	314	1,650
Contributions from the employer	-	683	683
Balance at December 31, 2021	$ (26,593)	$ 24,943	$ (1,650)
Balance at January 1, 2022	$ (26,593)	$ 24,943	$ (1,650)
Recognized in profit or loss			
Net interest (expense) income	(133)	127	(6)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	1,960	1,960
Actuarial loss			
Changes in demographic assumptions	(443)	-	(443)
Actuarial gain			
Change in financial assumptions	3,471	-	3,471
Actuarial loss			
Experience adjustments	(448)	-	(448)
Recognized in other comprehensive income	2,580	1,960	4,540
Contributions from the employer	-	658	658
Balance at December 31, 2022	$ (24,146)	$ 27,688	$ 3,542

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2022	**2021**
Discount rate	1.500%	0.500%
Expected rate of salary increase	2.750%	2.750%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rate		
0.25% increase	($ 781)	($ 948)
0.25% decrease	$ 816	$ 992
Expected rate of salary increase		
0.25% increase	$ 792	$ 995
0.25% decrease	($ 763)	($ 918)

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Average duration of the defined benefit obligation	13.2 years	14.5 years

22.EQUITY

a. Ordinary share capital

	December 31	
	2022	2021
Number of authorized shares (in thousands of shares)	250,000	250,000
Amount of authorized shares	$ 2,500,000	$ 2,500,000
Number of issued and fully paid shares (in thousands of shares)	150,156	149,219
Amount of issued and fully paid shares	$ 1,501,555	$ 1,492,185
Capital collected in advance	$ -	$ 160

The issued ordinary shares with a par value of $10 entitle the holders with the right to vote and receive dividends.

The Company's authorized shares reserved for the employee share options are 10,000 thousand shares.

The difference in capital is due to the execution of share options by employees. The capital collected in advance is due to the execution of shares by employee share options. (Refer to Note 27 for details.)

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 1,810,960	$ 1,764,555
Premium from conversion of bonds	318,790	318,790
May not be used for any purpose		
Employee share options	26,242	22,071
	$ 2,155,992	$ 2,105,416

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (limited to a certain percentage of the Company's paid-up capital and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, if the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution. Where the Company distributes preceding surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting. Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company

Act, in whole or in part, by issuing new stock dividend or by cash dividend. Where legal reserve is distributed by issuing stock dividend or by cash dividend, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed. Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting. Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration of financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.

For the policies on the distribution of compensation of employees and directors refer to compensation of employees and directors in Note 24-g.

The appropriations of earnings for 2021 and 2020 were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Fiscal Year 2021	**For Fiscal Year 2020**	**For Fiscal Year 2021**	**For Fiscal Year 2020**
Legal reserve	$ 331,067	$ 103,239		
Special reserve	$ 91,189	$ (27,401)		
Cash dividends	$2,248,342	$ 958,623	$ 15.05	$ 6.50

The above appropriations of earnings for 2020 were resolved by the shareholders' meeting on July 1, 2021. The cash dividends for 2021 were resolved by the Company's board of directors on March 8, 2022; the other proposed appropriations were resolved by the shareholders' meeting on June 6, 2022.

The change in the number of issued shares due to the implementation of employee share options, the cash dividend per share in 2021 was adjusted to $15.02545.

The appropriation of earnings for 2022, which was proposed by the Company's board of directors on March 7, 2023, was as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 80,196	
Special reserve	($ 251,608)	
Cash dividends	$ 909,488	$6.05

The cash dividends have been approved by the Company's board of directors, and the other proposed appropriations for 2022 is to be resolved in the shareholders' meeting on June 9, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	**2021**
Beginning at January 1	$ 454,161	$ 481,562
Appropriations in respect of		
Debit/(credit) to other equity items	91,189	(27,401)
Balance at December 31	$ 545,350	$ 454,161

Pursuant to Rule No. 1090150022 issued by the FSC, the Company is required to set aside additional special reserve equivalent to the net debit balance of other equity items from the sum of net profit for the year and the amount of items other than net profit for the year but included in the unappropriated earnings. When there is still a deficit, it shall be set aside from previous unappropriated earnings. As for the shortfall of the “net increase in fair value of investment properties accumulated for the previous year” and “net debit balance of other equity items for the previous year” before the distribution of the surplus, a special reserve of the same amount shall be provided from the unappropriated earnings for the previous year. If the special reserve is still insufficient, it will be added to the net profit for the year plus the amount of the current unappropriated earnings. Any special reserve may be reversed and distributed to the extent of reversal of the net debit balance.

e. Other equity items

Exchange differences on translation of the financial statements of foreign operations

The exchange differences arising on translation of the financial statements of foreign operation’s net assets from its functional currency to the Company’s presentation currency (i.e., New Taiwan dollars) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences on translation of the financial statements of foreign operations previously accumulated in the foreign currency translation reserve are reclassified to profit and loss when the foreign operation is disposed of.

23. REVENUES

a. Contract information

For details on contracts with customers, please refer to Note 4; for details on operating revenues, please refer to Statement 8.

b. Contract balances

For details on trade receivables, please refer to Notes 9.

24. NET PROFIT FOR THE YEAR

Net profit for the year includes the following items:

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 42,576	$ 2,598
Others	88	17
	$ 42,664	$ 2,615

b. Other income

	For the Year Ended December 31	
	2022	2021
Subsidy income	$ 22,655	$ 21,543
Royalty income (Note 30)	6,425	14,513
Rental income	3,125	89,902
Others	26,777	981
	$ 58,982	$ 126,939

c. Net foreign exchange gain (loss)

	For the Year Ended December 31	
	2022	2021
Foreign exchange gain	$1,063,178	$ 403,253
Foreign exchange loss	(1,292,882)	(309,398)
Net gain	($ 229,704)	$ 93,855

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank borrowings	$ 21,189	$ 26,046
Interest on lease liabilities	2,392	128
Others	110	121
	$ 23,691	$ 26,295

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 20,560	$ 8,839
Operating expense	43,815	27,683
Non-operating income and expense	-	25,573
	$ 64,375	$ 62,095
An analysis of amortization by function		
Operating costs	$ 42	$ 7,730
Operating expense	539	8,578
	$ 581	$ 16,308

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits (Note 21)		
Defined contribution plans	$ 11,920	$ 10,932
Defined benefit plans	6	18
	11,926	10,950
Share-based payments (Note 27)		
Equity-settled	10,263	12,976
Other employee benefits		
Salaries expense	287,927	308,194
Labor/health insurance expense	23,094	21,584
Compensation of directors	23,536	33,819
Other personnel expenses	16,319	16,720
	350,876	380,317
Total employee benefits expense	$ 373,065	$ 404,243

An analysis of employee benefits expense by function

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 39,614	$ 38,896
Operating expense	333,451	332,847
Non-operating income and expense	-	32,500
	$ 373,065	$ 404,243

The Company employed an average of 252 employees in 2022 and 240 employees in 2021; the number of directors without concurrent role as employee was 7 in 2022 and in 2021. The same employee base was used for calculating employee benefit expenses.

The Company reported average employee benefit expenses of $1,427 thousand and $1,590 thousand, and average salary expenses of $1,217 thousand and $1,378 thousand, in 2022 and 2021 respectively. Average employee salary expenses had reduced by 11.7%.

The Company determines its salary and compensation policies after taking into consideration the common peer level, the Company's overall performance, employees' individual performance, and market trends.

g. Compensation of employees and compensation of directors

According to the Company's Articles before amendments, the Company shall appropriate compensation of employees and compensation of directors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and directors. According to the Company's amended Articles resolved by shareholders' meeting on July 1, 2021, if the Company records a profit for the year starting from 2021, the Company shall appropriate compensation of employees and compensation of directors at rates of no less than 2% and no higher than 3%, respectively, of the net profit before income tax, compensation of employees and directors. The compensation of employees and directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 7, 2023 and March 8, 2022, respectively, are as follows:

	For the Year Ended December 31			
	2022		2021	
	Appropriate Rate	Amount	Appropriate Rate	Amount
Compensation of employees	6.603%	$ 71,000	2.002%	$ 75,000
Compensation of directors	1.116%	$ 12,000	0.454%	$ 17,000

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded in the next fiscal year as a change in the accounting estimate. If the board of directors resolves to pay compensation of employees by shares, the number of shares of the compensation of employees is determined by dividing the amount of the compensation of employees by the closing price per share on the day immediately preceding the meeting of the Company's board of directors.

There is no difference between the amounts of compensation of employees and directors resolved by board of directors to pay and the amounts recognized in the parent company only financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 63,408	$ 309,479
Income tax on unappropriated earnings	32,003	-
Adjustments for prior years	(8,070)	(6,075)
	87,341	303,404
Deferred tax		
In respect of the current year	107,435	41,480
Income tax expense recognized in profit or loss	$ 194,776	$ 344,884

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 992,192	$ 3,653,903
Income tax expense calculated at the statutory rate	$ 198,438	$ 730,781
Revenue excluded from taxable income	(27,595)	(409,824)
Income tax on unappropriated earnings	32,003	-
Land value increment tax	-	30,002
Adjustments for prior years' tax	(8,070)	(6,075)
Income tax expense recognized in profit or loss	$ 194,776	$ 344,884

Since the resolution of the appropriation of earnings in the shareholders' meeting in 2023 is still uncertain, the potential income tax consequences of 5% income tax on the unappropriated earnings for 2022 cannot be determined reliably.

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
Translation of the financial statements of foreign operations	$ 62,902	($ 22,797)

c. Current tax liabilities

	December 31	
	2022	2021
Income tax payable	$ 125,712	$ 305,539

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Refund liabilities	$ 22,880	($ 1,563)	$ -	$ 21,317
Provisions	14,425	(1,446)	-	12,979
Inventory write-downs	43,965	(1,828)	-	42,137
Payables for annual leave	2,593	(9)	-	2,584
Defined benefit obligations	2	(2)	-	-
Exchange differences on translation of the financial statements of foreign operations	136,338	-	(62,902)	73,436
Unrealized loss on financial liabilities	-	4,500	-	4,500
	$ 220,203	($ 348)	($ 62,902)	$ 156,953
Deferred Tax Liabilities				
Share of profit of associates accounted for using the equity method	$ 1,055,921	$ 117,581	$ -	$ 1,173,502
Unrealized exchange gain	10,494	(10,494)	-	-
	$ 1,066,415	$ 107,087	$ -	$ 1,173,502

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Refund liabilities	$ 40,367	($ 17,487)	$ -	$ 22,880
Provisions	14,591	(166)	-	14,425
Inventory write-downs	22,318	21,647	-	43,965
Payables for annual leave	2,062	531	-	2,593
Defined benefit obligations	135	(133)	-	2
Exchange differences on translation of the financial statements of foreign operations	113,541	-	22,797	136,338
Unrealized loss on financial liabilities	1,844	(1,844)	-	-
	$ 194,858	$ 2,548	$ 22,797	$ 220,203
Deferred Tax Liabilities				
Share of profit of associates accounted for using the equity method	$ 990,821	$ 65,100	$ -	$ 1,055,921
Unrealized exchange gain	31,566	(21,072)	-	10,494
	$ 1,022,387	$ 44,028	$ -	$ 1,066,415

e. Income tax assessments

The income tax returns of the Company through 2020 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	$ 5.33	$ 22.42
Diluted earnings per share	$ 5.26	$ 22.12

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2022	2021
Earnings used in the computation of basic and diluted earnings per share	$ 797,416	$ 3,309,019

Shares

Unit: Shares (In Thousands)

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	149,623	147,598
Effect of potentially dilutive ordinary shares:		
Employee share options	788	1,163
Compensation of employees	1,106	866
Weighted average number of ordinary shares used in the computation of diluted earnings per share	151,517	149,627

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

Qualified employees of the Company, controlling company and its subsidiaries were granted 1,076 options on September 17, 2021 and 5,000 options in November 12, 2019. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company’s ordinary shares listed on the Taipei Exchange on the grant date. For any subsequent changes in the Company’s capital or cash dividend distribution, the exercise price is adjusted accordingly.

Information on issued employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands)	Weighted-average Exercise Price ($)	Number of Options (In Thousands)	Weighted-average Exercise Price ($)
Balance at January 1	4,076	$ 66.1	5,000	$ 59.3
Options granted	-	-	1,076	95.0
Options forfeited	(85)	49.5	(262)	55.8
Options exercised	(937)	51.8	(1,738)	55.8
Balance at December 31	3,054	60.6	4,076	66.1
Options exercisable, end of the year	862	48.6	677	55.8

The weighted-average share price on the exercise date of the share options for the year ended December 31, 2022 and 2021 were $88.57 and $97.45.

Information on outstanding options was as follows:

	December 31	
	2022	2021
Exercise price ($)	$48.6, $82.7	$55.8, $95.0
Weighted-average remaining contractual life (in years)	1.87-3.71 years	2.87-4.71 years

Due to the Company's dividend exclusion, the exercise price of the employee share options granted on September 17, 2021 and November 12, 2019 were adjusted from $95 to $82.7 and from $55.8 to $48.6, respectively, from the ex-dividend dates, April 6, 2022.

Options granted in September 2021 and November 2019 was priced using the Black-Scholes-Merton pricing model, and the inputs to the model are as follows:

	September 2021	November 2019
Grant-date share price	$95.0	$63.2
Grant-date exercise price	$95.0	$63.2
Expected volatility	27.33%-28.59%	22.89%-24.09%
Expected life (in years)	5	5
Expected dividend yield	-	-
Risk-free interest rate	0.28%-0.29%	0.57%-0.58%
Weighted-average fair value of options granted ($)	$20.77	$12.02

Expected volatility is based on the historical share price volatility over the past 5 years. The historical share price is the average value of the annualized standard deviation of the daily return rate of the Company, which is a hypothetical value.

Compensation costs recognized for the years ended December 31, 2022 and 2021 were $10,263 thousand and $12,976 thousand, respectively.

28.CAPITAL MANAGEMENT

Key management personnel of the Company review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

29.FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management believes that all the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the parent company only financial statements approximate their fair values or their fair value cannot be reliably measured.

b. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at amortized cost (1)	$ 9,212,512	$ 10,263,236
Financial liabilities		
Financial liabilities at amortized cost (2)	14,573,505	13,915,015

1) The balances include cash and cash equivalents, financial assets at amortized cost - current, trade receivable from unrelated parties, trade receivables from related parties, other receivables, other receivables from related parties, and refundable deposits.

2) The balances include short-term borrowings, trade payables to unrelated parties, trade payables to related parties, other payables, long-term borrowings (including current portion of long-term borrowings), guarantee deposits received and other non-current liabilities.

c. Financial risk management objectives and policies

The risk control and hedge strategies of the Company are affected by the operating environment. However, the Company has incorporated various risks into management in accordance with the nature of the business and the principle of risk diversification, and set risk management procedures, evaluation methods, and management indicators to control and manage risks effectively.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).
There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The foreign currency denominated monetary financial assets and liabilities held by the Company are subject to the risk of exchange rate changes. The Company has established relevant control to monitor the positions held and the fluctuations of the market exchange rate at any time, and applied the derivatives of cross-currency swap contracts to reduce the exchange rate risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 31.

Sensitivity analysis

Foreign currencies other than functional currencies of the Company is mainly exposed to the U.S. dollar. The Company's sensitivity analysis mainly focuses on changes in the exchange rates of relevant foreign currencies to the functional currencies of the entities in the Company at the end of the reporting period. If the functional currency had a 1% increase and decrease against the U.S. dollars, the Company's post-tax profit for the years ended December 31, 2022 and 2021 would have been increased/decreased by $17,835 thousand and $23,804 thousand, respectively.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the value of financial instruments caused by changes in market interest rates. The Company closely monitors the fluctuations of market interest rates to manage interest rate risk.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
- Financial assets	$ 2,315,047	$ 1,800,000
- Financial liabilities	993,298	1,390,889
Cash flow interest rate risk		
- Financial assets	1,206,330	2,075,911
- Financial liabilities	1,664,317	1,361,397

Sensitivity analysis

The fixed interest rate financial assets and financial liabilities held by the Company are measured at amortized cost; therefore, they are not included in the analysis; the sensitivity analysis of interest rate risk is based on the financial assets and financial liabilities with floating interest rates at the end of the reporting period. If interest rates had increased/decreased by 1%, the Company's post-tax profit would have been decreased / increased by $3,664 thousand for the year ended December 31, 2022 and increased/decreased by $5,716 thousand for the year ended December 31, 2021.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The credit risk of the Company mainly comes from the receivables from operating activities, fixed income investments from investment activities and other financial instruments. Operation-related credit risks and financial credit risks are managed separately.

Operation-related credit risk

In order to maintain the quality of trade receivables, the Company has established management procedures for operation-related credit risks.

To mitigate the risk of financial loss from defaults, the Company has adopted a policy to assess individual customers and takes into account factors that may affect the customers' ability to pay, including the customers' financial position, ratings by credit rating agencies, internal credit ratings of the Company, historical transaction records, and current economic condition. The Company also uses some credit enhancement tools at appropriate times, such as requesting customers to pay for goods in advance and provide credit insurance, to reduce the credit risk of specific customers.

As of December 31, 2022 and 2021, the balance of trade receivables of the top five customers accounted for more than 85% of the balance of trade receivables from unrelated parties of the Company. Since the top five customers are all creditworthy manufacturers, the credit risk is limited. After the Company considered the specific factors and performed the risk assessment, the Company did not have significant credit risk exposure to customers.

Financial credit risk

The credit risks of bank deposits, fixed income investments and other financial instruments are measured and monitored by the management of the Company. Since the counterparties of the Company consist entirely of creditworthy banks and financial institutions with investment grade or above and corporate organizations and government agencies without major performance concerns, there is no significant credit risk.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of credit line of bank loan and ensures compliance with loan covenants.

The Company's working capital and credit line of bank loan are deemed adequate to finance its operations; therefore, there is no liquidity risk of inability to fulfill contractual obligations.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of the financial liabilities from the earliest date on which the Company may be required to pay the principal.

The Company may be required to immediately pay the principal amount within the earliest period listed below, regardless of the probability of exercising immediate enforcement rights by the bank.

December 31, 2022

	On Demand or Less than 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities				
Non-interest bearing	$ 11,912,966	$ -	$ -	$ 11,912,966
Lease liabilities	43,740	159,757	43,048	246,545
Floating interest rate liabilities	588,528	1,075,789	-	1,664,317
Fixed interest rate liabilities	750,000	-	-	750,000
	$ 13,295,234	$ 1,235,546	$ 43,048	$ 14,573,828

December 31, 2021

	On Demand or Less than 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities				
Non-interest bearing	$ 10,531,495	$ 526,110	$ -	$ 11,057,605
Lease liabilities	43,740	189,229	57,316	290,285
Floating interest rate liabilities	100,000	1,261,397	-	1,361,397
Fixed interest rate liabilities	1,110,000	-	-	1,110,000
	$ 11,785,235	$ 1,976,736	$ 57,316	$ 13,819,287

30. TRANSACTIONS WITH RELATED PARTIES

The Company had the following transactions with related parties:

a. Name and relationship of related parties

Name of related party	Relationship with the Company
Dynapack Technologies (Cayman) Corporation (hereinafter referred to as the “Dynapack (Cayman)”)	Subsidiary of the Company
Dynapack (Suzhou) Co., Ltd. (hereinafter referred to as the “Dynapack (Suzhou)”)	Subsidiary of the Company

b. Sale

Type of related party	For the Years ended December 31 2022	2021
Subsidiary		
Dynapack (Cayman)	$ 23,183	$ 42,226

c. Purchases

Type of related party	For the Years ended December 31 2022	2021
Subsidiary		
Dynapack (Cayman)	$4,914,104	$5,538,749

Purchases from related parties mainly comprise finished goods. Due to the fact that no exact same goods can be sourced from unrelated parties, no meaningful comparison on purchase price and payment term could be made with unrelated parties.

d. Materials expense (presented as research and development expense)

Type of related party	For the Years ended December 31 2022	2021
Subsidiary		
Dynapack (Cayman)	$ 2,792	$ 4,724

e. Royalty income (presented other income)

Type of related party	For the Years ended December 31 2022	2021
Subsidiary		
Dynapack (Suzhou)	$ 6,425	$ 14,513

The Company has signed a technology licensing contract with Dynapack (Suzhou), in which the Company licenses its proprietary technology to Dynapack (Suzhou) in exchange for a royalty fee of 1.5%-2.0% on the total value of products sold in relation to the licensed technology.

f. Related party receivables

Type of related party	December 31 2022	2021
Subsidiary		
Dynapack (Cayman)	$ 621,762	$ 1,265,512

Outstanding related party receivables are the selling of materials and no security was obtained on outstanding related party receivables. No ECL was provided on related party receivables as of the end of 2022 and 2021.

g. Trade payables to related parties

Type of related party	December 31 2022	2021
Subsidiary		
Dynapack (Cayman)	$ 9,099,675	$ 8,336,088

No security was provided on outstanding related party payables.

h. Other receivables from related parties

Type of related party	December 31 2022	2021
Subsidiary		
Dynapack (Suzhou)	$ 3,338	$ 10,072
Dynapack (Cayman)	29	152
	$ 3,367	$ 10,224

i. Other payables from related parties

Type of related party	December 31 2022	2021
Subsidiary		
Dynapack (Suzhou)	$ 1,714	$ 1,846

j. Remuneration of key management personnel

The remuneration of directors and key executives is as follows:

	For the Years ended December 31	
	2022	2021
Short-term employee benefit	$ 57,064	$ 70,248
Post-employment benefit	540	466
Other long-term benefit	17	20
Share-based payments	1,461	2,467
	$ 59,082	$ 73,201

The remuneration of directors and key executives, as determined by the remuneration committee and the board of directors, is based on the overall performance of the Company and individuals and market trends.

31.SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount (In thousands)
Assets denominated in foreign currencies			
Monetary items			
USD	$ 286,689	30.728	$ 8,809,388
Non-monetary items			
Subsidiaries for using the equity method			
USD	304,788	30.728	$ 9,365,517
Liabilities denominated in foreign currencies			
Monetary items			
USD	359,239	30.728	$ 11,038,687

December 31, 2021

	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount (In thousands)
Assets denominated in foreign currencies			
Monetary items			
USD	$ 270,529	27.685	$ 7,489,584
Non-monetary items			
Subsidiaries for using the equity method			
USD	$ 317,690	27.685	$ 8,795,242

Liabilities denominated in foreign currencies			
Monetary items			
USD	378,008	27.685	$ 10,465,154

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Years ended December 31 2022	2021
USD	($ 229,961)	$ 93,834
RMB	131	21
Others (EUR)	126	-
	($ 229,704)	$ 93,855

32.SEPARATELY DISCLOSED ITEMS

a. Significant transactions and b. Information on investees

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 1.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 2.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

9) Trading in derivative instruments: None.

10) Information on investees: Table 5.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net profit and loss for the year, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 3.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Table 3.

c) The amount of property transactions and the amount of the resultant gains or losses: Note 30.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: Note 30.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Dynapack Technologies (Cayman) Corporation	Silicon Motion Technology Corporation- ordinary shares	None	Financial assets at fair value through profit or loss - current	55	$ 109,836	0.17	$ 109,836	-
	Zentera Systems, Inc. A-1 - preference shares	None	Financial assets at fair value through profit or loss - current	662	-	4.07	-	-
	Zentera Systems, Inc. A-2 - preference shares	None	Financial assets at fair value through profit or loss - current	368	-	2.26	-	-
	Zentera Systems, Inc. - convertible bonds	None	Financial assets at fair value through profit or loss - current	-	15,372	N/A	15,372	-
Dynapack Investment Corporation	Taiwan Fertilizer Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	432	23,112	0.04	23,112	-
	I Sheng Electric Wire & Cable Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	602	25,404	0.32	25,404	-
	Gotech Energy Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	750	-	4.92	-	-
	Vactronics technologies Inc. - ordinary shares	None	Financial assets at fair value through profit or loss - current	3,201	295,492	5.33	295,492	-
	Chun Yuan Industry Co., Ltd. - ordinary shares	None	Financial assets at fair value through profit or loss - current	679	10,830	0.10	10,830	-

Note: The marketable securities were not pledged.

TABLE 2

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Dynapack International Technology Corporation	Construction of the second phase of the factory building	2022.04.26	$ 1,280,000 (Including value-added business tax)	By contract	Immense Team Construction & Building Co. Ltd.	None	-	-	-	-	Not applicable	Asset activation	None

TABLE 3

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	Subsidiary company	Purchase	$ 4,914,104	28	Note 1	None	None	$(9,099,675)	82	-
Dynapack Technologies (Cayman) Corporation	Dynapack International Technology Corporation	Parent company	Sale	4,914,104	100	Note 1	None	None	9,099,675	80	-
	DynaPack (Suzhou) Co., Ltd.	Subsidiary company	Purchase	4,865,189	100	Note 1	None	None	(7,488,418)	77	-
Dynapack (Suzhou) Co., Ltd.	Dynapack Technologies (Cayman) Corporation	Parent company	Sale	4,865,189	98	Note 1	None	None	7,488,418	98	-

Note 1: Open account 60 days, and the Company may make adjustments according to its working capital requirements.

TABLE 4

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	Subsidiary company	$ 621,762	13.27	$ -	-	US$ 6,794	$ -
Dynapack Technologies (Cayman) Corporation	Dynapack International Technology Corporation	Parent company	9,099,675	1.99	-	-	US$ 80,496	-
Dynapack (Suzhou) Co., Ltd.	Dynapack Technologies (Cayman) Corporation	Parent company	7,488,418	2.44	-	-	US$ 80,347	-

Note 1: Subsequent period will be on February 28, 2023.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2022			Net Income (Loss) of the Investee (Notes 2 and 3)	Share of Profits (Loss) (Notes 2 and 3)	Note
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
Dynapack International Technology Corporation	Dynapack Technologies (Cayman) Corporation	British Cayman Islands	Investment and selling lithium-ion battery packs	$ 2,298,472 (US$ 74,186)	$ 2,610,052 (US$ 84,186)	74,186	100	$ 9,351,897	$ 565,331 (US$ 18,825)	$ 581,405 (Note 4)	Subsidiary
	Dynapack Investment Corporation	ROC	Investment	480,000	480,000	48,000	100	574,947	70,966	70,966	Subsidiary
	Chih Ho Shun Development Co., Ltd.	ROC	New towns, new community development	15,000	15,000	1,500	30	12,779	(3,129)	(938)	Investee accounted for using the equity method
Dynapack Technologies (Cayman) Corporation	Dynapack Technology (Hong Kong) Corporation Limited	Hong Kong	Investment	2,236,165 (US$ 72,300)	2,236,165 (US$ 72,300)	82,300	100	7,605,337	571,683 (US$ 19,016)	571,683 (US$ 19,016)	Subsidiary (Notes 5)

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2022.

Note 3: The basis for investment income (loss) recognition, except for Chih Ho Shun Development Co., Ltd., is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The difference is the net written-off amount of $16,074 thousand in upstream transactions.

Note 5: For information on investee companies in mainland China, refer to Table 6.

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outflow	Inflow						
Dynapack (Suzhou) Co., Ltd.	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.	$ 2,487,238 (US$ 80,000) (Note 4)	(Note 5)	$ 2,229,856 (US$ 72,100)	$ -	$ -	$ 2,229,856 (US$ 72,100)	$ 571,830 (RMB 127,955)	100	$ 571,830 (RMB 127,955)	$ 7,599,348	$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$2,229,856 (US$72,100)	$2,229,856 (US$72,100)	$5,138,467

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2022.

Note 3: The basis for investment income (loss) recognition is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The paid-in capital includes the original outward remittance for investment from Taiwan of US$72,100 thousand and the earnings transferred to ordinary shares of US$7,900 thousand.

Note 5: The Company indirectly invested in mainland China through Dynapack Technology (Hong Kong) Corporation Limited by investing via a third region.

TABLE 7

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
December 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hua Long Financial Co., Ltd.	7,620,431	5.07

Note1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Dynapack International Technology Corporation

Chairman: Chung, Tsung-Ming

May 17,2023