Code: 6243

ENE TECHNOLOGY INC.

2022 Annual Report

http://mops.twse.com.tw
http://www.ene.com.tw

2023.April. 20th

Spokesperson:

Name: Sharon Jan
Title: Director
Tel: (03)666-2888 #3217
Email: investors@ene.com.tw

Acting Spokesperson

Name: Su Wu Lo
Title: VP
Tel: (03)666-2888 #3245
Email: investors@ene.com.tw

ENE Technology Inc. Headquarters

Address: 4F, No. 21, Lixing Rd, Hsinchu Science Industrial Park, Taiwan
Tel: (03) 666-2888

ENE Technology Inc. Taipei Office

Address: 5F, No. 207~3, 3rd Sec., Beishin Rd., Xindian District, New Taipei City, Taiwan
Tel: (02) 8913-1668

Transfer Agent

Company: Yuanta Securities, Stock Transfer and Registrar Department
B1, No. 210, Sec. 3, Chen-de Rd, Taipei
Tel: (02) 2586-5859
Website: http://agent.yuanta.com.tw

Independent Auditor

Company: PWC Taiwan
Auditors: CPA Chin-Chang Chen and CPA Pei-Chuan Huang
Address: 27F, No. 333, Sec.1, Geelong Rd., Taipei City
Tel: (02)2729-6666
Website: http://www.pwc.tw

ENE Technology Inc. Official Website:

http://www.ene.com.tw

1. Letter to Shareholders

Dear Shareholders,

Thank you all for attending 2023 Shareholders' General Meeting. I would like to briefly summarize ENE's 2022 business result and business plan for 2023 as follows:

Operation and Financial Performance

For fiscal year 2022, total revenue comes to NT$713,885 thousands, a decrease of NT$112,917 thousands) over NT$826,802 thousands in 2021. Year 2022 gross margin is 33.7%, higher than 31.7% of 2021.

Total operation expense in 2022 is NT$236,083 thousands, an increase of NT$39,233 thousands over NT$196,485 thousands in 2021. The increase of operation expenses is due to allocation of profits to employees.

Net profit is NT$4,194 thousands, comparing to the net profit of NT$65,496 thousands in Year 2021 (decrease $61,302). Other non-operating profit is NT$66,164 thousands. It is mainly due to foreign exchange gain of $62,101. Net profit before income tax is NT$70,358 thousands in comparison to net profit before income tax NT$57,009 thousands in 2021.

Budget versus Actuals

The Company did not announce financial forecast of 2022.

Analysis on Profitability

Item	Consolidated		Independent	
	2022	2021	2022	2021
Return on Assets (%)	6.99%	6.40%	7.01%	6.42%
Return on Equity (%)	9.95%	10.10%	9.95%	10.10%
Return on Capital Employed (%)	15.52%	12.86%	15.52%	12.86%
Net income to sales	10.77%	7.29%	10.78%	7.31%
Earnings per Share	1.74	1.60	1.74	1.60

Status on Research and Development

The focus of 2022 is continuously on improving product performance and production yield. We have been making constant communication with customers to obtain the most updated specifications and successfully proceed to mass production. The strategic focus is to develop broader product offerings.

Key Planning of 2023

1. Strategic focus: For Mobile computer products- continuous R&D on EC and related applications

for the NB, and further expand the NB customer bases. For Consumer and Peripheral products-continuous developing new products and explore niche applications to strengthen the collaboration with major customers.

2. Operational target: The recent supply chain has been affected by the uneven supply (long and short) of materials, which consequently leads to shipments slow down, coupled with the impact of the Russian-Ukrainian war and global inflation, the impact on global NB is still uncertain. The company makes a comprehensive decision based on the current situation.
3. Major logistic policy: To obtain sufficient wafer capacity is the prime operational goal as global OEMs are fully packed.

Future development strategy

The Company has entered a strategic partnership in the second half of 2021 to further strengthen its finance and operation. NB will still be the mainframe of our product strategy but with extra emphasis to increase the penetration rate. In addition, the Company is continuously working on shortening the product development schedule, improving the product quality and after sale services. Supply chain relationship has become one of the strategic emphasis. The goal is to build a stable and in-depth relationship with the supplier to obtain manufacturing capacity.

Impact of external competition, legislations and macro economics

Electronic industry and technology development change rapidly nowadays. ENE not only keeps close eyes on the industry trends but also emphasizes on strengthening the R&D capability. The Company works closely with customers, plans products and fabricates mid to long term strategies.

ENE Technology has persistently improving the internal workflow as well as adjusting the operation hoshin. These efforts have gradually lead the Company into the positive direction with desirable outlook. As the global pandemic, COVID-19 has gradually subsided and people's life is back to normal, the demand for NB will be back to normal cycle. However, issues such as consuming power and market demand is not yet recovered, the Russia-Ukrainian war and the global inflation can bring uncertainty to the company operation. The Company shall continue to monitor the semiconductor supply chain and inflation issue and prepare for future growth.

ENE TECHNOLOGY INC

Chairman

2. Company Profile

1. Establishment: May 20th, 1998
2. Milestones:

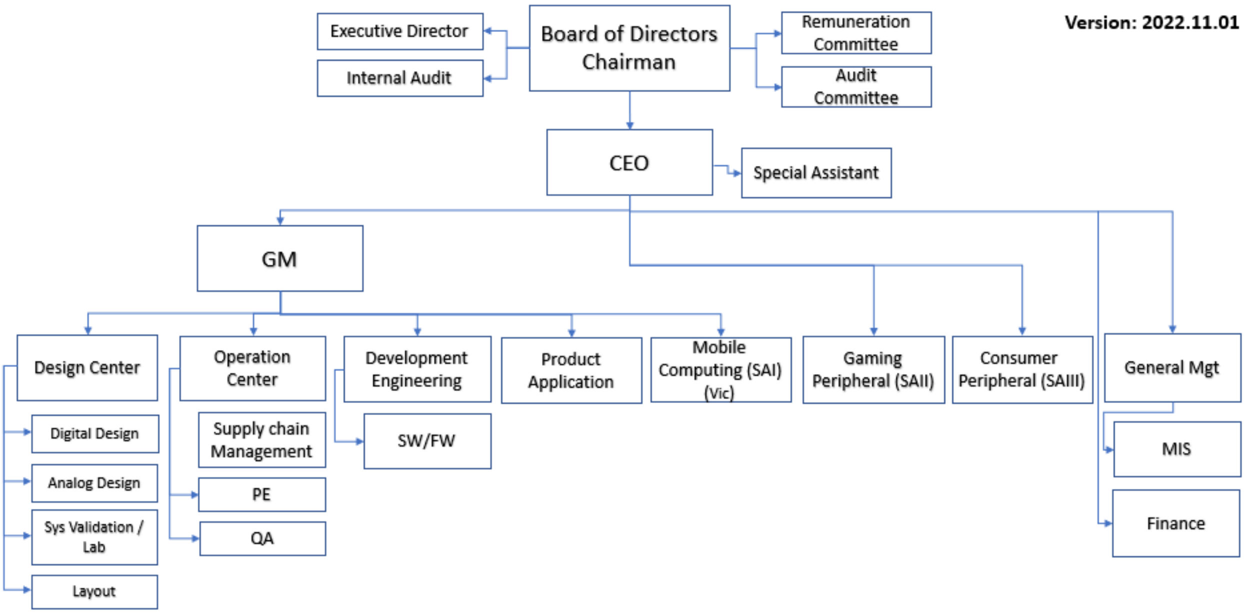
1998.05	Initial Capital NT$30 millions dollars
2000.11	Permission granted to operate in Hsinchu Science Industrial Park
2001.11	Pilot Run of first Keyboard Controller (KB3886）
2002.07	CardBus/MediaReader（CB710）certified by WindowsXP logo
2002.08	ISO9001 certified
2002.09	Enlisted on Emerging OTC market（Stock code R183）
2003.01	CardBus/MediaReader（CB720）certified by WindowsXP logo
2003.04	Listed on OTC market（Stock code 6243）
2003.10	Excellent Award of the Second National Business Start-up
2004.03	USB2.0 Chip certified by USB-IF and WHQL.
2004.10	11th Small and Medium Enterprise Innovation Research Award
2004.12	Award of Research and Development of Creative New Technologies, SBIP
2005.05	U.S. Patent granted "COMPENSATION CIRCUIT FOR CURRENT CONTROL OSCILLATOR"
2005.06	Taiwan Patent granted "Keyboard Controller"
2005.12	12th Small and Medium Enterprise Innovation Research Award
2006.08	9th Rising Star Award
2006.10	Chosen as the Major supplier for MIT OLPC project
2007.09	Won Deloitte Award for Tech Fast 50 Taiwan
2007.10	16th National Award of Outstanding Small & Medium Enterprises
2008.06	ISO/IECQ QC080000 certified
2008.08	Chinese Annual Top Ten Most Promising Golden Torch Award
2008.12	HSPM-RoHS certified
2009.10	Establishement of Shenzhen Office in China
2009.11	Award for Industrial Technology Advancement
2009.12	Listed on TWSE (6243)
2010.07	ISO 9001:2008 certified
2011.04	Establishment of Janus Power Technology Inc.
2014.11	WM6651 certified for WPC Qi standards
2015.12	IO361C PD E-Marker certified by USB-IF
2016.09	Enhanced MCU ene8K41 series
2016.11	New generation PD IC/PD E-Marker IC certified by USB-IF
2017.06	ISO 9001:2015 certified
2017.08	WM1511 certified for WPC Qi standards
2019.08	ENE Touch Technology Co. Ltd New generation PD 3.0 PPS IC certified by USB-IF
2020.01	MCU for gaming products
2021.10	Introduced strategic partner Alcor Micro via private placement

2022.03	Simple merger with subsidiary Janus Power Issuance of Restricted Employee Stock

3. Corporate Governance

(1) Organizational

A. Organizational chart



B. Major functions

Department	Functions
CEO Office	Stipulate managerial objectives, set business targets, production planning and policies, investors communication and relations, legal affairs, new products evaluation, planning, evaluation, marketing, promotion and project management
Internal Audit	Internal audit affairs
R & Development Engineering Division	Logic circuit verification, related firmware, drivers and soft wares development
Sales	International and domestic activities relating to product marketing, sales, service and customer communications
Field Engineering Division	Post sales services and application related technical issues
Design Center	Logic circuit design, integration and verification, analog circuit design, system application analysis, system verification, product verification and testing, product certification
Operation Center	Supply chain management, procurement, production planning, quality and reliability management, process control, vendor management, chip layout engineering, IP management
Management Division	Legal and IR MIS
Finance Dept	Finance, Accounting and shareholder affairs

2. Directors

2.1 Information Regarding Board Members

2023.04.01

Title	Nationality Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholdings		Shareholding by Nominee arrangement		Selected Education and Experiences	Current positions at the Company and other companies	Managers who are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan	Alcor Micro		2022.06.09	3	2022.06.09	8,000,000	17.65	8,000,000	17.66							-	-	-	
Chairman		Rep: Dylan Chung	Male 51~60	2022.06.09	3	2022.06.09	123,489	0.27	143,489	0.32	24,618	0.05			National Taiwan University, Master of Accounting Taiwan CPA/ Internal Auditor	The Company: CEO Janus power: General manager、Independent Director, Magnate Technology Inc Supervisor of Premtek, PigModel Animal Technology				5
Director		Alcor Micro		2022.06.09	3	2022.06.09	8,000,000	17.65	8,000,000	17.66										
Director	Taiwan	Rep: D.S Chen	Male 51~60	2022.06.09	3										University of Illinois Urbana-Champaign MBA Mr. Chen is holding a position as VP of Strategic Investment, Alcor Micro Corp	Mr. Chen is holding a position as VP of Strategic Investment, Alcor Micro Corp BOD of AlgorTek				
Director	Taiwan	Siguard Microelectronics		2022.06.09	3	2016.6.14	665,543	1.47	665,543	1.47	-	-	-	-						
Director	Taiwan	Rep: Chi Chan Chen	Male 51~60	2022.06.09	3	2020.6.14	-	-	-	-	-	-	-	-	Fengjia University Department of International Trade	ENE：NA Others：Supervisor of Sixing (Suzhou)	-	-	-	

Title	Nationality Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholdings		Shareholding by Nominee arrangement		Selected Education and Experiences	Current positions at the Company and other companies	Managers who are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
															Director of Accounting Department of Meige Technology Co., Ltd. Deputy Manager of Finance Department of Hongyu Semiconductor Head of Accounting and Director of_Accounting Department	Integrated Circuit Technology Co., Ltd.				
Director	Taiwan	ASUSTEK Computer Inc		2022.06.09	3	2007.9.11	444,364	0.98	444,364	0.98	-	-	-	-						
	Taiwan	ASUSTEK Computer Inc Representative: Chin Chi Wu	Male 71~80	2022.06.09	3	2008.5.12	-	-	-		-	-	-	-	UCLA PhD in Material Science Alitech GM, CTO of Asus	ENE：NA Others： please refer to ASUS annual report	-	-	-	
Independent Director	Taiwan	Wen ji Chien	Male 51~60	2022.06.09	3	2022.06.09	-	-	-		-	-	-	-	National Taipei University, Master of Accounting	ENE:Member of Audit Committee & Remuneration Committee Others: Senior managers, Legal and stock affairs at Premtek International Inc	-	-	-	
Independent Director	Taiwan	Yi Fong Lin	Male 61~70	2022.06.09	3	2022.06.09	-	-	-	-	-	-	-	-	NCKU EE Masters, NTU EMBA, Intel Taiwan senior employee Founder of Migo Corp	ENE:Member of Audit Committee & Remuneration Committee Others:Director of Yu Hsin Tech, Focus Tech Chairman	-	-	-	
Independent	Taiwan	Chi Ming Wu	Male	2022.06.09	3	2022.06.09	-	-	-	-	-	-	-	-	Master of	ENE:Member of	-	-	-	

Title	Nationality Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholdings		Shareholding by Nominee arrangement		Selected Education and Experiences	Current positions at the Company and other companies	Managers who are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director			61~70												Engineering, University of Michigan	Audit Committee & Remuneration Committee Others: Independent director, Remuneration and Audit committees member at SYNCOMM Technology Corp				

Major Shareholders' of Institutional Investor

Name	Top-10 Shareholders of Institutional Investors	%
Alcor Micro	Egis Technology Inc	22.01%
	Dennis Chang	1.17%
	Chicony Electronics	1.15%
	Trust fund of Chi Wei Tsai	1.05%
	ASUS Tek	1.00%
	Citi Trustee Berkeley Capital SBL/PB Investment Account	0.53%
	Taishin International Commercial Bank entrusted trust property special account	0.52%
	Wen Gen Tsai	0.44%
	Shao Hsien Chien	0.38%
	Kuan Chai Huang	0.36%
Asustek	Cathay Pacific Taiwan ESG Perpetual High Dividend ETF Fund Account	4.94%
	Jonney Shih	4.05%
	HSBC Custody Hillchester International Investor International Value Stock Trust Investment Account	3.41%
	Cathay United Bank managed Expert Union Limited Investment account	2.78%
	ASUS's Certificate of Depository with CitiBank (Taiwan)	2.64%
	Yunta high dividend fund account	2.44%
	New Labor Pension Fund Trust	2.08%
	HSBC hosts the trust investment account of Hillchester International Investors International Value Stock Group	1.43%
	Fubon Life Insurance Co., Ltd.	1.35%
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.32%
Siguard Microelectronics	Yen Yuan Investment	3.19%
	Hsin Yan Huang	1.58%
	Taiwan Corporative Bank	1.41%
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.28%
	PMorgan Chase Bank N.A. Taipei Branch in Custody for Advanced Starlight fund, a series of advanced international stock index Funds	1.28%
	Ming Chun Chiu	1.27%
	HSBC in custody of LSV emerging market investment fund	1.14%
	Taipei Fubon Commercial Bank	1.12%
	Yuanta Hi dividends ETF fund	1.11%
	Standard Chartered International Bank in custody for ISHARES core MSCI emerging market ETF investment fund	1.06%

Major Shareholders of the Company’s major institutional shareholders

Institutional Investor	Top 10 shareholders of the institutional investors	%
Egis Technology Inc	Steve Lo	12.86%
	Yen Fu Ho	2.00%
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.35%
	PMorgan Chase Bank N.A. Taipei Branch in Custody for Advanced Starlight fund, a series of advanced international stock index Funds	1.19%
	Norway Central Bank investment fund in custody by Citi Bank (TW)	0.90%
	Citi Trustee Berkeley Capital SBL/PB Investment Account	0.59%
	Ching Po Weng	0.50%
	Chi Bing Weng	0.43%
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for advanced trust for institutional member international stock market index II investment fund	0.41%
	Nian Ching Hsiao	0.39%
Chicony Electronics	Kun Tai Hsu	7.53%
	Yuanta High dividend fund	4.57%
	Unikey Electronics Co.	2.82%
	Swedbank Robur Technology	2.66%
	Singapore government investment fund entrusted by Citi Bank (TW)	2.52%
	Chunghwa Post Co	2.37%
	Epoque corporation	2.34%
	Hipro electronics	2.15%
	Tong Lin Machinery Co	1.49%
	Ching Yuan Investment Co	1.45%
Fubon Life Insurance Co., Ltd	Fubon Financial Holding Co., Ltd.	100.00%
Yen Yuan Investment	Spil investment	27.94%
	UMC	26.78%
	King Yuan ELECTRONICS CO., LTD.	14.55%
	UNIMICRON TECHNOLOGY CORP	11.64%
	Coretronic Corporation	11.06%
	Siguard	5.70%
	Sheun Jay Investment	2.33%
Taiwan Corporative Bank	Taiwan Cooperative Financial Holding Co.,Ltd.	100.00%
Taipei Fubon Bank	Fubon financial holding Co. Ltd	100.00%

Board of Directors

1.Professional qualifications and independence of independent directors

(1)Professional qualifications

Criteria / Name	Professional background and experiences (Note1)
Chairman Alcor Micro Rep: Dylan Chung	Master of Accounting, NTU. Mr. Chung is the CEO of ENE with necessary experiences in commerce, legal, finance, accounting and sales. Mr. Chung also holds CPA and Certificate for internal auditor.. There are no matters as listed in Article 30 of the Company Act.
Chairman Alcor Micro Rep: D.S Chen	University of Illinois Urbana-Champaign MBA Mr. Chen is holding a position as VP of Strategic Investment, Alcor Micro Corp. There are no matters as listed in Article 30 of the Company Act.
Director Siguard Representative: Chi Chan Chen	Bachelor of International Trade, Feng jia University. Mr. Chen is currently the Head of Accounting and Comptroller of Siguard, with the necessary work experiences in commerce, legal, finance, accounting and corporate business。 There are no matters as listed in Article 30 of the Company Act
Director Asustek Representative: Chin Chi Wu	PHD of Material Science of USC. Mr. Wu is the CTO of Asustek, with the necessary work experiences in commerce and sales. There are no matters as listed in Article 30 of the Company Act
Independent Director Wen Ji Chien	Master of Accounting, NTPU. Mr. Chien is the member of Compensation Committee and head of Audit Committee. Mr. Chien is CPA of TW. Mr. Chien is holding a position at JTron Technology Corp. Mr. Chein is currently holding a position as Senior managers, Legal and stock affairs at Premtek International Inc. He has necessary work experience of finance, legal, business and accounting. There are no matters as listed in Article 30 of the Company Act. Not elected as representative of government or institution
Independent Director Yi Fong Lin	Master of EE, NCKU, EMBA of NTU. Mr. Lin is the member of Audit Committee and member of Compensation committee. Mr. Lin is the Chairman of Focus Ltd. Director of Yu-shin Technology Development Ltd. With necessary work experience in commerce, legal, finance accounting and sales. There are no matters as listed in Article 30 of the Company Act. Not elected as representative of government or institution
Independent Director Chi Ming Wu	Master of Engineering, University of Michigan. Mr. Wu is the member of Audit Committee and Head of Compensation committee. Mr. Wu has necessary work experiences in commerce, legal, finance, accounting and sales. There are no matters as listed in Article 30 of the Company Act. Not elected as representative of government or institution

(2)Independence of independent directors

Criteria / Name	Serve as independent director of other public companies	Status of independence (Note 2)

Criteria / Name	Serve as independent director of other public companies	Status of independence (Note 2)
Independent Director Wen Ji Chien	0	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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. 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. Not a director, supervisor, or employee of the company which majority director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of the company or institution which the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has 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; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
Independent Director Yi Fong Lin	0	
Independent Director Chi Ming Wu	2	

2.Diversity and independence:

（1）Diversity

In order to implement the diversity of board members, the company clearly stated in Article 19 of the "Code of Practice on Corporate Governance" that the composition of the board of directors should consider diversity, and formulated an appropriate diversity policy based on its own operation, operation type and long-term development needs. Board members should also possess the knowledge, skills and qualities necessary to perform their duties.

In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational judgment ability.

2. Accounting and financial analysis ability.
3. Operation and management ability.
4. Crisis handling capability.
5. Industrial knowledge.
6. The international market view.
7. Leadership.
8. Decision-making ability.

The Company also pays attention to the selection of board members according to the principle of meritocracy, with reference to gender, age, nationality and cultural diversity. The implementation is as follows:

Diversity / Name		Basic Composition							Professionalism			Knowledge and Skills							
		Nationality	Gender	Employee	Age <60	Age 61-70	Age >70	Term of Independent Director (less than 3 yrs)	Finance & Accounting	Industry experience	Technology	Operational judgement	Analysis of accounting & Finance	Business Management skills	Risk handling skills	Industry knowledge	International viewpoint	Leadership	Decision Making
Board Member	Dylan Chung	Taiwan	M		✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	D.S. Chen		M		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Chi Chan Chen		M		✓				✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
	Ching Chi Wu		M				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Directors	Wen Ji Chien		M		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Yi Fong Lin		M			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Chi Ming Wu		M			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

（2）Independency: The current board of directors consists of 7 directors, including 3 independent directors, accounting for 1/3 of the seats on the board of directors. The number of directors with employee status does not exceed 1/3 of the number of directors. All directors and independent directors do not have the family relationship stipulated in Article 26-3, Paragraph 3 of the Securities and Exchange Law. All independent directors have issued a "Declaration of Independent Directors" when they are elected, confirming that they meet the independence qualifications stipulated by laws and regulations. Later, due to the introduction of strategic investors in the company's private placement, Shen Yuan Chen’s independent director's independence was insufficient, and he was naturally dismissed from the position.

General Manager, vice presidents, directors, functional heads

2023.04.01

Title	Nationality	Name	Gender	Date of Election	Share holding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO	Taiwan	Dylan Chung	Male	2015.08.07	143,489	0.32	24,618	0.05	-	-	National Taiwan University, Master of Accounting Taiwan CPA/ Internal Auditor The Company: CEO	Independent Director, Magnate Technology Inc Supervisor of Premtek, Pig Model Animal Technology	-	-	-
General Manager	Taiwan	David Huang	Male	2022.11.01	-	-	-	-	-	-	Michigan University, Master of Statistics CEO, TASC Semi Senior VP Egis Tek UMC	The Company: Chief Strategy Officer Others: Director, Sino-American Silicon Products Inc, Director, Chipwell Tech Corporation and Advanced Wireless Semiconductor Company	-	-	-
FAE EVP	Taiwan	Dennis Lee	Male	2022.07.07	12,422	0.03	-	-	-	-	National Chiao Tung University, Bachelor of Computer Science	None	-	-	-
CTO	Taiwan	Kasper Tsai	Male	2022.07.07	27,564	0.06	-	-	-	-	NCTU, Master of Computer Science	None	-	-	-
Sales VP Sales II	Taiwan	Armingle Lee	Male	2020.01.01	183,434	0.40	21,000	0.05	-	-	NTUT, masters of EE ITE Technical manager	None	-	-	-
VP	Taiwan	SuWu Lo	Male	2022.07.07	12,000	0.03	-	-	-	-	NCTU, Bachelor of EE Faraday Technology, SiS	None	-	-	-

Title	Nationality	Name	Gender	Date of Election	Share holding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Senior Associate Sales I	Taiwan	Vic Chou	Male	2022.07.07	4,000	0.01					NTUT, Bachelor or Business Management Moai Green Power Corp. Scientro	None	-	-	-
Associate Sales III	Taiwan	Kage Su	Male	2022.07.07	20,000	0.04	8,000	0.02			IShou University, Bachelor of EE TI, SIS	ENE Touch (Shenzen), Supervisor			

3. Remunerations Paid to Directors and Key Managers

3.1 Remuneration Paid to Directors (Including Independent Directors)

Unit: Thousands

Title	Name	Remuneration for Directors								Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or parent Company
		Salary (A)		Pension (B)		Remuneration (C)		Allowances (D)				Salary, Bonus and special allowance (E)		Pension (F)		Salary (G)						
																The Company		Consolidated Entities				
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	Cash	Stock	Cash	Stock	The Company	Consolidated Entities	
Chairman	Jason Weng (resigned 2022.06.09)	1,018	1,018	0	0	2,601	2,601	975	975	5.97	5.97	5,118	5,118	102	102	1,256	0	1,256	0	14.39	14.39	NA
Chairman	Alcor Micro (inaugurated 2022.06.09)																					
Institutional Director Rep	Dylan Chung (2022.06.09)																					
Institutional Director Rep	D.S. Chen (2022.06.09)																					
Institutional Director	Siguard Microelectronics																					
Institutional Director Rep	Chi Chan Chen																					
Institutional Director	ASUSTEK Computer Inc																					
Institutional Director Rep	Chin Chi Wu																					
Director	Wen Hui Tsai (resigned 2022.06.09)																					
Director	Dylan Chung (resigned 2022.06.09)																					
Director	Leo Wu (Dismissed on 2022.01.21)																					

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Remuneration for Directors</th><th colspan="2" rowspan="2">Ratio of Total Compensation (A+B+C+D) to Net Income (%)</th><th colspan="8">Relevant Compensation Received by Directors Who are Also Employees</th><th colspan="2" rowspan="2">Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)</th><th rowspan="4">Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or parent Company</th></tr>
<tr><th colspan="2">Salary (A)</th><th colspan="2">Pension (B)</th><th colspan="2">Remuneration (C)</th><th colspan="2">Allowances (D)</th><th colspan="2">Salary, Bonus and special allowance (E)</th><th colspan="2">Pension (F)</th><th colspan="4">Salary (G)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th colspan="2">The Company</th><th colspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Independent Director</td><td>Wen Ji Chien (2022.06.09)</td><td rowspan="5">1,538</td><td rowspan="5">1,53</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">141</td><td rowspan="5">141</td><td rowspan="5">63</td><td rowspan="5">63</td><td rowspan="5">2.27</td><td rowspan="5">2.27</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">2.27</td><td rowspan="5">2.27</td><td rowspan="5">NA</td></tr>
<tr><td>Independent Director</td><td>Yi Fong Lin</td></tr>
<tr><td>Independent Director</td><td>Ming Kuen Hou (resigned 2022.06.09)</td></tr>
<tr><td>Independent Director</td><td>Shen Yuan Chen (Dismissed on 2022.2.18)</td></tr>
<tr><td>Independent Director</td><td>Chi Ming Wu (inaugurated 2022.06.09)</td></tr>
</table>

Remuneration range chart

Range	Names of Directors			
	Total of first 4 items (A+B+C+D)		Total of first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies from the financial report	The Company (N8)	All companies from the financial report
<$1,000,000	Wen Huai Tsai, Dylan Chung, Leo Wu, Alcor Micro rep: Dylan Chung, Alcor Micro Rep: D.S. Chen, Asus Rep: Chin Chi Wu, Siguard rep: Chi Chan Chen, Ming Kuen Hou, Shen Yuan Chen,Yi-Fong Lin, Wen Ji Chien, Chi Ming Wu	Wen Huai Tsai, Dylan Chung, Leo Wu, Alcor Micro rep: Dylan Chung, Alcor Micro Rep: D.S. Chen, Asus Rep: Chin Chi Wu, Siguard rep: Chi Chan Chen, Ming Kuen Hou, Shen Yuan Chen,Yi-Fong Lin, Wen Ji Chien, Chi Ming Wu	Wen Huai Tsai, Dylan Chung, Leo Wu, Alcor Micro rep: Dylan Chung, Alcor Micro Rep: D.S. Chen, Asus Rep: Chin Chi Wu, Siguard rep: Chi Chan Chen, Ming Kuen Hou, Shen Yuan Chen,Yi-Fong Lin, Wen Ji Chien, Chi Ming Wu	Wen Huai Tsai, Dylan Chung, Leo Wu, Alcor Micro rep: Dylan Chung, Alcor Micro Rep: D.S. Chen, Asus Rep: Chin Chi Wu, Siguard rep: Chi Chan Chen, Ming Kuen Hou, Shen Yuan Chen,Yi-Fong Lin, Wen Ji Chien, Chi Ming Wu
$1,000,000（in）～$2,000,000（ex）	Jason Weng	Jason Weng	Jason Weng	Jason Weng
$2,000,000（in）～$3,500,000（ex）				
$3,500,000（in）～$5,000,000（ex）				
$5,000,000（in）～$10,000,000（ex）			Dylan Chung	Dylan Chung
$10,000,000（in）～$15,000,000（ex）				
$15,000,000（in）～$30,000,000（ex）				
$30,000,000（in）～$50,000,000（ex）				
$50,000,000（in）～$100,000,000（ex）				
>100,000,000				
Total	13	13	13	13

Remunerations paid to GM and VPs

2022.12.31; NTD$K

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Pension (B)</th><th colspan="2">Bonus and allowances (C)</th><th colspan="4">Employee Remuneration (D)</th><th colspan="2">Ratio of Total Compensation (A+B+C+D) to Net Income (%)</th><th rowspan="3">Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or parent Company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th><th colspan="2">The Company</th><th colspan="2">Consolidated Entities</th><th rowspan="2">The Company</th><th rowspan="2">Consolidated Entities</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>CEO</td><td>Dylan Chung</td><td rowspan="8">11,538</td><td rowspan="8">11,538</td><td rowspan="8">548</td><td rowspan="8">548</td><td rowspan="8">5,662</td><td rowspan="8">5,662</td><td rowspan="8">4,361</td><td rowspan="8">0</td><td rowspan="8">4,361</td><td rowspan="8">0</td><td rowspan="8">28.75</td><td rowspan="8">28.75</td><td rowspan="8">NA</td></tr>
<tr><td>GM</td><td>David Hwang (2022.11.01 inaugurated)</td></tr>
<tr><td>CSO</td><td>Wen Huai Tsai (2022.06.09 resigned)</td></tr>
<tr><td>VP</td><td>Galen Chai (2022. 07.01 transferred)</td></tr>
<tr><td>EVP</td><td>Dennis Lee</td></tr>
<tr><td>CTO</td><td>Kasper Tsai</td></tr>
<tr><td>VP</td><td>Armingle Li</td></tr>
<tr><td>VP</td><td>SuWu Lo (2022.07.07 inaugurated)</td></tr>
</table>

Remuneration range chart

Range	Names	
	Total of first 4 items(A+B+C+D)	
	The Company	Consolidated entities
<$1,000,000	Wen Huai Tsai	Wen Huai Tsai
$1,000,000（in）～$2,000,000（ex）	David Hwang, Galen Chai, SuWu Lo,	David Hwang, Galen Chai, SuWu Lo,
$2,000,000（in）～$3,500,000（ex）	Armingle Li	Armingle Li
$3,500,000（in）～$5,000,000（ex）	Dennis Lee, Kasper Tsai	Dennis Lee, Kasper Tsai
$5,000,000（in）～$10,000,000（ex）	Dylan Chung	Dylan Chung
$10,000,000（in）～$15,000,000（ex）		
$15,000,000（in）～$30,000,000（ex）		
$30,000,000（in）～$50,000,000（ex）		
$50,000,000（in）～$100,000,000（ex）		
>100,000,000		
Total	8	8

Remuneration Paid to Key managers and others

2022.12.31

Unit：NT$ Thousands

	Title	Name	Stock	Cash	Total	% to the profit after tax
Managers	CEO	Dylan Chung	N.A.	5,836	5,836	7.59
	GM	David Hwang				
	EVP	Dennis Lee				
	CTO	Kasper Tsai				
	VP	Armingle Lee				
	VP	Shu Wu Lo				
	Senior Associate	Vic Chou				
	Associate	Kage Su				
	Accounting & Finance head	Cynthia Chao				
Others						

Note1：Based on the amount of employee compensation approved by the board of directors of the company on March 2, 2023, the proposed distribution amount for this year cannot be calculated proportionally because no employee compensation was distributed last year.

3.4 Comparison of compensation for Directors, supervisors, CEO and VPs in the most recent two fiscal years and compensation

1. Directors', Supervisors', CEO's, VPs' compensation paid in the last two years as a percentage to net income:

Item	2022		2021	
	The Company	Consolidated Entities	The Company	Consolidated Entities
Net income（Thousands）	76,906	76,906	60,307	60,307
% of Compensation to Directors to Net income	8.24%	8.24%	11.54%	11.54%
% of Compensation to CEO and VPs to Net income	28.88%	28.88%	28.33%	28.33%

2. Policies, standards and combinations of remuneration payments, procedures for determining remuneration, and their relationship to business performance and future risks:

(1) Policy, standard and combination:

Directors:

1. Salary: in according to Article 32 of the articles of Incorporations, 3% of the net profit as compensations to the directors and supervisors. The BOD will decide how much the compensation will be paid in according to the contribution.
2. Remuneration: In according to Article 28, monthly remuneration shall be paid to the natural directors and supervisors that are not employees of the company.
3. Allowances: paid as resolution of the Remuneration and Compensation Committee, including company car, special allowances and service fee.

CEO, President and VPs:

1. Regular salary: paid in according to the standards set by the Remuneration and Compensation Committee.
2. Flexible remuneration: including MBO, quarterly bonus, employee remuneration. MBO bonus shall be paid in accordance to the personal performance, department performance and overall revenue achievement rate. Quarterly bonus shall be paid in accordance to the quarterly revenue achievement. Employee remuneration shall be paid in according to the Article 32 of Articles of Incorporations.

(2) Procedure for determining remuneration: The Company has established Remuneration and Compensation Committee on December 6th, 2011. The committee review directors, supervisors, and managers' compensation and related policies. Compensation to the Directors and Managers of the subsidiaries will be proposed at the parent Remuneration and Compensation Committee then submit to BOD for discussions.

(3) Correlation between operating performance and future risks: The performance evaluation and remuneration of the directors and managers of the company shall not only refer to the usual level of payment in the industry, but also consider the operating results and their contribution to departmental performance and company performance, and comprehensively

consider the amount of remuneration, payment method and the company's future risks and other matters, which are highly related to the company’s operating responsibilities and overall performance

4. Status of corporate governance:

4.1 Board meeting attendance

The Board meetings were held 6 times in 2022 (A)

Title	Name(Note1)	Attendance in Person (B)	Attendance by Proxy	Rate of attendance in person (%)	Note
Chairman	Jason Weng	2	0	100%	Resigned 2022.06.09
Chairman	Alcor Micro Rep: Dylan Chung	4	0	100%	Inaugurated 2022.06.09
Director	Alcor Micro Rep: D.S. Chen	4	0	100%	Inaugurated 2022.06.09
Director	Siguard Microelectronics Representative: Chi Chan Chen	6	0	100%	2022.06.09
Director	ASUSTEK Computer Inc. Representative: Ching Chi Wu	4	0	67%	2022.06.09
Director	Wen Hui Tsai	2	0	100%	Resigned 2022.06.09
Director	Dylan Chung	2	0	100%	Resigned 2022.06.09
Director	Leo Wu	0	0	–	Dismissed on 2023.01.21
Independent Director	Wen Ji Chien	4	0	100%	Inaugurated 2022.06.09
Independent Director	Yi Fong Lin	6	0	100%	2022.06.09
Independent Director	Ming Kuen Hou	2	0	100%	Resigned 2022.06.09
Independent Director	Shen Yuan Chen	0	0	–	Dismissed on 2023.02.18
Independent Director	Chi Ming Wu	4	0	100%	Inaugurated 2022.06.09

1. If any of the following circumstances occur, the dates of the meetings, sessions, 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: please refer to the following section on Opinions or resolution of Independent Directors towards significant issues.

BOD	Agenda	Independent Directors’ opinions	Company’s subsequent action	Resolution
2022/03/10 8th Committee 17th Meeting	Issuance of restricted employee stock	Agree	NA	Passed unanimously
	Proposal for simple merger of ENE with Janus Power	Agree	NA	Passed unanimously
2022/05/03 8th Committee 18th Meeting	Issuance of restricted employee stock	Agree	NA	Passed unanimously
2022/08/02 9th Committee 3rd Meeting	Proposal to change the independent auditors	Agree	NA	Passed unanimously

Title	Name(Note1)	Attendance in Person (B)	Attendance by Proxy	Rate of attendance in person (%)	Note

2022/11/01 9th Committee 4th Meeting	Remuneration for 2022 auditors, proposal for 2023 independent auditor and remuneration	Agree	NA	Passed unanimously

(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 any concerns of conflict of interests in the motions, the directors' names, contents of motion, causes for avoidance and voting should be specified:

2.1

Name of Director	Wen Ji Chien, Yi Fong Lin, Chi Ming Wu
Agenda	2022.06.09 0th Committee 1st meeting, appointment of 5th Remuneration Committee members
Conflict of interests	Related parties
Participation	They did not participate the discussion and resolution of this case. The chairman consulted with the rest of the present directors and passed unanimously

2.2

Name of Director	D.S. Chen
Agenda	2022.07.07 9th Committee 2nd meeting, appointment of executive board of directors.
Conflict of interests	Related party
Participation	Mr. Chen did not participate the discussion and resolution of this case. The chairman consulted with the rest of the present directors and passed unanimously

2.3

Name of Director	Dylan Chung, D.S. Chen, Chi Ming Wu, Wen Ji Chien, Yi Fong Lin
Agenda	2022.07.07 9th Committee 2nd meeting, review of key manager scope and remuneration proposal by remuneration committee
Conflict of interests	Related parties
Participation	They did not participate the discussion and resolution of this case. The chairman consulted with the rest of the present directors and passed unanimously

2.4

Name of Director	Dylan Chung
Agenda	2022.08.02 9th Committee 3rd meeting, proposal for 2021 employee remuneration
Conflict of interests	Related party
Participation	Mr. Chung did not participate the discussion and resolution of this case. The deputy chairman consulted with the rest of the present directors and passed unanimously

2.5

Name of Director	Dylan Chung
Agenda	2022.11.01 9th Committee 4th meeting, pension proposal for BOD member as key manager
Conflict of interests	Related party
Participation	Mr. Chung did not participate the discussion and resolution of this case. The chairman consulted with the rest of the present directors and passed unanimously

Title	Name(Note1)	Attendance in Person (B)	Attendance by Proxy	Rate of attendance in person (%)	Note

3. A TWSE listed company should disclose information such as the evaluation cycle and period, evaluated scope, methodology, and content of the board's self (or peer) evaluation. The company has completed the evaluate for the period of 2021.01.01~2021.12.31. The result was Marked "exceptional". The aforementioned result has been reported to the Board on March 10th, 2023 and the Remuneration Committee on February 22nd , 2023.
4. The objectives of strengthening the functionality of the Board of Directors for the present year and the most recent year and assessment on the implementation:
   (1) The company has followed the regulation to stipulate BOD operation policy and disclose related information on MOPS.
   (2) The Company has arranged directors to attend training sessions which covered commerce, legal, finance, accounting and governance related topics and disclosed the results in annual report and MOPS.
   (3) The company has taken out Directors and Officers Liability Insurance for Director and Key Managers.
   (4) Remuneration Committee was established, and a charter was stipulated on December 6th, 2011. The main responsibilities of the committee are to review and assess the performance of directors and managers and their remuneration packages.
   (5) Audit Committee was established to replace supervisors on the Board on 2022.06.09. Audit committee is responsible for reviewing financial reports, the appointment and remuneration of certified accountants, the effectiveness of internal control systems, etc. The Audit Committee held 4 meetings in 2022. During the meetings, all relevant personnel attended the meeting for inquiries and discussions, and the operation and communication were in good condition.

Evaluation of BOD

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content
Once a year	2022/01/01 to 2022/12/31	Performance evaluations on BOD, individual directors, audit committee members, Remuneration Committee members	1. Performance of BOD 2. Self -evaluation of Board members 3. Performance of Audit committee 4. Performance of Remuneration Committee	A. The performance of the board of directors covered the following five aspects: 1.Participation in the operation of the company; 2.Improvement of the quality of the board of directors' decision making; 3.Composition and structure of the board of directors; 4.Election and continuing education of the directors; and 5.Internal control. B. The criteria for self-evaluation of the Board members includes the following six aspects: 1.Familiarity with the goals and missions of the company; 2.Awareness of the duties of a director; 3.Participation in the operation of the company; 4.Management of internal relationship and communication; 5.The director's professionalism and continuing education; and 6.Internal control. C. The criteria for evaluating Audit Committee: 1.Participation in the operation of the Company, 2.Awareness on the responsibilities of the functional committees, 3.Improvement on the quality of decisions, 4.Composition and election of the committee members, 5.Internal audit D. The criteria for evaluating Remuneration Committee: 1.Participation in the operation of the Company, 2.Awareness on the responsibilities of the functional committees, 3.Improvement on the quality of decisions, 4.Composition and election of the committee members, 5.Internal audit

4.2 Audit Committee

Six meetings were held in 2021: attendance rate of independent directors are as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate in person	Note
Independent Director	Shen Yuan Chen	0	0	–	Dismissed on 2022.02.18
Independent Director	Ming Kun Hou	2	0	100%	2022.06.09 resigned
Independent Director	Wen Ji Chien	2	0	100%	2022.06.09 inaugurated
Independent Director	Yi Fong Lin	4	0	100%	2022.06.09
Independent Director	Chi Ming Wu	2	0	100%	2022.06.09 inaugurated

Title	Name	Attendance in Person	By Proxy	Attendance rate in person	Note

Other noteworthy items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, 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: Please refer to the Major Resolutions of Board Meetings in the following table

1.1 2022.03.10 1st Committee 14th Meeting:

Agenda	Independent directors' objections, reserved opinions or major suggestions	Resolutions of Audit Committee	Subsequent actions of the Company
2021 Internal Control Report	None	Passed unanimously	NA
2021 Business report, independent and consolidated financial reports	None	Passed unanimously	NA
Issuance of restricted employee stock	None	Passed unanimously	NA
Proposal for simple merger of ENE and Janus Power	None	Passed unanimously	NA

1.2 2022.05.03 1st Committee 15th Meeting:

Agenda	Independent directors' objections, reserved opinions or major suggestions	Resolutions of Audit Committee	Subsequent actions of the Company
Issuance of restricted employee stock	None	Passed unanimously	NA

1.3 2022.08.02 2nd Committee 1st Meeting:

Agenda	Independent directors' objections, reserved opinions or major suggestions	Resolutions of Audit Committee	Subsequent actions of the Company
2022Q2 Consolidated Financial Report	None	Passed unanimously	NA
Proposal to change the independent auditors and accounting firm	None	Passed unanimously	NA

1.4 2022.11.01 2nd Committee 2nd Meeting:

Agenda	Independent directors' objections, reserved opinions or major suggestions	Resolutions of Audit Committee	Subsequent actions of the Company
Appointment and remuneration of independent auditor 2023 and 2022	None	Passed unanimously	NA

Title	Name	Attendance in Person	By Proxy	Attendance rate in person	Note

(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: NA

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

(1) Internal auditor presents audit report to independent directors within one month after the audit is completed. Abstract of communications:

Date	Communication Contents	Recommendation and results
2022/03/10	2021.11.12 audit report on Nov and Dec. 2021 Annual internal audit report	Passed unanimously and sent to BOD meeting for approval
2022/05/03	2022 audit report on Jan to March	Passed unanimously
2022/07/07	2022 audit report on April to May	Passed unanimously
2022/08/02	2022 audit report on June	Passed unanimously
2022/11/01	2022 audit report on July to Sept 2023 annual audit plan	Passed unanimously and sent to BOD meeting for approval

(2) Internal auditor sits in BOD meetings and present audit reports

(3) Accountant shall communicate with the Audit committee on financial report audit result, key auditing matters and material legislation amendments at least once a year

Date	Communication Contents	Recommendation and results
2022/03/10	2021 audit report on annual consolidated and parent only financial reports 2022 audit plan and explanation on key review items Updates on recent legislations	Passed unanimously and sent to BOD for approval
2022/08/02	2022 Q2 financial report audit report	Passed unanimously and sent to BOD for approval
2022/11/01	2022 Q3 financial report audit report	Passed unanimously and sent to BOD for approval

4.3 Corporate Governance Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons

Items of Evaluation	Implementation			Deviations from " the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summaries	
1. Does Company follow "Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies" to establish and disclose its corporate governance practices?	✓		The company has not yet stipulated Corporate Governance Charter, but has incorporate corporate governance principles into its daily operation.	No discrepancy
2. Shareholding Structure & Shareholders' Rights (1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓ ✓ ✓ ✓		(1) The company has designed Investor Relationship Window and Spokesperson system to be responsible for shareholder related affairs. (2) There is no single shareholder with 10% or above shareholding. The company has sufficient knowledge of major shareholders. (3) ENE and its subsidiaries and affiliates have established an effective internal risk management system on the important internal control regulations. (4) The company has stipulated Rules for Handling Material Information to prohibit insider trading. Any violation against the rules leads to damages of company property and interests shall be brought to the legal authority.	No discrepancy
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? (2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up the Board committees? (3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the board, and use it as a reference for individual directors' remuneration and renomination? (4) Does the Company regularly evaluate its external auditors'	✓ ✓ ✓ ✓		(1) There are 7 BOD members including 2 independent directors. Please refer to credentials of directors and supervisors. (2) Remuneration Committee and Audit Committee has established. (3) Performance Evaluation of the Board of Directors was stipulated. The 2020 evaluation result was "outstanding" and has been reported to the BOD on March 10th, 2021. It will be the future reference when determining remuneration and nomination of directors. (4) The finance department evaluates the eligibility and individuality of CPA once a year. The result has been reported to the BOD on 2023.11.02. Independent auditors Mei-Yu Tseng and Chien Hui Lu were both eligible.	No discrepancy

Items of Evaluation	Implementation			Deviations from " the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summaries	
independence?				
4. Has a TWSE/TPEx listed company appointed an appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be in charge of corporate governance affairs (including, but not limited to, providing directors and supervisors with the information necessary to execute business, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings)?	✓		The Company has not yet set up a corporate governance department but has assigned an administrator to handle related affairs on board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings.	
5. Whether the company has established channels of communication with Stakeholders (including but not limited to shareholders, employees, customers and suppliers), and open the Stakeholders section on the company's website, and respond appropriately to Stakeholders' interests/ concerns regarding corporate social responsibility.	✓		The company has established channels of communication with stakeholders including bi-lingual company website with Stakeholder Section and contact window.	No discrepancy
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		The company has appointed Yuanta Securities for its Shareholder's Meeting.	No discrepancy
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	 ✓ ✓		(1) The company has set up a website containing the information regarding financials, business and corporate governance status. www.ene.com.tw (2) The company has a spokesperson and an acting spokesperson responsible for gathering and disclosing the information. Investors Seminars will be publicized on company website as well as on MOPS. (3) The company announces and reports the annual financial reports within the regulated deadline.	No discrepancy

Items of Evaluation	Implementation			Deviations from " the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summaries	
(3) Does the Company announce and report the annual financial report within two months of the fiscal year end, and announce and report the financial reports for the first, second and third quarter and each month's operating performance ahead of the required deadline?		✓		
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	✓		1. Employee benefits and rights: Employees are able to express opinions and defend its right through email and quarterly employee meetings. 2. Employment relationship: human resource regulations are complete and efficient. Employee Welfare Committee was established to enhance employee benefits and welfare. 3. Investor relationship: the company sets up multi-lingual company website, emails and spokesperson system as investors communication channel. 4. Supplier relationship: the company maintains good relationship with vendors and endeavors to achieve better CSR and ensure products comply with RoHS and REACH regulations. 5. Stakeholder's right: the company has established company website with information on contact window and spokesperson system as stakeholder's communication channel. 6. Continuing education of Directors and managers: please refer table below for details. 7. Implementation of risk management policy risk evaluation measure: please refer to Section 7 item 6 Risk items for details. 8. The implementation of customer relations policies: the company is in a good relationship to be responsive to the market change. 9. Insurance for directors: the company has purchased Director and Officer Liability Insurance since April 21st, 2003.	No discrepancy
9. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provide priority measures and measures for those who have not yet improved. (1) Improved:				

Items of Evaluation	Implementation			Deviations from " the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summaries	
1. Improve information transparency: Strengthen the disclosure of Chinese product introductions on the company website. 2. Improve information transparency: strengthen the disclosure of the link between performance evaluation and remuneration of directors and managers in the annual report 3. Strengthen the structure and operation of the board of directors: the interim financial report is approved by the audit committee and submitted to the board of directors for discussion and resolution.. (2) Future improvement plan: 1. Strengthen the structure and operation of the board of directors: disclose the specific management objectives and implementation of the diversity policy of the board of directors on the company website and annual report 2. Strengthen the structure and operation of the board of directors: set up a corporate governance supervisor, and disclose their annual business execution and training status on the company website and annual report				

2022 evaluation of eligibility and independency of CPA:

Item	Evaluation	Results
1	Do the accountants have direct or indirect financial interest with the Company?	No
2	Do the accountants have no fund lending with the Company?	No
3	Do the accountants have close commercial relationships or potential employment relationship?	No
4	Do the accountants serve the Company within two years before the practice?	No
5	Do the accountants provide non-audit services that may affect the auditing activities for the company?	No
6	Do the accountants and the members of audit team have shares of the Company?	No
7	Do the accountant represent the company to arbitrate conflict with others?	No
8	Do the accountants are spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company?	No
9	Whether the accountants have being the audit accountants of the Company over 7 years?	No
10	Do the accountants permit others to practice under their name?	No
11	Do the accountants have relationship of collective investment or profit sharing with the company?	No
Scale and service quality		
1	Whether the accountant has not been punished by the competent authority	Yes
2	Whether the scale and resources of the accounting firm can meet the needs of the audit company.	Yes
3	Whether the accounting firm has established a quality control system	Yes
4	Whether the accounting firm has not been involved in litigation in the past three years.	Yes

Item	Evaluation	Results
5	Whether there are no major errors in the professional service reports provided by other members of the accounting firm	Yes
6	Whether to communicate with corporate governance units on a quarterly basis.	Yes
Level of professionalism		
1	Whether the members of the audit service team have an accountant license	Yes
2	Has the accountant reached the required number of training hours per year?	Yes
3	Whether members of the audit service team regularly participate in on-the-job training.	Yes
4	Professional Attention of Accountants	Due professional care has been exercised when performing the verification work and issuing the verification/review report.
Timeliness of Financial Reporting		
1	Whether the annual financial report is completed within two months after the end of the year	Yes
2	Are quarterly financial reports due within one month of the quarter end	Yes
3	Whether the tax visa report is completed within the reporting period	Yes
4	Whether the audit of financial status and internal control is completed on schedule	Yes

2022 continuing education of Directors and Managers:

Title	Name	Date	Hosted by	Course Content	Hours
Institutional director Representative	Dylan Chung	2022/04/22	Please refer to Chinese version for details	Please refer to Chinese version for details or contact IR contact window for details.	3
Institutional director Representative	Dylan Chung	2022/06/10			3
Institutional director Representative	D.S Chen	2022/05/13			3
Institutional director Representative	D.S Chen	2022/07/14			3
Institutional director Representative	D.S Chen	2022/10/05			3
Institutional director Representative	Chi Chan Chen	2022/04/28 2022/04/29			12
Institutional director Representative	Ching Chi Wu	2022/06/10			3
Institutional director Representative	Ching Chi Wu	2022/08/01			1
Institutional director Representative	Ching Chi Wu	2022/08/01			2
Independent Director	Yi Fong Lin	2022/06/10			3
Institutional director Representative	Yi Fong Lin	2022/10/25			3

Title	Name	Date	Hosted by	Course Content	Hours
Institutional director Representative	Chi Ming Wu	2022/10/14			3
Institutional director Representative	Chi Ming Wu	2022/11/11			3
Institutional director Representative	Chi Ming Wu	2022/12/16			3
Institutional director Representative	Chi Ming Wu	2022/12/22			3
Institutional director Representative	Wen Ji Chien	2022/09/21			3
Institutional director Representative	Wen Ji Chien	2022/10/19			3
Institutional director Representative	Wen Ji Chien	2022/10/25			3
Institutional director Representative	Wen Ji Chien	2022/11/25			3

4.4 Remuneration Committee

4.4.1.Composition of Remuneration Committee

Name \ Criteria		Qualification & Experience (Note 2)	Independence (Note 3)	Serve as Remuneration committee member in other listed company
Independent Director	Yi Fong Lin	Master of EE, NCKU, EMBA NTU, Chairman of Focus Ltd with necessary experience in commerce, legal, finance, accounting and sales.	1. Oneself, one's spouse or relative within the second degree of kinship, does not hold position as director, supervisors or employee of ENE。 2. One, one's spouse or lineal relative within second degree of kinship hold any shares of the company. 3. One does not hold position as director, supervisor or employee of companies that has specific relations to the company. 4. One does not obtain remuneration (commerce, legal, finance, accounting or other services) from the company or related companies.	0

Name \ Criteria		Qualification & Experience (Note 2)	Independence (Note 3)	Serve as Remuneration committee member in other listed company
Convenor Independent Director	Chi Ming Wu	Master of Engineering, University of Michigan. Mr. Wu was Chairman of Cathay Securities and Chairman of Yi Fu Investment. He has necessary experience in commerce, legal, finance, accounting and sales.	1. Oneself, one's spouse or relative within the second degree of kinship, does not hold position as director, supervisors or employee of ENE. 2. Oneself, one's spouse or relative within the second degree of kinship, does not hold any shares of the company. 3. One does not hold position as director, supervisor or employee of companies that has specific relations to the company 4. One does not obtain remuneration (commerce, legal, finance, accounting or other services) from the company or related companies.	0
Independent Director	Wen Ji Chien	Master of Engineering. Mr. Chien is the partner of Yun-Der Accounting firm Associate of Jtron Technology with necessary experience in commerce, legal, finance, accounting and sales.	1. Oneself, one's spouse or relative within the second degree of kinship, does not hold position as director, supervisors or employee of ENE. 2. Oneself, one's spouse or relative within the second degree of kinship, does not hold any shares of the company. 3. One does not hold position as director, supervisor or employee of companies that has specific relations to the company 4. One does not obtain remuneration (commerce, legal, finance, accounting or other services) from the company or related companies.	0

4.4.2.Operation of Remuneration Committee

(1) The committee consists of three members.

(2) Tenure of the Committee: 2019.06.21 to 2023.06.12. The Committee convened 2 times in 2021:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%)	Note
Member	Shen Yuan Chen	0	0	–	2022.2.18 Dismissed
Former Convener	Ming Kuen Hou	2	0	100%	2022.6.9 resigned
Member	Wen Ji Chien	3	0	100%	2022.6.9 inaugurated
Member	Yi Fong Lin	5	0	100%	2022.6.9
Convener	Chi Ming Wu	3	0	100%	2022.6.9 inaugurated

1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (eg., the compensation passed by the Board of Directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified):None.
2. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. Discussion items and resolutions are listed in the table below.
4. Responsibilities of the Remuneration Committee:
Pursuant to Article 6 of the Company's "Compensation Committee Charter" the Compensation Committee has the following responsibilities:
(1) Design and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
(2) Periodically evaluate and determine the remuneration of directors, supervisors, and managerial officers.

Discussion, resolutions and implantation from Remuneration Committee:

Remuneration Committee	Discussion	Resolution	Follow up actions from the Company	Implementation
2022/02/22 4th Committee 7th Meeting	1.Review eligibility of managers 2.Proposal for issuing employee restricted stock 3.Proposal for 2021 annual remuneration for employees and directors 4.Structural adjustments to RD personnel remuneration	Approved unanimously	NA	Reported to and approved by the BOD on 2022/03/10
2022/04/21 4th Committee 8th Meeting	Review eligibility of managers Proposal for issuing employee restricted stock	Approved unanimously	NA	Reported to and approved by the BOD on 2022/05/03
2022/07/07 5th Committee 1th Meeting	1.Review of the salary and remuneration to be implemented by the BOD 2. Amendments to the "rules of Directors' attendance payment" 3. Proposal for reorg 4. Review of eligibility of managers 5. Other allowances for the managers of the company	Approved unanimously	NA	Reported to and approved by the BOD on 2022/07/07
2022/08/02 5th Committee 2nd Meeting	Annual employee remuneration for 2021	Approved unanimously	NA	Reported to and approved by the BOD on 2022/08/02

2022/10/18 5th Committee 3rd Meeting	1. Ratified and settled the old system pension case of managers. 2. The person in charge concurrently acts as a manager to make a retirement pension reserve 3. Appointment of GM 4. Employee salary adjustment for 2023	Approved unanimously	NA	Reported to and approved by the BOD on 2022/11/01

4.5 Social responsibility performance and deviations from "corporate social responsibility best practice principles for TWSE/TPEX Listed Companies" and reasons

Item	Implementation			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary	
1. Whether the company has established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and the supervision of the board of directors		✓	The Chairman Office is responsible for promoting sustainable development projects. It is estimated that a sustainable development committee will be established in 2023 to design systems, related management guidelines, and specific promotion plans, as well as implementation and review measures. The sustainable development committee will regularly report to the board of directors Report.	ESG Committee shall be established in 2023
2. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle?	✓		The company communicates with internal and external stakeholders by reviewing domestic and foreign research reports, documents, and integrating assessment data from various departments, and conducts analysis based on the principle of materiality, and formulates risk management policies and measures for effective identification, measurement, evaluation, supervision, and control. Specific action plans to reduce the impact of related sustainability risks. Major Issue / Risk Item / Description: Environment / Waste management / The company strictly controls the disposal of waste to ensure that it will not cause any environmental pollution, and try its best not to affect the ecology and diversity of any species. Greenhouse Gas Reduction / Strengthen the development of green products,	No discrepancy

Item	Implementation					Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary			
				and Climate Change Actions	continue to promote green manufacturing processes, implement environmental protection policies, strengthen cooperation with supply chain partners, ensure industrial competitiveness, and conduct education and training to enable employees to understand the impact of climate change.	
			Social	Human right	In order to improve human rights management, in addition to formulating relevant measures to protect employees, we also plan education on human rights, ethics and corporate social responsibility to enhance employees' human rights awareness and ensure that there are no cases of human rights violations.	
			Governance	legislation	Through the establishment of a governance organization and the implementation of an internal control system, ensure that the company's personnel and operations do comply with relevant laws and regulations.	
				Strengthen the functions of directors	Set up corporate governance supervisors and purchase liability insurance for directors and managers.	
				Stakeholder	Establish various communication channels and windows, actively communicate with stakeholders, and reduce confrontation and misunderstanding.	

<table>
<tr><td rowspan="2">Item</td><td colspan="3">Implementation</td><td rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons</td></tr>
<tr><td>Y</td><td>N</td><td>Summary</td></tr>
<tr><td></td><td></td><td></td><td>The company website sets up a Chinese and English version of the interested person area。</td><td></td></tr>
<tr><td>3. Environmental Issues
(1) Has the Company set an Environmental management system designed to industry characteristics?
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?
(3) Does the Company assess the current and future potential risks and opportunities of climate change for the company, and take measures in reaction to climate-related issues?
(4) Has the Company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?</td><td>✓
✓
✓
✓</td><td></td><td>(1)The company has been certified with ISO9001:2015 and is complied with RoHS Directive, REACH,China RoHS Packaging Directive regulations. The Company also complies with the restrictions on harmful materials to decrease the impact on environment.
(2) (3)The company has assessed the potential risks and opportunities of climate change to the company now and in the future, and formulated and implemented various strategies, such as resource waste classification, sanitary consumables control, reduction in the use of disposable tableware and paper cups, air conditioning temperature limit control, automatic Induction lighting and inspection, electric power factor adjustment, using rechargeable batteries for more than 80%, and through the renewal of LED lamps and the use of frequency conversion operating equipment and other measures.
(4)The company has collected relevant information. Because the company does not have a factory building, only administrative office space, and the above management policy has been formulated to respond. In the future, it is expected to maintain the same carbon emissions every year as the goal of energy conservation, carbon reduction and greenhouse gas reduction.
<table><tr><td></td><td>2022</td><td>2021</td></tr><tr><td>CO2</td><td>147,134 Kg</td><td>131,185 Kg</td></tr><tr><td>Water usage</td><td>629 degrees</td><td>690 degrees</td></tr><tr><td>Wasted materials</td><td>413.439 Kg</td><td>0 Kg</td></tr></table></td><td>No discrepancy</td></tr>
<tr><td>4. Social Issues
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?
(2) Has the Company established and</td><td>✓
✓</td><td></td><td>(1) The company respect the variety of human resource compositions. All appointment policies abide by the international human rights conventions, including the International Human</td><td>No discrepancy</td></tr>
</table>

Item	Implementation			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary	
implemented a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.) where operating performance or results are appropriately reflected in employee compensation? (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? (4) Has the Company established effective career development training plans? (5) Does the Company comply with relevant laws, regulations and international standards regarding customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer protection policies and complaint procedures? (6) Has the Company formulated a supplier management policy that requires suppliers to follow relevant guidelines on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	✓ ✓ ✓ ✓		Rights Code, the International Labor Organization-Declaration of Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Covenant. The Company has stipulated a Human Rights Policy stating regardless of the following but not limited to factors such as race, color, gender, sexual orientation, age, language, marital status, political stance, religious belief, physical and mental disability, socioeconomic class, etc., all employees, contract and temporary personnel, interns, etc. shall be treated equally. In order to let each employee understand their own rights and the company's management policies and procedures, the company provides newcomers with education and training on the day they arrive, including human rights-related courses: 86 hours of new recruit training in 2022. (2) 2.1 The company stipulates renumeration policy and states clearly in the article 32 of Articles of Corporation that no less than 20% of the profits after offsetting the accumulated deficit shall be allocated as employee compensation. 2.2 In accordance with the Regulations of Compensation, the average salary adjustment for 2021 is 1~3%. 2.3 Please refer to Section 5 Labor relations for details on the employee benefits. (3) The company endeavors to provide safe and comfortable working environment. The offices are equipped with access controls and monitoring system, conducts annual fire inspections, and convenes labor safety and hazards prevention seminars. Daily cleaning and tidying up of the offices as well as quarterly sanitization are performed. New employees are provided with basic	

Item	Implementation			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary	
			medical examinations. Annual health examinations are also conducted to all employees. In addition, the Company stipulates female protection plan to ensure safety at work and physical/psychological wellbeing for female employees. Employee health and safety training hours: 80 hours in 2021 (total 20 people) (4) The company develops a variety of cultivation and training programs based on operational objectives combined with employee career development. Through the systematic construction of a blueprint for learning and development, the development of an education and training system creates a diverse and all-round continuous learning and growth environment for employees..	

New recruit training	Understand corporate management policies and human rights ethics	Company profile, management system, regulations, company policies, employee rights, human rights and ethics, and work-related laws and regulations
Compulsory	Deepen relevant system expertise	Training in competencies or knowledge necessary for specific occupations
On job training	Training required for specific positions	Training in competencies or knowledge necessary for specific occupations
ESG training	Promote sustainable management training	In accordance with relevant laws and regulations, policies promoted by the company, and relevant domestic and foreign norms, to improve employees and the company's sustainability and business related training.

The total number of training hours arranged by the company in 2022 is 456 hours, 239 man hours for male employees; 217 hours for female employees, 100% of the employees have received training

(5) The company has established a system of customer services to serve our

Item	Implementation			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
			customers. (6) The company has formulated a solid supplier management and communicate with our supplier on regular basis to ensure the regulations are followed.	
5. Does the Company refer to internationally accepted reporting standards or guidelines for compiling reports on corporate non-financial information such as corporate social responsibility reports? Has the aforementioned report obtained an assurance opinion of a third-party verification organization?		✓	The company has not prepared ESG report.	The company incorporated the principles of ESG in the daily operation and report the ESG related affairs to BOD periodically.
6. If the Company has established its corporate social responsibility code of practice according to “Code of Practice for Listed Companies Sustainable Development,” please describe the operational status and differences. The company has not prepared the Code of Practice for Sustainable Development but has incorporated the principles into the daily operation.				
7. Other important information to facilitate better understanding of the company’s implementation of corporate social responsibility: (1) Environment: certified with ISO9001:2015 and is complied with RoHS Directive, REACH, China RoHS, and Packaging Directive regulations. (2) Customer rights: the company frequently communicates with customers and create task force to tackle major RMA issues. (3)Human resource development: cooperate with National Taipei University of Business on business project, donation to NCKU to set up a scholarship.				

4.6 Ethic management performance and deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item	Implementation			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Has the Company formulated a policy of ethical management approved by the board of directors, and clearly state, in the bylaw and external documents, the policies and practices of ethical management and the commitment of the board and senior management to actively implement the operating policy? (2) Has the Company established a mechanism for evaluating the risk of unethical behavior, regularly analyzed and evaluated business activities with a higher risk of unethical	✓ ✓		1. Codes of Ethics and Conduct has been established on November 7th, 2014 and released in the Company website. 2. The company has clearly states the codes of ethics and conducts in various documents and manuals. 3. The company periodically reviews and evaluates operations that might incur unethical behavior as well as emphasis the importance of ethical conduct to employees whenever necessary.	No Discrepancy

Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary	
behavior in the business scope, and formulated a plan, which covers at least the precautionary measures in the second paragraph of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", to prevent unethical behavior? (3) Has the Company clearly defined the operating procedures, behavior guidelines, punishment and appeal systems for violations in the unethical conduct prevention plan, and does it implement and regularly review and revise the aforementioned plan?	✓			
2. Ethic Management Practice (1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts? (2) Has the Company established a unit affiliated with the board to promote corporate ethical management, and regularly (at least once a year) report to the board its ethical management policies and plans to prevent unethical conduct and monitor implementation? (3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? (4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, where the internal audit unit prepared relevant audit plans based on the result of risk assessment of unethical conducts, and checked the compliance with the plan to prevent unethical conducts, or delegated an accountant to perform the verification? (5) Does the Company provide internal and external ethical conduct training programs on any regular basis?	 ✓ ✓ ✓ ✓	✓	(1) Trading partners are able to follow the code of ethics of the company. (2) HR and legal departments are assigned as the responsible units and prepares quarterly reports to BOD. (3) Directors comply with the codes carefully and avoid conflict of interests whenever necessary. (4) The company has established an effective accounting system and internal control system, internal auditor checks the internal systems periodically. (5) Directors participate ethic related training course to enforce the related knowledge and practice. Employees also participate internal training regarding ethics. Total number of employees participate in the internal ethical training course is 67 in 2021. Total number of employees participate in the internal anti-insider trading course is 67 in 2021.	(1) The company has not signed official documents with trading partners. (2) (3) (4) (5) No discrepancy
3. Implementation of Complaint Procedures. (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Has the Company established standard operating procedures for investigating the complaints received, take corresponding measures after investigation, and ensuring such	✓ ✓		(1) The company has stipulated work regulation that includes codes of ethics. Any violation shall be punished. (2) The company has established SOP for investigating the complaints received, HR and legal are responsible for taking corresponding measures after investigation.	No discrepancy

Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary	
complaints are handled in a confidential manner? (3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) The company shall adopt proper measures to prevent complainant from retaliation for filing a complaint.	
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The company prepares quarterly reports for the BOD as well disclose related information on the company websites and MOPS.	No discrepancy
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation. No discrepancy.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy). (1) The company follows all the related legislations and incorporated into daily operation. (2) The company "Regulations for Board of Directors Meeting" has outlined clauses for conflicts of interests and related behavioral obligations.				

4.7 Inquiry on corporate governance principles and related regulations of the company:

Please refer to the Company official website (www.ene.com.tw > CSR > Corporate Regulations) or MOPS for more details.

List of Corporate Regulations:

Articles of Incorporations

Procedures of Acquisition and Disposal of Asset

Rules and Procedures of Shareholders' Meetings

Procedures for Endorsement and Guarantee

Rules of Procedure for Board of Directors Meetings

Rules for Election of Directors

Codes of Ethics for Directors and Supervisors of the Board

Code of Ethics and Conduct

Procedures for Loaning Funds to Others

Audit Committee Charter

Rules Governing the Scope of Powers of Independent Directors

Remuneration Committee Charter

Procedures for Handling Insider Material Information

Rules for Evaluating BOD Performance

Principles for Corporate Governance

4.8 Other information material to the understanding of corporate governance within the company: None

4.9 Internal Control System Execution Status

A. Statement on Internal Control:

ENE TECHNOLOGY INC.

Statement on Internal Control

Date: March 2nd , 2023

Based on the findings of a self-assessment, ENE TEHCNOLOGY INC. states the following with regards to its internal control system during the year 2021:

1. ENE TECHNOLOGY INC's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and ENE TECHNOLOGY INC takes immediate remedial actions in response to any identified deficiencies.
3. ENE TECHNOLOGY INC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. ENE TECHNOLOGY INC has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, ENE TECHNOLOGY INC believes that, as of December 31, 2021, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of ENE TECHNOLOGY INC's annual report for the year 2020 and Prospectus, and is publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors in their meeting held on March 10th, 2023, with none of the seven attending directors expressing dissenting opinions. All attending directors have affirmed the content of this Statement.

ENE TECHNOLOGY INC

Chairman: Dylan Chung 鍾明凱

General Manager: David Hwang 黃年宏

B. If CPA was retained to conduct a special audit of the internal control system, disclose the audit report: None.

4.10 Legal penalties by competent authority to the Company or its employees, and the Company's punishment on its employees for violation of internal control system, major deficiencies and improvement measures in the most recent year and as of the publishment of this annual report: None

4.11 Major Resolutions of Shareholder's Meeting and Board Meetings

1.Resolutions for shareholder's Meeting on June 9th, 2022:

<table>
<tr><th>Item</th><th>Resolutions</th><th>Implementation Status</th></tr>
<tr><td>To adopt 2021 Business Report and Financial Statements</td><td>Approved as proposed</td><td>Implemented accordingly</td></tr>
<tr><td>To approve the Proposal for 2021 Profit Appropriation</td><td>Approved as proposed</td><td>Implemented accordingly</td></tr>
<tr><td>Proposal for amendment of Articles of Incorporations</td><td>Approved as proposed</td><td>Implemented accordingly</td></tr>
<tr><td>Proposal for distribution of dividends from capital surplus</td><td>Approved as proposed</td><td>Implemented accordingly</td></tr>
<tr><td>Election of the BOD</td><td><table>
<tr><th>Title</th><th>Name</th><th>No. of votes</th></tr>
<tr><td>Director</td><td>Alcor Micro Rep: Dylan Chung</td><td>27,690,928</td></tr>
<tr><td>Director</td><td>Alcor Micro Rep: Dylan Chung</td><td>17,868,834</td></tr>
<tr><td>Director</td><td>Siguard</td><td>17,866,972</td></tr>
<tr><td>Director</td><td>Asus</td><td>17,858,974</td></tr>
<tr><td>Independent Director</td><td>Wen Ji Chien</td><td>17,852,647</td></tr>
<tr><td>Independent Director</td><td>Yi Fong Lin</td><td>17,846,789</td></tr>
<tr><td>Independent Director</td><td>Chi Ming Wu</td><td>17,843,689</td></tr>
</table></td><td>Implemented accordingly.</td></tr>
<tr><td>Release BODs from non-competition clauses</td><td>Approved as proposed</td><td>Approved as proposed</td></tr>
</table>

2.Major Resolutions of the BOD Meetings in 2022:

Dates	Important Resolutions	Implementation
2022/03/10 8th Committee 17th meeting	1. 2021 internal audit declaration 2. Amendments of Articles of Incorporations 3. Amendments of 2021 Employee Restricted Stock Regulations 4. Remuneration Committee to review eligibility of managers and remuneration packages 5. Proposal for 2021 Employees bonus and Directors' remuneration 6. 2021 Business report, independent financial report and consolidated financial report 7. 2021 appropriation of profits 8. Cash distribution from capital reserve 9. 2023 Business Plan 10. Issuance of employee restricted stock 11. Simple merger of the Company with its subsidiary Janus Power 12. Election of new BOD 13. Release new BOD from the non-competition clauses 14. Related matters on 2023 shareholders' meeting 15. Related affairs on accepting shareholders' proposal 16. Related matters on nomination of directors and independent directors 17. Related affairs on eligibility review of nominated directors and independent directors 18. Liability insurance for Directors and specific employees 19. Proposal for personnel arrangement 20. Cathay Bank short term loan	Approved unanimously
2022/05/03 8th Committee 18th meeting	1. Amendments of Corporate Governance Regulations 2. 2023 Q1 consolidated financial report 3. Issuance of employee restricted stock 4. Personnel arrangement for subsidiary ENE Touch Technology (Shenzhen) 5. Taipei Fubon bank short term loan	Approved unanimously
2022/06/09 9th Committee 1st meeting	1. Election of Chairman of the BOD 2. Appoint 5th Remuneration Committee members	
2022/07/07 9th Committee 2nd meeting	1. Appoint executive director 2. Confirmation on reorganization 3. Proposal for personnel promotion 4. Review of Manager scope and remuneration by Remuneration Committee 5. Proposal to amend Rules on attendance payment of Directors	
2022/08/02 9th Committee 3rd meeting	1. 2021 Annual employee remuneration proposal 2. 2022 Q2 Consolidated financial report 3. Proposal to change independent auditors and accounting firm	

Dates	Important Resolutions	Implementation
2022/11/01 9th Committee 4th meeting	1. 2023 internal audit plan 2. Amendment on Rules of Procedure for Board of Directors Meetings 3. Amendment on Procedures for handling insider material information 4. Change of deputy Spokesperson 5. 2022 remuneration for independent auditors, 2023 appointment of independent auditors and remuneration 6. 2022 Q3 consolidated financial report 7. 2023 business plan 8. Ratifying and settling the manager's pension under the old system 9. Allocation of pension reserves for Head of the Company concurrently serves as the manager 10. Appointment of GM 11. Employee salary increase for 2023 12. Quota application for CTCB 13. Quota application for Tashin Bank	
2023/03/02 9th Committee 5th meeting	1. 2022 Internal Audit declaration report 2. Cancellation of restricted employee stocks 3. Stipulate Regulations on procedures for transactions between related parties 4. Stipulate Procedures for preventing insider trading 5. Amend Rules and Procedures for Shareholders' Meeting 6. Amend Procedures for Acquisition or Disposal of Assets 7. Amend Internal Audit regulation and Internal control regulation 8. 2022 employee remuneration and BOD remuneration 9. 2022 business report, financial reports- parent only and consolidated 10. 2022 profit appropriation 11. 2023 shareholders' meeting details 12. Accepting proposal from shareholders 13. Liability insurance for BOD and key managers 14. Credit contract (short term)with Cathay Bank	

4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate governance officer and R&D :

2023.03.31

Title	Name	Initial appointment	Dismissal	Reason
Chairman	Jason Weng	2019/06/21	2022/06/09	Term expired

5. Information Regarding the Company's Audit Fee and Independence

(1) Audit fee details

Unit: NTD Thousands

Accounting Firm	Name of CPA	Period	Audit Fee (Note 1)	Non-audit Fee (Note 3)	Total	Note
KPMG	Mei Yu Tseng Chien Hui Lu	2022/01/01 ～ 2022/06/30	510 (N1)	50	560	
PWC Tawian	Chin Chang Chen Pei-Chuan Huang	2022/07/01 ～ 2022/12/31	1,290 (N2)	100 (N4)	1,390	

Note 1: Audit fee for annual consolidated and independent financial reports and income tax auditing.
Note 2: Fees for capital reduction $100 thousands, issuance of employee restricted stock $75 thousands and registration fee $50 thousands.
Note 3: registration fee $50,000
Note 4: Income tax fee $100,000

(2) Change of Accounting firm and the Audit fee paid is less than previous year, please disclose the former audit fee paid and the reason for change:
To fulfill internal management and operational needs, the company changed independent auditors from 2022Q3 onwards from KPMG to PWC Taiwan. 2022 audit fee is 5% less than 2021 due to the former accountant still charge at a courtesy based on years of cooperation.

(3) Decrease ratio of audit fee is more than 10%, please disclose the amount decreased, ration and reason:
To fulfill internal management and operational needs, the company changed independent auditors from 2022Q3 onwards from KPMG to PWC Taiwan. 2022 audit fee is 5% less than 2021 but not reached 10%.

6. Replacement of CPA:

Replacement of CPA within 2 years:

(1)Former CPA

<table>
<tr><td>Replacement date</td><td colspan="4">2022.08.02</td></tr>
<tr><td>Reason and descriptions</td><td colspan="4">For internal management and operational needs</td></tr>
<tr><td rowspan="3">Termination by the Company or appointment declined by CPA</td><td colspan="2">Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination by Company</td><td>NA</td><td>V</td></tr>
<tr><td colspan="2">Declined by CPA</td><td>NA</td><td>NA</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Opinions differ from the Company</td><td rowspan="4">Y</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of Financial Statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>N</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>Other disclosures</td><td colspan="4">None</td></tr>
</table>

(2)Successor CPA

Name of accounting firm	PWC
Name of CPA	Chin Chang Chen Pei-Chuan Huang
Date of appointment	2022.08.02
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

7. The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2021.

8. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

(1) Changes in shareholdings

Title	Name	2022		As of Apr. 1st , 2023	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (Decrease)	Pledged holding increase (decrease)
Chairman	Alcor Micro	-	-	-	-
	Rep: Dylan Chung	-	-	20,000	-
	Alcor Micro	-	-	-	-
	Rep: D.S. Chen	-	-	-	-
Director	Asustek	-	-	-	-
Director	Rep: Chin Chi Wu	-	-	-	-
Director	Siguard	-	-	-	-
Director	Re: Chi Chan Chen	-	-	-	-
Independent Director	Wen Ji Chien	-	-	-	-
Independent Director	Yi Fong Lin	-	-	-	-
Independent Director	Chi Ming Wu	-	-	-	-
GM	David Hwang	-	-	-	-
VP	Dennis Lee	-	-	10,000	-
VP	Kasper Tsai	-	-	10,000	-
VP	Armingle Lee	-	-	10,000	-
VP	Su Wu Lo	-	-	10,000	-
Senior Associate	Vic Chou	-	-	8,000	-
Associate	Kage Su (Appointed 2022.07.07)	-	-	5,000	-
Finance and Accounting head	Cynthia Chao	-	-	5,000	-

Note: The table only discloses the changes occurred during the period of employment.

(2) Transfer of shareholdings and changes in pledges: none

9. Relationship among the top ten shareholders

2023.04.01

NAME	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company Top Ten Shareholders, or Spouses or kinship Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Alcor Micro	8,000,000	17.66%	-	-	-	-	NA	NA
Alcor Micro Rep: Dylan Chung	143,489	0.32%	24,618	0.05%	-	-	NA	NA
Alcor Micro Rep: D.S. Chen	0	0.00%	-	-	-	-	NA	NA
Taipei Fubon Bank trust fund in custody	796,000	1.76%	-	-	-	-	NA	NA
Siguard	665,543	1.47%	-	-	-	-	NA	NA
Siguard representative-Chi Chan Chen	0	0.00%	-	-	-	-	NA	NA
Wen Huei Tsai	500,851	1.11%	24,563	0.05%	-	-	NA	NA
Asustek	444,364	0.98%	-	-	-	-	NA	NA
Asustek representative-Chin Chi Wu	0	0.00%	-	-	-	-	NA	NA
Jason Weng	418,666	0.92%	24,632	0.05%	-	-	NA	NA
Mei Chun Yang	350,000	0.77%	-	-	-	-	NA	NA
Shu Hwa Tung	321,730	0.71%	-	-	-	-	NA	NA
Hsin Chi Chen	249,000	0.55%	-	-	-	-	NA	NA
Shen Chung Lin	227,052	0.50%	-	-	-	-	NA	NA

10. Ownership of Shares in Affiliated Enterprises

2023.04.01 (Unit: Thousand shares; %)

Investment (Note)	Ownership by the Company		Direct or indirect ownership by Directors, Supervisors, Manager		Total Ownership	
	Shares	%	Shares	%	Shares	%
ENE Touch Technology	-	100%	-	-	-	100%

Note: Equity Method

4. Fund Raising

4.1 Capital and Shares

(1) Changes in share capital

1.Issued Shares

Month/Year	Par Value NT$	Authorized Capital		Actual Capital		Remark		
		Shares (K)	Amount (K $)	Shares (K)	Amount (K $)	Source of Capital	Capital increased by assets other than cash	Other
2016. 06	10	95,000	950,000	74,977	749,767	Cancellation of treasury stock NT$ 3,210 ,000	None	Note 1
2021.09	10	95,000	950,000	36,323	363,228	Capital reduction to compensate accumulated losses 38,654 thousand shares	None	Note 2
2021.11	31.6	95,000	950,000	44,323	443,228	Private placement new shares 8,000 thousands shares	None	Note 3
2022.04	10	95,000	950,000	45,303	453,028	Restricted employee shares 980 thousands shares	None	Note 4
2022.05	10	95,000	950,000	45,323	453,228	Restricted employee shares 20 thousands shares	None	Note 5
2023.03	10	95,000	950,000	45,313	453,128	Cancellation of Restricted employee shares10 thousands shares	None	Note 6
Note 1: 2016.06.30 #1050017515 Note 2: 2021.09.28 #1100027912 Note 3: 2021.11.03 #1100032074 Note 4: 2022.04.08 #1110011416 Note 5: 2022.05.19 #20220015713 Note 6: 2023.03.13 #1120007600								

2.Type of Stock

Shares / Category	Authorized Capital (Thousands)			Note
	Issued Shares（note）	Non-Issued	Total	
Common Shares	45,313	49,687	95,000	-

Note: the company shares are listed shares.

(2) Shareholder Structure

2023.04.01

Category	Government Institution	Financial Institution	Other Institution	Individual	FINI	Total
No. of Shareholders	1	0	160	30,563	26	30,750
Shareholding (shares)	67	0	10,168,391	34,757,996	386,387	45,312,841
%	0%	0%	22.44%	76.70%	0.86%	100%

(3) Distribution of Shareholdings

2023.04.01

Category by shareholdings	No. of Shareholders	No. of Shares	%
1 ~ 999	23,519	1,765,886	3.90
1,000 ~ 5,000	6,077	12,161,354	26.82
5,000 ~ 10,000	664	4,999,456	11.03
10,001 ~ 15,000	175	2,177,449	4.81
15,001 ~ 20,000	84	1,535,585	3.39
20,001 ~ 30,000	86	2,141,670	4.73
30,001 ~ 40,000	38	1,338,143	2.95
40,001 ~ 50,000	34	1,552,945	3.43
50,001 ~ 100,000	43	2,968,534	6.55
100,001 ~ 200,000	20	2,698,613	5.96
200,001 ~ 400,000	4	1,147,782	2.53
400,001 ~ 600,000	3	1,363,881	3.01
600,001 ~ 800,000	2	1,461,543	3.23
800,001 ~ 1,000,000	0	0	0.00
1,000,001 and above	1	8,000,000	17.66
Total	30.750	45,312,841	100.00

(4)List of major shareholders

Shareholdings more than 5 % of total capital and top ten shareholders:

2023.04.01

Major Shareholders	Shareholdings	%
Alcor Micro	8,000,000	17.66%
Taipei Fubon Bank Trust Fund in custody	796,000	1.76%
Siguard	665,543	1.47%
Wen Huei Tsai	500,851	1.11%
Asustek	444,364	0.98%
Jason Weng	418,666	0.92%
Mei Chun Yang	350,000	0.77%
Shu Hwa Tung	321,730	0.71%
Hsin Chi Chen	249,000	0.55%

Shun Chung Lin		227,052	0.50%
Total		11,973,206	26.43%

(5) Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NTD$

Item \ Year			2021	2022	Q1/2023
Market Price per share (N1)	Highest		76.70	58.90	40.85
	Lowest		13.35	23.00	27.00
	Average		25.26	36.42	35.70
Net Worth per share (N2)	Before distribution		16.99	17.49	
	After distribution		15.79	(N9)	
Earning per share (N3)	Weighted Average Shares (thousand shares)		44,323	44,322	
	Diluted Earnings Per Share		1.60	1.74	
	Adjusted Diluted Earnings Per Share		1.59	1.70	
Divideds per share	Cash		1.00	(N9)	
	Stock dividends	–	–	–	NA
		–	–	–	
	Accumulated Undistributed Dividends (N$)		–	–	
ROI	Price/Earning Ratio (N5)		15.79	20.93	
	Price/Dividends Ratio (N6)		25.26	(N9)	
	Cash Dividends Yield Rate (N7)		3.96%	(N9)	

N1: The highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year

N2: Based on the number of shares issued at the end of the year and according to the distribution of the resolutions of the board of directors or the next year's shareholders' meeting

N3: If retroactive adjustment is required due to gratis allotment, etc., the earnings per share before adjustment and after adjustment shall be listed

N4: If the conditions for the issuance of equity securities stipulate that the unpaid dividends of the current year may be accumulated to be distributed in the year with surplus, the accumulated unpaid dividends up to the current year shall be disclosed separately.

N5: Price-to-earnings ratio = average closing price per share for the year/earnings per share

N6: Cost-to-profit ratio = average closing price per share for the year/cash dividend per share

N7: Cash dividend yield = cash dividend per share / average closing price per share for the year

N8: The net value per share and earnings per share should be filled with the information audited (reviewed) by accountants in the most recent quarter up to the date of publication of the annual report; the rest of the fields should be filled with the data of the year up to the date of publication of the annual report

N9: The 2022 dividend distribution has not yet been resolved by the 2023 annual shareholders' meeting

(6) Dividend Policy and Implementation Status

1.Dividend Policy:

Article 33 of Articles of Company: No less than 50% of net earnings shall be allocated to the dividends. No less than 50% shall be cash dividends, rest shall be stock dividends. The proposal shall be prepared by the BOD and sent to Shareholder’s Meeting for approval.

It is proposed to 2023 shareholders' meeting on the 2022 cash dividend accounted for 70.70% of the current year's net profit

2.Proposed Distribution of Dividends:

On 2023.03.02, the BOD decided to distribute cash dividend of NT$54,375,409 to shareholders for the 2022, with a cash dividend of NT$1.2 per share. After the resolution of this shareholders' meeting, it is proposed to request the shareholders' meeting to authorize the chairman to set the base date, and calculate and adjust the distribution based on the number of outstanding shares on the day.

(7) Impact of company operation and earnings per shares from the proposed bonus shares issuance: none

(8) Remuneration of employees, directors and supervisors

1. Remuneration of employees, directors and supervisors as regulated in Articles of Corporation: if there is profit, no less than 20% shall be allocated for employees and no more than 3 % for directors as remuneration. The remuneration can be in form of stocks or cash. Eligibility for the allocation shall be decided by the BOD. BOD remunerations shall be in form of cash and employees remuneration can be in stock or cash. 2/3 of BOD shall be present and the decision shall be approved by 50% of the presenting directors and report at the shareholder’s meeting.

2. The estimated basis for the remuneration of employees, directors and supervisors in the current period, the calculation basis for the number of shares of employee remuneration distributed by stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount:

2.1 The company did not distribute employee compensation in stock for 2022

2.2 If the company calculates the basis for the distribution of employee compensation by shares and the actual distribution amount is different from the estimated amount, the difference is the change in accounting estimates, which will be included in the profit and loss of the actual distribution year

3.Remunerations approved by BOD:

3.1 BOD 2023.03.02 has approved to distribute employees’ remuneration of $18,274,717 and directors’ remuneration of $2,741,208. It is the same as estimation.

3.2 The amount of employee compensation distributed by stocks and its proportion to the total amount of individual or individual financial report after-tax net profit and employee compensation in the current period: not applicable

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year, and the difference between the remuneration of recognized employees, directors and supervisors, and the number of differences, reasons and handling circumstances should be stated:

NTD$

	BOD resolution	Actual	Differences	Reason for differences
BOD remuneration	2,221,127	2,221,127	0	NA
Employee cash remuneration	14,807,511	14,807,511	0	NA

(9) Buy-back of treasury stock: None.

4.2 Corporate Bonds: None

4.3 Special Shares: None

4.4 Global Depository Receipts: None

4.5 Employee Stock Option: None

4.6 Issuance of new restricted stock awards for employees:

(1) Disclosure of restricted shares impact on shareholder's equity

2023.03.31

Type of restricted stock	1st employee restricted stock	2nd employee restricted stock
Effective date	2022.01.05	2022.01.05
Issuance date	2022.03.16	2022.05.10
No. of shares issued	980,000 shares	20,000 shares
Issuance price	NT$ 0	NT$ 0
% of New restricted shares to total shares issued	2.16%	0.04%
Criteria and eligibility	1. Those who have met both employment and performance conditions: (1) Those who are still employed after the expiration of the new shares with restricted rights of employees, and the employees' personal performance reaches 70% of the overall operating goals and department performance set by the company, or the employees have other special contributions approved by the Remuneration Committee, may acquire 20% of the shares. (2) Those who are still employed two years after the expiry of the new shares with restricted employee rights, and the employee's personal performance reaches 70% of the overall operating goals and department performance set by the company, or the employee has other special contributions approved by the Remuneration Committee shall acquire 30% of the shares. (3) Those who are still employed three years after the expiry of the allotted new shares with restricted employee rights, and the employee's personal performance reaches 70% of the overall operating goals and departmental performance set by the company, or the employee has other special contributions approved by the Remuneration Committee shall acquire 50%	

	shares 2. After one has been allocated new shares with restricted employee stock, if there is any negligence such as violating the labor contract or work rules, the company has the right to withdraw and cancel the new restricted employee shares. 3. The starting date of the allocation and expiry schedule mentioned shall be the record date of the current capital increase。	
Restricted rights of the employee restricted stock	1. After the employees are allotted new shares, they shall not sell, transfer, donate, pledge, or dispose of them in other ways except for inheritance before the acquired conditions are met. 。 2. The company's new employee restricted shares are intended to be managed by the trust. Therefore, the attendance, proposal, speech and voting rights of the shareholders' meeting shall be implemented in accordance with the trust custody contract. New shares allocated to employees, other rights before the acquired conditions are met, including but not limited to: dividends, bonuses and allocation rights to statutory surplus reserves and capital reserves, stock options and voting rights for cash capital increase, etc. The common shares issued are the same。	
Custody of employee restricted shares	Restricted employee shares shall be handled by trust once it is issued	
Handle of employees who fail to meet the vested conditions after being allotted or subscribed for new shares	The company will withdraw and cancel its shares for free according to law.	
No. of shares withdraw	10,000 shares	0 shares
Shares released from restriction	194,000 shares	0 shares
Shares not released from restriction	776,000 shares	20,000 shares
% Restricted shares to the total issued shares	1.71%	0.04%
Impact to the shareholders' equity	No significant impact on shareholders' equity	

Note: up till 2023.03.31, total shares issued 45,312,841 shares

(2)List of Mangers and top ten employees acquired restricted shares:

	Title	Name	No. of shares allotted	% of restricted shares to the total shares issued	**Shares released from restriction**				**Shares not released from restriction**			
					No. shares released from restriction	Issuance price	amount	% to the total shares issued	No. shares not released from restriction	Issuance price	amount	% to the total shares issued
Manager	CEO	Dylan Chung	365,000	0.81%	73,000	0	0	0.16%	292,000	0	0	0.64%
	EVP	Dennis Lee										
	VP	Su Wu Lo										
	CTO	Kasper Tsai										
	VP	Armingle Lee										
	Senior Associate	Vic Chou										
	Associate	Kage Su										
Employee	Director	W L Lee	280,000	0.62%	56,000	0	0	0.12%	224,000	0	0	0.49%
	Director	H Y Chen										
	Director	Nick Hsieh										
	Director	Sharon Jan										
	Special assistant	Galen Chai										
	Senior Manager	Jerry Peng										
	Senior Manager	Cynthia Chao										
	Senior Technical Manager	S C Lee										
	Technical Manager	B R Wang										
	Assistant Technical Manager	Nick Huang										

Note: up till 2023.3.31, total shares issued 45,312,841 shares

4.7 New Shares Issuance relating to Mergers and Acquisitions: None

4.8 Financing Plans and Implementation:

1. As of the quarter before the publication date of the annual report, the company’s previous issuance or private placement of securities has not been completed or has been completed within the last three years and the planned benefits have not yet emerged: none
2. As of the quarter before the date of publication of the annual report, the company's previous securities issuance plans for the use of funds have been completed

5. **Operation Highlights**

A. Business Activities

(1) Business Scope

1.Distribution of Revenue

Major Division	%
Computer peripheral and consumer electronics related IC	99.94%
Others	0.06%
Total	100.00%

2.Products and services

(1) NB related IC

(2) Computer peripherals and consumer electronics ICs

(3) ASICs

3.New products in planning

Two major product lines are namely the Mobile Computing (embedded controller, EC) product line and Consumer and Peripheral Products. EC is highly correlated to NB products, and the Company aims to continuously working closely with NB customers. The research and development of Consumer and Peripheral products focuses on providing application platforms that meet customer needs and broaden product portfolios.

(1) eSPI EC series cost down version

(2) Chromebook EC series ARM M4

(3) DDR5 SPD Hub IC

(4) Capacitive touch controller IC with LCD display and multi channel PWM MCU

(5) Capacitive touch controller IC with 12 bit ADC MCU

(2) Industry Overview

1.Current Status and development

According to the statistics of the market research agency, the total shipment volume of NB in 2022 is about 180 to 200 million units, slightly slower than 2021. At present, due to the slowdown of the COVID-19 epidemic, the consumption power of the people and the market demand have not yet fully recovered, coupled with the uncertainties in the European and American markets brought about by the Russia-Ukraine war, the industry is still cautiously observing market changes in order to cope with the supply chain situation, and inflation problem.

With the post-epidemic era, work and life styles are gradually returning to the right track, and mobility and electronics are deepening. The application of artificial intelligence, the content of electronic products, and the cloudification of various services have become a trend. Compared with the portability of NB, operating performance, transmission function, integration with other electronic devices, and information security issues are becoming more and more important, and these will become the focus of the development of notebook related products.

2.Correlation of the industry supply chain

Please refer to the Chinese version for information.

3.Product development trend and competition

NB can be mainly divided into commercial notebooks, consumer notebooks, educational notebooks and gaming notebooks. In the past two years, gaming laptops have attracted more attention, and vendors have strived to provide even more powerful models to meet the needs of gaming players. With new innovative designs and various gaming models, the future growth of gaming NB is very much expected. In addition, 2-in-1 NB also has its own position in the PC market due to the flexibility and convenience and it is worthwhile watching its development in the NB market.

2022 Market share information:

Product	Vendor	Nationality	Market share
Keyboard Controller	ENE	Taiwan	20%~30%
	Nuvoton	Taiwan	70%~80%
	ITE	Taiwan	
	Others	Japan, USA	

(consolidated by ENE)

(3)Technology and RD development

1.R&D expenses

Unit: NTD thousands

	2022	2023.02.28 (Reviewed by CPA)
R&D expenses	84,048	16,639
Consolidated Revenue	713,885	130,348
%	11.77%	12.77%

2.Recent products development

	Result
Mobile Products	eSPI EC series power saving features
	eSPI EC series ARM M3
	USB Type-C single port IC
Peripherals and consumer products	DDR5 Gaming ambient light MCU

(4)Mid to long term sales development plan

<u>Mid Term sales development plan:</u>

1. To fulfill the demand requested by NB customers as much as possible
2. To accelerate development of gaming related products
3. To expand customer base of consumer related products and aiming for more design-in with

branded customers

Long term sales development plan:

1. Cultivate core technology and provide customers with competitive solutions
2. Adjust the organization and improve the operating efficiency

B. Market and Sales Overview

(1) Market analysis

1.Sales Region

Unit: Thousand dollars; %

Region \ Year	2022		2021	
	Revenue	%	Revenue	%
China	450,113	63.05	454,022	54.91
Taiwan	257,109	36.02	362,934	43.90
Others	6,663	0.93	9,846	1.19
Total	713,885	100.00	826,802	100.00

2.Market share

Product	2022	2021
NB shipment	Approx. 180~200 million units	Approx. 240~ 260 million units
NB Market share of the Consolidated Company	20%~30%	20%~30%

Source: consolidated estimation of market research institutes and the Company

3.Market analysis and future outlook

COVID-19 epidemic has brought structural changes in consumer markets, and the US-China trade war, the Russian-Ukrainian war, etc. even triggered the urgent needs for diversified NB applications. Regardless of new purchase or replacement, it is expected that future NB demand is still expectable.

4.Competitive factors

(1) The management team has accumulated many years of product research and development experience and can master the performance and schedule of product development, and fully grasp the market opportunities.

(2) Maintain a good cooperative relationship with customers, endeavor to provide good product quality, yield, delivery and after-sales service.

5.Advantages and unfavorable factors to long run development and responding measures

A.Advantages

(1)The eco system of semiconductor industry is complete, and the effect of industrial clustering is conducive to shortening the product launch time.

(2)The fabs are committed to expanding production capacity and upgrading processes, which is conducive to improving product quality and reducing costs.

(3)Ability to design and research and develop products tailored to customer needs.

B.Unfavorable factors

(1) Short product life cycle, fierce competition

(2) High concentration of application markets and customer base.

C.Responding measures

(1) Enhancing personnel training, improve product development capabilities and respond to rapid product changes。

(2) Seek market opportunities, plan and develop products that fits customer needs.

(3) Expand non-NB related products and applications.

（2）Core applications of major products and manufacturing processes:

2.1Core applications of major products

Major products	Core application
Embedded controller IC	For personal computers (NB, AIO PC, Industrial PC), consumer electronic products, personal mobile devices

2.2Manufacturing process

Market demand > Stipulate specification > IC design > IC manufacturing > IC Packaging > IC testing

（3）Supply status of major materials

The main material is wafer. The company continues to cooperate closely with wafer manufacturing partners to secure stable supply of wafer.

（4）Major accounts in the last two years

1.Key customers

thousands; %

	2021				2022			
	Name	Amount	%	Relation with Issuer	Name	Amount	%	Relation with Issuer
1	C	338,064	41	NA	C	336,201	47	NA
2	Asus	98,874	12	Related Party	Asus	91,430	13	Related Party
3	M	46,872	6	NA	S	62,035	9	NA
4	Others	342,992	41		Others	224,219	31	
	Total	826,802	100		Total	713,885	100	

2.Major suppliers

thousands; %

	2021				2022			
	Name	Amount	%	Relation with Issuer	Name	Amount	%	Relation with Issuer
1	SA	274,483	99	NA	SA	426,372	98	NA
2	SC	1,694	1	NA	SB	6,857	2	NA
3	Others	1,286	0	NA	Others	1,916	0	
	Total	277,463	100		Total	435,145	100	

（5）Production information in the last two years

thousand unit; thousand dollars

Year / Production / Major products	2021			2022		
	Capacity	Quantity	Value	Capacity	Quantity	Value
NB related products	-	69,624	572,927	-	47,148	523,212
Others	-	0	0	-	0	0
Total	-	69,625	572,927	-	47,148	523,212

（6）Sales amount in the last two years

thousand unit; thousand dollars

Year / Sales Value / Major Products	2021				2022			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
NB related products and others	15,735	173,694	51,740	653,108	6,185	121,273	34,610	592,612
Total	15,735	173,694	51,740	653,108	6,185	121,273	34,610	592,612

C.Employee Data

Year		2021	2022	As of 2023.04.01
Employee Number	Direct	–	–	–
	Indirect	68	69	70
	Total	68	69	70
Average age		44.98	44.98	45.74
Average seniority		9.42	9.76	9.99
Academic demographic	PHD	–	–	–
	Master	43%	44%	43%
	Bachelor	54%	55%	54%
	High school	3%	1%	3%
	Others	–	–	–

D.Environmental related information

(1) The loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report: None

(2) Countermeasures and possible disbursements to be made in the future: Major expenses relating to environment is for domestic waste cleaning fee and IC scrap disposal fee. Total of NTD$220 thousands in 2022. It is estimated to be NT$220 thousands every year hereinafter.

E.Labor relations

(1) Detailed descriptions of employee benefits, training and development, retirement plan and each of the implementation, as well as the labor management agreement and employee rights protection policies are listed in the following:

A. Employee benefits: please refer to company website for information.

B. Training and development:

The company has formulated the "Employee Training Regulations" as the basis for planning employee development and implementing training operations. In order to enable the employees of the company to understand the company's history and goals, and to be familiar with the working environment and related rules and regulations, the company provides orientation training for new employees. In addition to formulating an annual education and training plan and implementing internal training according to the company's development goals, and sending staff to participate in-person courses, there are also online courses and foreign language learning subsidies, providing employees with rich and diverse learning opportunities

2022 training information for the employees are:

Type	No. of employees	Hours	Amount $
Job related	38	228	45,800
Common category	234	228	0
Total	272	456	45,800

C. Retirement

The company has set up "Retirement Management Measures", and established the Labor Retirement Reserve Supervision Committee, and held one meetings in 2021. If a colleague meets the retirement conditions stipulated in Article 53 of the Labor Standards Law, one can apply for retirement according to the relevant regulations. The outstanding part of the pension is deposited in the Taiwan Bank retirement pension account for 2% of the total salary. 6% of the employee salaries are allocated to the Labor Insurance Bureau 's personal pension account for employees according to the insurance coverage set by the Labor Insurance Bureau to ensure labor rights.

Subsidiaries in China participate in a social insurance plan managed and coordinated by local government agencies in China. This plan is a definite allocation system and is paid to the government-managed social insurance plan for pension insurance premiums.

D. Labor relations：

Quarter Labor Meetings were held for communications between the management and employees. no major disputes.

(2) At the time of printing this publication, loss incurred by labor dispute and the amounts of anticipated losses and countermeasures: none.

F. Information security management

(A) Information security risk management framework, Information security policy, specific management plan and resources invested in Information security management：

1. Information security risk management framework

The company established the information security committee in 2019, which is responsible for the formulation of information security policies and the promotion of information security measures, and performs regular reviews. The Information Security Committee assigns one information security supervisor, who is concurrently held by the head of the information department; the committee also has information security personnel, who, when any information security incident occurs, will work with the relevant departments to handle crisis management.

The Information Security Committee reports to the BOD on a regular basis on the establishment and maintenance of the information security management system.

The internal auditor also reviews the information securities items on regular basis and submits the report to BOD.

2. Information security policy

The information security policy clearly defines the regulations, standards and specifications for information security management operations, including but not limited to electronic hardware equipment security management, operating system and application software installation, e-mail management and control, firewall settings, Internet user authorization settings, wireless network usage specifications, antivirus software settings, system program data access control, internal server update and maintenance, and system development security monitoring, etc.

3. specific management plan

(1) Equipment safety management:

A. Servers and other major equipment are placed in a designated computer room. The computer room is equipped with strict access control.

B. Computer equipment is installed with constantly updated protection software to ensure that viruses can be effectively detected.。

(2) Installation, management and control of operating system and application softwares:

A. The user applies for the required software. After the approval from user department head and the MIS head, MIS will set the requested softwares.

B. In case of personnel change or departure, MIS will immediately modify their account and access accordingly to ensure information security。

(3) Internet authorization：

A. Firewall control for external network, install endpoint protection and intrusion detection software to detect and block external intrusions and attacks.

B. The internal network is equipped with attack detections, which regularly detects abnormal behaviors of computers on the internal network.

(4) Monitoring of system security

A. The server room is equipped with uninterruptible power supply and voltage stabilization equipment to prevent system damage caused by power failure or abnormal power supply.

B. Off-site backup system. When the local server room loses its function due to a disaster, the off-site backup host and storage device can start the recovery plan。

C. Fortify the data backup and recovery mechanism, and regularly schedules backups to enhance the integrity and efficiency of system recovery。

4. resources invested in Information security management

(1) The Information Security Committee regularly reviews the internal information security management operations, provides reports and recommendations to the management, and reports to BOD on an annual basis.

(2) Internal auditor regularly reports to BOD on the audit results.

(3) Each employee signs an information management agreement and complete an information security training session.

(B) Losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report：None

G. Important contracts:

Contract Type	Contractor	Contract period	Major content	Limitations
Merger contract	Janus Power	2022/03	Simple merger	NA
Technical authorization contract	ARM LIMITED	2022/09～2025/09	Technical authorization	NA
Service contract	Egis Technology	2022/11～	Product development	NA

6. Financial Standing

6.1 Most Recent 5 year Condensed Financial Information

(1) Condensed Balance Sheet-IFRS-Consolidated

Unit: thousands dollars

		Financial standing for the last 5 years (N1)				
		2018	2019	2020	2021	2022
Current assets		929,214	839,990	832,378	1,039,567	1,090,174
Property, Plant and Equipment (N2)		11,980	8,854	12,509	19,846	19,272
Intangible assets		112	0	0	1,512	20,835
Other assets (N2)		12,618	17,864	28,086	24,452	33,925
Total assets		953,924	866,708	872,973	1,085,377	1,164,206
Current liabilities	Before Distribution	387,296	362,802	412,614	325,927	362,608
	After Distribution	387,296	362,802	412,614	379,114	Not yet distributed
Non-current liabilities		33	2,316	20,006	6,250	8,714
Total liabilities	Before Distribution	387,329	365,118	432,620	332,177	371,322
	After Distribution	387,329	365,118	432,620	385,364	Not yet distributed
Equity attributable to shareholders of the parent		566,595	501,590	440,353	753,200	792,884
Capital stock		749,767	749,767	749,767	443,228	453,228
Capital surplus		81,967	81,967	81,967	254,767	276,767
Retained earnings	Before Distribution	(260,272)	(325,252)	(386,539)	60,069	87,827
	After Distribution	(260,272)	(325,252)	(386,539)	15,746	Not yet distributed
Other equity interest		(4,867)	(4,892)	(4,842)	(4,864)	(24,938)
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before Distribution	566,595	501,590	440,353	753,200	792,884
	After Distribution	566,595	501,590	440,353	700,013	Not yet distributed

Note1: Information on 2018 ~2022 has been audited by independent auditors

(2)Condensed Statement of Comprehensive Income-IFRS-Consolidated

Unit: Thousands

	Financial standing for the last 5 years (N1)				
	2018	2019	2020	2021	2022
Operating revenue	516,391	559,933	636,513	826,802	713,885
Gross margin	119,868	121,352	145,920	262,346	247,716
Profit from operations	(82,666)	(61,635)	(25,572)	65,496	4,194
Non-operating income & expenses	22,528	(3,618)	(35,786)	(8,487)	66,164
Income before tax	(60,138)	(65,253)	(61,358)	57,009	70,358
Net income (Loss) (continuing business)	(60,138)	(65,253)	(61,358)	60,307	76,906
Net income (Loss) (discontinued business)	0	0	0	0	0
Net profit (loss)	(60,138)	(65,253)	(61,358)	60,307	76,906
Other comprehensive income	1,639	248	121	(260)	200
Total comprehensive income	(58,499)	(65,005)	(61,237)	60,047	77,106
Net income attributable to shareholders of the parent	(60,138)	(65,253)	(61,358)	60,307	76,906
Net income attributable to non-controlling interest	0	0	0	0	0
Comprehensive income attributable to	(58,499)	(65,005)	(61,237)	60,047	77,106
Comprehensive income attributable to	0	0	0	0	0
Earnings per share	(0.80)	(0.87)	(0.82)	1.59	1.70

Note1: Information on 2018 ~2022 has been audited by independent auditors

(3)Condensed Balance Sheet _IFRS_Parent Only

Unit: Thousands

		Financial standing for the last 5 years (N1)				
		2018	2019	2020	2021	2022
Current assets		922,631	836,338	826,112	1,037,368	1,090,384
Investment by equity method		6,699	3,616	6,274	2,115	0
Property, Plant and Equipment		11,980	8,854	12,509	19,846	19,272
Intangible assets		112	0	0	1,512	20,835
Other assets		12,467	17,432	27,079	24,061	33,190
Total assets		953,889	866,240	871,974	1,084,902	1,163,681
Current liabilities	Before distribution	387,261	362,334	411,884	325,452	362,165
	After distribution	387,261	362,334	411,884	378,639	Not yet distributed
Non-current liabilities		33	2,316	19,737	6,250	8,632
Total liabilities	Before distribution	387,294	364,650	431,621	331,702	370,797
	After distribution	387,294	364,650	431,621	384,889	Not yet distributed
Capital		749,767	749,767	749,767	443,228	453,228
Capital surplus		81,967	81,967	81,967	254,767	276,767
Retained earnings	Before distribution	(260,272)	(325,252)	(386,539)	60,069	87,827
	After distribution	(260,272)	(325,252)	(386,539)	15,746	Not yet distributed
Other equity interest		(4,867)	(4,892)	(4,842)	(4,864)	(24,938)
Treasury stock		0	0	0	0	0
Total equity	Before distribution	625,094	566,595	440,353	753,200	792,884
	After distribution	625,094	566,595	440,353	700,013	Not yet distributed

Note1: Information on 2018 ~2022 has been audited by independent auditors

(4)Condensed Statement of Comprehensive Income-IFRS-Parent only

Unit: Thousands

	Financial standing for the last 5 years (N1)				
	2018	2019	2020	2021	2022
Operating revenue	516,391	559,923	636,046	824,988	713,684
Gross profit	119,868	121,342	145,453	261,317	247,515
Income from operations	(82,076)	(58,615)	(23,590)	67,199	6,298
Non-operating income & expenses	21,938	(6,638)	(37,768)	(10,190)	64,060
Income before tax	(60,138)	(65,253)	(61,358)	57,009	70,358
Net Profit (Loss) Continuing Business	(60,138)	(65,253)	(61,358)	60,307	76,906
Net income (Loss) Discontinued Business	0	0	0	0	0
Net Profit (Loss)	(60,138)	(65,253)	(61,358)	60,307	76,906
Other comprehensive income (income after	1,639	248	121	(260)	200
Total comprehensive income	(58,499)	(65,005)	(61,237)	60,047	77,106
Earnings per share	(0.80)	(0.87)	(0.82)	1.59	1.70

Note1: Information on 2018 ~2022 has been audited by independent auditors

(5)CPA's Opinions

Year	Accounting Firm	CPA	Opinion
2022	PWC	Chin Chang Chen Pei-Chuan Huang	No reserved opinion
2021	KPMG	Chien Huei Lu Mei-Yu Tseng	No reserved opinion
2020	KPMG	Mei-Yu Tseng, Chien Huei Lu	No reserved opinion
2019	KPMG	Mei-Yu Tseng, Chien Huei Lu	No reserved opinion
2018	KPMG	Mei-Yu Tseng Heidi Huang	No reserved opinion

6.2 Financial analysis

(1) Financial Analysis-IFRS-Consolidated

		Financial Analysis for the Last Five Years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt Ratio	41	42	50	31	32
	Ratio of long-term capital to property, plant and equipment	4,730	5,691	3,680	3,827	4,159
Solvency (%)	Current ratio	240	232	202	319	301
	Quick ratio	208	165	164	261	193
	Interest earned ratio (times)	(23)	(20)	(17)	20	33
Operating performance	Accounts receivable turnover (times)	3.02	3.14	3.39	4.00	3.38
	Average collection period	121	116	108	91	108
	Inventory turnover (times)	3.01	2.33	2.40	3.14	1.55
	Accounts payable turnover (times)	4.39	5.37	8.11	6.22	4.19
	Average days in sales	121	157	152	116	235
	Property, plant and equipment turnover (times)	37	54	60	51	36
	Total assets turnover (times)	0.56	0.61	0.73	0.84	0.63
Profitability	Return on total assets (%)	(6.34)	(6.89)	(6.66)	6.40	6.99
	Return on stockholders' equity (%)	(10.09)	(12.21)	(13.02)	10.10	9.94
	Pre-tax income to paid-in capital (%)	(8.02)	(8.70)	(8.18)	12.86	15.52
	Profit ratio (%)	(11.64)	(11.65)	(9.63)	7.29	10.77
	Earnings per share (NT$)	(0.80)	(0.87)	(0.82)	1.60	1.74
Cash flow	Cash flow ratio (%)	1.18	(69.60)	13.34	18.94	(19.12)
	Cash flow adequacy ratio (%)	(221.32)	(234.44)	(190.93)	(104.45)	(42.54)
	Cash reinvestment ratio (%)	0.72	(44.02)	10.24	1.01	(14.21)
Leverage	Operating leverage	(0.36)	(0.63)	(2.84)	2.85	37.78
	Financial leverage	0.97	0.95	0.88	1.04	2.11

	Financial Analysis for the Last Five Years				
	2018	2019	2020	2021	2022

Explanatory note for the changes in recent two years:

1. The ratio of long-term funds to real estate, plant and equipment: mainly due to the increase in lease liabilities due to the relocation of the Taipei office in 2022, resulting in an increase in the overall ratio
2. Interest coverage ratio: due to the reduction of interest expenses in 2022
3. Inventory turnover rate, average sales days: due to the substantial increase in inventory in 2022
4. Ratio of profitability: due to the growth of profit and loss before tax in 2022
5. Cash Flow Ratio, Cash Flow Allowable Ratio and Cash Flow Reinvestment Ratio: please see cash flow section
6. Operating leverage: Mainly due to the increase in operating expenses in 2022 and the decrease in operating profit

(2) Financial Analysis -IFRS-Parent only

Item	Year	Financial Analysis for the Last Five Years(N1)				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt Ratio	41	42	47	31	32
	Ratio of long-term capital to property, plant and equipment	4,730	5,691	3,678	3,827	4,159
Solvency (%)	Current ratio	238	231	201	318	301
	Quick ratio	206	165	163	260	193
	Interest earned ratio (times)	(23)	(20)	(17)	20	33
Operating performance	Accounts receivable turnover (times)	3.03	3.15	3.42	4.00	3.37
	Average collection period	121	116	107	91	108
	Inventory turnover (times)	3.02	2.33	2.41	3.14	1.55
	Accounts payable turnover (times)	4.39	5.38	8.11	6.21	4.19
	Average days in sales	121	156	152	116	235
	Property, plant and equipment turnover (times)	43	63	51	51	36
	Total assets turnover (times)	0.54	0.65	0.73	0.84	0.63
Profitability	Return on total assets (%)	(6.33)	(6.89)	(6.75)	6.40	6.99
	Return on stockholders' equity (%)	(10.09)	(12.21)	(13.02)	10.10	9.94
	Pre-tax income to paid-in capital (%)	(8.02)	(8.7)	(8.18)	12.86	15.52

Item \ Year		Financial Analysis for the Last Five Years(N1)				
		2018	2019	2020	2021	2022
	Profit ratio (%)	(11.65)	(11.65)	(9.64)	7.31	10.77
	Earnings per share (NT$)	(0.87)	(0.87)	(0.82)	1.60	1.74
Cash Flow	Cash flow ratio (%)	(1.24)	(68.94)	13.49	19.74	(19.28)
	Cash flow adequacy ratio (%)	(208.16)	(234.49)	(190.47)	(102.40)	(41.38)
	Cash reinvestment ratio (%)	0.75	(43.27)	10.22	1.34	(14.27)
Leverage	Operating leverage	(0.37)	(0.69)	(3.05)	2.73	24.44
	Financial leverage	0.97	0.95	0.88	1.04	1.53

Note1: Information on 2018 ~2022 has been audited by independent auditors

6.3 Audit Committee's Review Report

ENE TECHNOLOGY INC

Audit Committee's Review Report

The Board of Directors has prepared the Financial Statements and Consolidated Statements of 2022. The CPA firm of PWC was retained to audit ENE Technology Inc.'s financial statements. CPA Chin Chang Chen and CPA Pei-Chuan Huang of PWC have reviewed and audited the above said financial statements and issued an audit report relating to the financial statements. The Committee has reviewed the above said financial statements, consolidated statements, business report and appropriation of loss statement and found no negligence. In pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

ENE TECHNOLOGY INC.

Chairman of the Audit Committee:

鄭文吉

2023. March. 2nd

6.4 Consolidated financial report for the 2022 and 2021 (Appendix I)

6.5 Parent only financial report for the 2022 and 2021 (Appendix II)

6.6 Financial difficulties the Company or its subsidiaries encountered: NA

7. Financial Standing

7.1 Financial status

Unit: NT$Thousands

	2022	2021	Differences	
			Amount	%
Current Assets	1,090,174	1,039,567	50,607	4.87
Investment by equity method	0	0	0	0.00
Property, plant and equipment	19,272	19,846	(574)	(2.89)
Other non current assets	39,687	19,093	20,594	107.86
Total Asset	1,164,206	1,085,377	78,829	7.26
Current liability	362,608	325,927	36,681	11.25
Non current liability	8,714	6,250	2,464	39.42
Total liability	371,322	332,177	39,145	11.78
Capital	453,228	443,228	10,000	2.26
Capital surplus	276,767	254,767	22,000	8.64
Retained earning	87,827	60,069	27,758	46.21
Total equity	792,884	753,200	39,684	5.27

Explanatory note:

1. Other non-current asset: This is due to the relocation of the Taipei office in 2022 to obtain the right-of-use assets and purchase intangible assets, resulting in a relatively high increase
2. Non current liabilities: Mainly due to the increase in lease liabilities due to the relocation of the Taipei office in 2022
3. Retained earnings: Due to the increase in profit in 2022

7.2 Analysis of financial performance:

Unit: NT$Thousands

	2022	2021	Differences $	%
Gross Sales	713,684	826,802	(113,118)	(13.68)
Operation cost	466,169	564,456	(98,287)	(17.41)
Gross margin	247,716	262,346	(14,630)	(5.58)
Operation expenses	243,522	196,850	46,672	23.71
Net income (loss)	4,194	65,496	(61,302)	(93.60)
Non-operating income & expenses	66,164	(8,487)	74,651	(879.59)
Net income (before income tax)	70,358	57,009	13,349	23.42
Net income after income tax	76,906	60,307	16,599	27.52

Description of major changes: those with a change amount of NT $ 10 million and a change rate of 20%

1. Operating expense: The increase in profit in 2022 is due to the corresponding increase in employee remuneration and director remuneration
2. Net operating profit (loss): Although the decrease in operating gross profit was not as much as the decrease in operating income, the increase in operating expenses still caused a relatively significant decrease in operating net profit.
3. Non-operating income and expenses: due to the increase in net foreign currency exchange benefits due to exchange rate changes and hedging operations in 2022
4. Due to weaker market demand and the decrease in operating income, operating expenses was also increase compared with the previous year, but benefiting from the substantial increase in non-operating income, the company's net profit before tax this year increased by 23.42% compared with the previous year
5. Possible impact on future business and corresponding plan: the working capital is sufficient, and there is no financial turnover difficulty

7.3 Cash flow

1.Cash flow analysis

	2022	2021	%
Cash flow from operation	(69,360)	61,755	(212.31)
Cash flow from investment	(67,009)	51,260	(230.73)
Cash flow from financing activities	(35,124)	99,535	(135.29)
Net cash flow	(171,460)	212,525	(180.68)

2022 cash outflow from operation is NT$69,360 thousands, mainly due to the increase of inventory level leads to AP increase, revenue decrease in second half that leads to decrease of AR and notes receivables. Cash outflow from investment (NT$67,009 thousands) is due to decrease of other financial assets. Increase in cash outflow in financing activities is from private placement (NT$35,124 thousands).

2. Cash deficit and liquidity analysis

	2021	2020	%
Cash Flow Ratio (%)	(19.12)	18.94	(200.95)
Cash Flow Adequacy Ratio (%)	(42.54)	(128.89)	66.99
Cash Reinvestment Ratio (%)	(14.21)	7.28	(295.19)

In 2022, due to the weakening of sales in the second half of the year, the decrease in notes receivable and accounts, the increase in the company's inventory level, the increase in accounts payable, and the increase in some bank loans, the cash flow ratio decreased by 200.95%, and the cash flow allowable ratio increased by 66.99% , Cash reinvestment ratio decreased by 295.19%.

3.Cash flow analysis for the coming year

Unit: NT$Thousands

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
229,124	60,000	(50,000)	239,124	-	-

It is estimated that the net cash inflow from operating activities will increase by 60,000 thousands due to the improvement of revenue in 2023; in terms of investment activities, the company will continue to purchase Design Tools for research and development or outsourced machines; in terms of financing activities, the distribution of cash dividends will be a net cash outflow, and there is still sufficient financing with the bank, so it is expected that there will be no cash shortage in the coming year.

7.4 Major capital expenditure items: none

7.5 Investment policy in the last year, main reason for profit/loss, improvement plans and investment plan for the coming year: ENE Touch Technology was established in Shenzhen to fulfilled customers needs in China. The subsidiary is at the early stage of the business, the revenue is not yet able to cover all expenses, thus it is still at loss. The Company shall help the subsidiary to improve its competitiveness and efficiency to improve the profitability.

7.6 Risk items:

(1) Effects of changes in interest rates, foreign exchange rates and inflation on finance status of the company and future response measures:

1. Interest rate: For the company's cash and cash equivalents, short-term loans, other financial assets-current and long-term bank loans (including long-term loans due in one year), if the interest rate increases or decreases by 1%, all other variables remain unchanged. Under the changed circumstances, the net profit after tax in 2022 will increase or decrease by $1,996 thousands respectively, which will not have a significant impact on the company's operations and profit or loss. The company always pays attention to the trend of interest rates in the financial market, regularly evaluates bank interest rates, and keeps in touch with banks to strive for more favorable interest rates.
2. Exchange rate: The operating income of the consolidated company is mainly denominated in US dollars. The exchange rate risk mainly comes from the equivalent cash, receivables, other financial assets, accounts payable and other current liabilities denominated in US dollars. Exchange gains and losses. If the NT dollar depreciates or appreciates by 1% against foreign currencies, and all other factors remain unchanged, the net profit before tax in 2022 will increase or decrease by $6,928 thousands respectively. Therefore, in addition to continuously strengthening natural hedging and making good use of various hedging tools as a priority, the company also pays attention to changes in the international financial market at any time, maintains close contact with banks, and collects exchange rate fluctuations and financial market-related information to fully grasp exchange rate trends and changes, and adjust foreign currency positions in a timely manner to reduce the risk of exchange rate changes.
3. Inflation: The annual growth rate of the Consumer Price Index (CPI) for the whole year of 2023 is forecast to be 2.16%, according to the Bureau of Accounting and Statistics. If the company's purchase cost increases due to inflation, the product price will be adjusted to the customer appropriately to reduce the impact on the company's profit and loss. In the future, we will continue to observe the changes in the price index and pay attention to the price trend of the raw material market to formulate strategies to control costs and inventory. And continue to maintain good interaction with suppliers and customers, hoping to reduce the impact of inflation on the company's profit and loss.

(2) Policies, main sources of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

1. The company has not engaged in any high risk, high-leverage investments, lending or endorsement and guarantee in 2022 and 2023Q1.
2. Policy for lending funds to others: Except for inter-company business dealings and short-term financing is necessary, funds shall not be loaned to others. For single party, the limit shall not exceed 10% of the net value of the most recent financial statement, and the total amount of loans shall not exceed 20% of the net value of the most recent financial statement.
3. Policy for endorsement and guarantee: Except for the company's business dealings and the ones which company holds more than 50% of the voting shares directly or indirectly, it is not allowed to endorse or guarantee to others. The amount of endorsement guarantee for single party shall not exceed 10% of the net value of the most recent financial statement, and the total amount of endorsement shall not exceed 20% of the net value of the most recent financial statement
4. Derivatives transactions: The maximum for such transactions shall no more than 80% of the most recent quarterly revenue. Derivative commodity transactions that the company engaged in in 2022 were short-term foreign exchange transactions only to avoid foreign exchange risks denominated in

foreign currencies, which were of a risk-averse nature and did not engage in speculative transactions. In the first quarter of 2023, it did not undertake any derivatives transactions.

(3) Future R&D projects and budgets:

Product	Name
Mobile products	1. eSPI interface: enforced specification 2. Chromebook EC: ARM M4F version 3. Gaming MB ASIC
Peripheral and consumer products	1. New generation gaming ambient IC: new process 2. Low power industrial MCU

Total RD expenses in 2021 were NT$84,048 thousands, approximately 12% of the total revenue. Projected RD expenses in 2023 will be approximately NT$85,000 thousands

(4) Effects of and response to changes in policies and regulations relating to corporate finance and sales: the company watches closely on the related policies and regulations and operate accordingly.

(5) Effects of and response to changes in technology and the industry relating to corporate finance and sales:

1. Technology change: By fortifying research and development capabilities, the company shall closely watch domestic and foreign technology and market development trends to respond to changes in technology and industries. On the other hand, facing changes in technology can also be a business opportunity. In addition to improving product functions and cost control, the company shall invest more in researching and developing new products to meet the unpredictable changes of the industry.
2. Information security organization: Information Security Committee is established to be in charge of stipulating policies and regulations and perform regular reviews. Head of MIS shall be responsible for the information security incidents and work closely with related departments. Head of MIS shall report to BOD on regular basis.
3. Information security policies: The policy clearly defines the requirements, standards, specifications and other categories of information security management operations, and informs employees to abide by the information security policy by email, electronic bulletins and signing the agreement of the information security policy.
4. Information security risk assessment and contingency plan: Facing complicated and ever-changing information security threats and challenges, the company regularly reviews and evaluates risks that may affect the normal operation of the company, strengthens various information security protection capabilities, and formulates contingency plans.
5. Information security risk control: In order to strengthen information security protection operations, other than using a variety of software and hardware equipment, the company also adopts measures such as advance prevention, monitoring, recording, backup and enforce the information security awareness of all employees to reduce the risk of information security breach.
6. Information security breach incident: none.

(6) The impact of corporate image change on corporate crisis management and countermeasures: ENE is a professional IC design company, adhering to the spirit of "providing products, technologies and

services with added value in the market; creating a win-win situation for customers, shareholders, and employees". We continue to research and develop technologies and strive to improve customer services, winning more international long-term and stable cooperative relations with industry big names. The Company discloses information through various communication channels and media, to deliver messages to the public for better understanding and recognition of the company status and promote the company image in a positive way.

(7) Expected benefits from, risk relating to and response to merger and acquisition plans: none

(8) Expected benefits from, risk relating to and response to factory expansion plan: none

(9) Risk relating to and response to excessive concentration of purchasing sources and excessive customer concentration:

A. Risks and countermeasures for the concentration of purchases: As most domestic professional IC design companies do not have their own fabs, they will choose professional wafer foundries. Two companies are chosen currently for long-term cooperative purpose. In order to avoid full capacity of fabs during the peak season, the company is planned to divert some products to other professional foundries.

B. Risks and countermeasures for the concentration of sales: The main products are NB-related application ICs. As Taiwan 's notebook computer vendors account for approximately 90% of the global market share, sales are concentrated in big names such as Compal etc. In the future, the company will continue to maintain good relations with its current customers, and actively establish other product lines and improve marketing channels to diversify risks.

(10) Effects of, risk relating to and response to large share transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%: none.

(11) Effects of, risk relating to and response to the changes in management ownership: none.

(12) Litigation or non-litigation matters: none.

(13) Other risky matters: none.

7.7 Other important items: none

8. Special Disclosure

A. Summary of affiliated companies:

A.1 Consolidated operation report: up to the date of the annual report printout

(1) Organizational chart

ENE TECHNOLOGY

↓ 100%

ENE TOUCH Technology

(2) Main information of affiliated companies:

Name	Date of establishment	address	Capital	Business items
ENE Touch Technology	2018.8.10	4A02, AB section, Tian Siang Building, Tian-an Innovation and Technology Plaza, Fu-tian District, Shenzhen	USD$ 300 Thousands	Electronic material sales

(3) Controlling and subordinate relationships in according to the Article 369-3 of the Company Act, where a majority of the total number of outstanding voting shares or the total amount of the capital stock of a company and another company are held by the same shareholders: none.

(4) Business scope covered by the overall corporate: the business scope covered by the Company and its subsidiary include the design, manufacturing, sales and software application of IC.

(5) Directors, Supervisor and GM and shareholdings:

Name	Title	Name/Representative	Shareholding	
			Shares K	%
ENE Touch Technology	Representative	Leo Liang	0	0%

(6) Operation status

Name	Capital	Asset	Liability	Net Worth	Sales	Operating profit	P&L	EPS
ENE Touch Technology	9,048	4,382	4,587	(205)	6,120	575	(2,352)	–

A2. Disclosure items for the affiliates:

(1)Name of subsidiaries, relationship, business scope, shareholdings:

Subsidiaries	Relationship	Business Scope	%
ENE Touch Technology Co (Shenzhen)	100% subsidiaries	Distribution of Electronic materials	100%

(2) Name of subsidiaries not included in the consolidated report, shareholding information or capital ratio and the reason for exclusion: none

(3) Transactions that have been eliminated between the controlling company and subordinates or between subordinate companies, information regarding financing, endorsements and guarantees, trading in derivative products, significant contingent matters, significant subsequent events, names of bills and securities held, and their quantities, cost, market value (or net par value if a bill or security does not have a market value), shareholding or capital contribution ratio, description of any pledges, and the highest amount of shareholding or capital contribution due in the period, other matters of significance or explanations that would contribute to a fair presentation of the consolidated financial statement of the affiliates: As total asset and revenue of the subordinates have not reached 10% of the items of the controller company, thus the information is not to be disclosed.

A3. Affiliation report:

ENE TECHNOLOGY INC

(Stock Code：6243)

Affiliation Report

2022

ENE Technology Inc.

Declaration on Affiliation Report

The 2022 affiliation report is prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, and the disclosed information is the same as those disclosed in the periodical financial report.

Company：ENE Technology Inc.

Representative：Dylan Chung

2022.03.02

ENE TECHNOLOGY INC

Review on Affiliation Report

PWC #22008531

TO ENE TECHNOLOGY INC：

The 2022 affiliation report of ENE TECHNOLOGY INC is prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. We have reviewed the disclosed financial information and the notes from the periodical financial reports.

It is our findings that the ENE TECHNOLOGY INC 2022 affiliation report discloses information in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, and the financial information is unanimous with the financial report, thus no major amendment is required.

PwC Taiwan

Chin Chang Chen

CPA

Pei-Chuan Huang

FSC

Approval doc #1060025060

Reviewed #20210348083

2023.03.02

ENE TECHNOLOGY INC

Affiliation Report

A. Relationship between controlling company and subsidiary

The Company is a subsidiary of Alcor Micro Corporation Ltd and Egis Technology Inc., details as following:

Unit: Shares; %

Controlling Company	Controlling factor	Controlling company share holdings and shares pledge for collateral			Controlling company appoints Directors or Key managers	
		Shares	Holding %	Collateral	Title	Name
Alcor Micro Corporation Ltd	The single largest shareholder of the company, and directly or indirectly controls the company's personnel, finance or business operations, and is judged to have control。	80,000,000	17.65%	-	Chairman Director	Dylan Chung D.S. Chen
Egis Technology Inc	The single largest shareholder of the Company's controlling company (Alcor Micro Corporation Ltd), and directly or indirectly controls Alcor Micro's personnel, finance or business operations, and is judged to have control。	-	-	-	GM	David Huang

1. Transactions

Transactions between the Company and Alcor Micro Corporation Ltd and Egis Technology Inc. are as following:

1. Purchase and sales: no major transactions
2. Assets: no major transactions
3. Financing: no major transactions
4. Lease on assets: no major transactions

5. Other significant transactions: the Company has signed a service contract with Egis Technology Inc on product development. The unpaid amount is $30,000 as of 2022.12.31.

2. Endorsement and guarantee:
   1. The Company does not provide endorsement and guarantee for Alcor Micro and Egis Technology.
   2. Alcor Micro and Egis Technology have not provided endorsement and guarantees for the Company as of 2022.12.31.

3. Other items with significant impact on finance and sales: none

2. Updates on the private placement for the most recent year and as of the publication date of the annual report: none

3. Acquisition or disposal of shares of the Company by subsidiaries for the most recent year and as of the publication date of the annual report: none

4. Other supplementary notes: none

9. Items have significant impact on the shareholder's equity or security price

Up till the date of the report printed, there is no occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholder's equity or security price in the most recent year.

Stock Code：6243

ENE TECHNOLOGY INC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

December 31st, 2022 AND 2021

This document is a translated version from the Chinese version for the convenience of reader and for information purpose only. Any discrepancy between the English and Chinese version, the Chinese version shall prevail.

ADDRESS：4F, No.21, LIXING RD. HSINCHU SCIENCE PARK
Contact Number：886-3-666-2888

Representation Letter

The entities included in the consolidated financial statements as of December 31st, 2022, and for the year then ended prepared under the International Financial Reporting Standards, No.10 as recognized by the FSC are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. The Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

ENE TECHNOLOGY INC
Dylan Chung
March 2nd , 2023
Independent Auditors’ Report

Translated Independent Auditor's Review Report

To the Board of Directors of ENE TECHNOLOGY INC. :

Opinion

We have audited the accompanying consolidated financial statements of ENE TECHNOLOGY INC and subsidiaries (the "Company"), 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 the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (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 auditing stands generally accepted in 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 ENE Technology Inc. and its subsidiaries 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 judgement, 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.
Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

1. Key Audit Matters - Allowance to reduce inventory to market

<u>Description of matters:</u>

ENE TECHNOLOGY Group Company designs, manufactures, and sells integrated circuit-related products. Due to the short lifecycle of electronic products and intense market competition, there is a higher risk of inventory obsolescence and losses from price declines. For information regarding the accounting policies, accounting estimates, and assumption uncertainty of the valuation of inventory, as well as allowance to reduce inventory to market, please refer to Notes 4(11), 5(2), and 6(4).

Due to the rapid change of technologies industry in which ENE TECHNOLOGY Group Company operates, and the subjectivity involved in assessing the net realizable value of obsolete inventory and the basis for evaluating inventory obsolescence losses, there is a high degree of estimation uncertainty. Given the significant impact of inventory and its allowances for declines in value on the consolidated financial statements, the auditor has identified the assessment of inventory allowances for declines in value as the most critical area for audit in the current year.

<u>Our key audit procedures performed in respect of the mentioned item included the following:</u>

The auditor has performed the following procedures regarding the critical audit area mentioned above:

1. Based on the auditor's understanding of ENE TECHNOLOGY Group Company's business and industry characteristics, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss.

2. Verify the accuracy and completeness of the inventory aging report and its underlying system logic.

3. Test the market value basis for individual inventory item's net realizable value, and select samples to confirm the accuracy of their net realizable value calculations.

Other Matter - Last quarter was reviewed by other auditors

The consolidated and individual financial statements of ENE TECHNOLOGY Group Company for the year 2021 were audited by another auditor, who issued an unqualified audit opinion report on March 10, 2022.

Other Matter - Individual financial statements

ENE TECHNOLOGY INC has prepared the parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 statement, management is responsible for assessing the ENE TECHNOLOGY Group 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 ENE TECHNOLOGY Group Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the ENE TECHNOLOGY Group Company’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 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 auditing standards generally accepted in 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 based on this consolidated financial statement.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also do below :

1. Identify an 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 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 ENE TECHNOLOGY Group 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 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 ENE TECHNOLOGY Group Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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.

PricewaterhouseCoopers Taiwan

Chin-Chang Chen

CPA

Pei-Chuan Huang

ENE Technology Inc. and Subsidiaries

Consolidated Balance Sheet
January 1st to December 31st, 2022 & 2021

Unit: NTD thousands

	Assets	Note	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Assets					
1100	Cash & cash equivalents	6(1)	$ 229,124	20	$ 400,584	37
1136	Financial asset after amortization current	6(2) & 8	261,454	23	225,087	21
1170	Net accounts receivables	6(3) & 8	167,160	14	189,091	18
1180	Accounts receivable- related parties	7	32,871	3	29,163	3
130X	Inventories	6(4)	375,244	32	176,969	16
1410	Pre-payments		19,368	2	15,335	1
1479	Other current assets-others		4,953	-	3,338	-
11XX	**Total Current Assets**		1,090,174	94	1,039,567	96
	Non-Current Asset					
1535	Financial assets after amortization －non current	6(2) & 8	1,047	-	1,038	-
1600	Property, plant and equipment	6(5)	19,272	2	19,846	2
1755	Right-of-use asset	6(6)	11,022	1	8,658	1
1780	Intangible asset		20,835	2	1,512	-
1840	Deferred tax asset	6(18)	15,073	1	6,871	-
1900	Other non-current assets	6(10)	6,783	-	7,885	1
15XX	**Total Non-current assets**		74,032	6	45,810	4
1XXX	**Total Assets**		$ 1,164,206	100	$ 1,085,377	100

(Continue next page)

ENE Technology Inc. and Subsidiaries
Consolidated Balance Sheet
January 1st to December 31st, 2022 & 2021

Unit: NTD thousands

	Liabilities and Equity	Note	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Liabilities					
2100	Short term loan	6(7)	$ 196,000	17	$ 162,272	15
2170	Account payables		111,137	10	102,119	9
2180	Account payable - related parties	7	3,349	-	5,491	-
2200	Other account payables	6(8)	42,725	4	39,612	4
2280	Lease liabilities-current	6(6)	3,187	-	6,505	1
2320	Loan term loan matured within 1 year	6(9)	3,636	-	7,273	1
2399	Other current liabilities-others		2,574	-	2,655	-
21XX	**Total current liabilities**		362,608	31	325,927	30
	Non-Current liabilities					
2540	Loan term loan	6(9)	-	-	3,636	1
2570	Deferred income tax liabilities	6(18)	1,694	-	34	-
2580	Lease liabilities－non current	6(6)	7,014	1	2,580	-
2600	Other non current liabilities		6	-	-	-
25XX	**Non current liabilities**		8,714	1	6,250	1
2XXX	**Total liabilities**		371,322	32	332,177	31
	Equity					
	Equity attributed to Parent					
	Capital	6(12)				
3110	Ordinary share capital		453,228	39	443,228	41
	Capital surplus	6(13)				
3200	Capital surplus		276,767	24	254,767	23
	Retained earnings	6(14)				
3310	Legal reserve		6,007	-	-	-
3350	Undistributed earnings		81,820	7	60,069	5
	Other equity	6(16)				
3400	Other equity		(24,938)	(2)	(4,864)	-
3XXX	**Total equity attributed to Parent company**		792,884	68	753,200	69
	Significant or liable and unrecognized committed contract	9				
	Significant subsequent events	6(14)&11				
3X2X	**Total liabilities and equity**		$ 1,164,206	100	$ 1,085,377	100

ENE Technology Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1st to December 31st, 2022 & 2021

	Item	Note	2022 Amount	%	2021 Amount	%
4000	Operating revenue	6(15) &7	$ 713,885	100	$ 862,802	100
5000	Operating cost	6(4)	(466,169)	(65)	(564,456)	(68)
5900	Gross margin		247,716	35	262,346	32
	Operating expense	6(17)				
6100	Selling expense		(80,545)	(11)	(57,184)	(7)
6200	General & admin expense		(78,648)	(11)	(76,131)	(9)
6300	R & D expense		(84,048)	(12)	(64,025)	(8)
6450	Expected credit loss	6(4)	(281)	-	490	-
6000	Total operating expense		(243,522)	(34)	(196,850)	(24)
6900	Operating profit (loss)		4,194	(1)	65,496	8
	Non-operating income and expense					
7100	Interest income		6,082	1	701	-
7010	Other income		543	-	-	-
7020	Other profit and loss	6(16)	61,748	8	(6,186)	(1)
7050	Financial cot		(2209)	-	(3,002)	-
7000	Total of non operating income and expense		66,164	9	(8,487)	(1)
7900	**Profit before income tax**		70,358	10	57,009	7
7950	Income tax expense	6(18)	6,548	1	3,298	-
8200	**Net profit for the period**		$ 76,906	11	$ 60,307	7
	Other comprehensive profit and loss (net)					
	Items may be reclassified to profit or loss					
8311	Gain/Loss of remeasurement of defined benefit plan	6(10)	$ 175	-	($ 238)	-
8361	Cumulative translation differences of foreign operation		31	-	(27)	-
8399	Income tax relating to items may be reclassified	6(18)	(6)	-	5	-
8300	**Other comprehensive profit and loss (net)**		$ 200	-	($ 260)	-
8500	**Total comprehensive profit and loss**		$ 77,106	11	$ 60,047	7
	Net profit attributed to					
8610	Parent company		$ 76,906	11	$ 60,307	7

	Total comprehensive profit & loss attributed to :						
8710	Parent company		$	77,106	11	$ 60,047	7
	Earning per share	6(19)					
9750	Basic earning per share		$		1.74	$	1.60
9850	Diluted earning per share		$		1.70	$	1.59

ENE Technology Inc. & Subsidiaries
Consolidated Statements of Changes in Equity
January 1st to December 31st, 2022 & 2021

Unit：NTD$ Thousands

		Equity attributed to Parent Company								
			Capital surplus		Retained earnings		Others			
	Note	Ordinary shares capital	Capital Surplus －Premium	Capital Surplus － Others	Legal reserve	Undistributed earning	Cumulative translation differences of foreign operation	Unrealized P&L from financial assets measured at fair value through P&L	Other equity－Others	Total equity
2021										
Balance as of 0101		$ 749,767	$ 68,283	$ 13,684	$ -	($ 386,539)	$ 158	($ 5,000)	$ -	$ 440,353
Net profit of the period		-	-	-	-	60,307	-	-	-	60,307
Comprehensive P & L of the period	6(10)	-	-	-	-	(238)	(22)	-	-	(260)
Total of comprehensive P&L of the period		-	-	-	-	60,069	(22)	-	-	60,047
Cash capital increase	6(12)	80,000	172,800	-	-	-	-	-	-	252,800
Capital reduction to compensate loss	6(12)	(386,539)	-	-	-	386,539	-	-	-	-
Balance as of 1231		$ 443,228	$ 241,083	$ 13,684	$ -	$ 60,069	$ 136	($ 5,000)	$ -	$ 753,200
2022										
Balance as of 0101		$ 443,228	$ 241,083	$ 13,684	$ -	$ 60,069	$ 136	($ 5,000)	$ -	$ 753,200
Net profit of the period		-	-	-	-	76,906	-	-	-	76,906
Comprehensive P & L of the period	6(10)	-	-	-	-	175	25	-	-	200
Total of comprehensive P&L of the period		-	-	-	-	77,081	25	-	-	77,106
2021 earning distributions and allotment	6(14)									
Legal reserve		-	-	-	6,007	(6,007)	-	-	-	-
Cash dividends		-	-	-	-	(44,323)	-	-	-	(44,323)
Cash dividends from capital surplus	6(13)	-	(8,865)	-	-	-	-	-	-	(8,865)
Share-based payment transaction	6(11)	10,000	-	30,865	-	-	-	-	(25,099)	15,766
Disposal of equity instrument investments measured at fair value through other comprehensive income		-	-	-	-	(5,000)	-	5,000	-	-
Balance as of 1231		$ 453,228	$ 232,218	$ 44,549	$ 6,007	$ 81,820	$ 161	$ -	($ 25,099)	$ 792,884

ENE Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1st to December 31st, 2022 & 2021

Unit: NTD$ Thousands

	Notes	20220101~1231	20210101~1231
Cash flow from operating activities:			
Income before income tax		$ 70,358	$ 57,009
Adjustments			
Income and expenses/loss items			
Depreciation	6(17)	15,622	12,573
Amortization	6(17)	4,369	954
Interest expenses		2,209	3,002
Interest income		(6,082)	(701)
Expected credit impairment loss	6(3)	281	(490)
Disposal of fixed assets loss		403	-
Net financial asset at fair value through P&L (profit) loss	6(16)	(148)	-
Profits from changes in lease		(15)	-
Cost for share-based payment compensation	6(11)	15,766	-
Changes in operating assets and liabilities			
Net changes in operating related assets			
Current financial assets at fair value through profit or loss		148	-
Account receivables (include related parties)		17,942	(28,170)
Inventories		(198,275)	(31,571)
Prepaid payments		(4,033)	(1,796)
Net defined benefit assets		141	(50)
Other current assets		(737)	(113)
Net changes in operating related liabilities			
Account payables (include related parties)		6,876	33,813
Other account payables		2906	18,646
Other current liabilities		(81)	48
Other non-current liabilities		6	-
Cash flows from operating activities (outflow) inflow		(72,344)	63,154
Interest received		5,454	715
Interest paid		(2,220)	(3,028)
Income tax paid		(250)	-
Income tax refund		-	914
Net cash outflow from operating activities		(69,360)	61,755
Cash flow from investment activities			( )
Acquisition of financial asset after amortization		(36,376)	-
Disposal of financial assets after amortization		-	66,540
Acquisition of real estate, plant and equipment	6(2)	(8,124)	(12,814)
Disposal of fixed asset		48	-
Acquisition of intangible assets		(23,692)	(2,466)
Decrease of refundable deposits (other non-current asset)		1,135	-
Net cash outflow from investment activities		(67,009)	(51,260)
Cash flow from financing activities			( )
Decrease short term loan		206,017	228,290
Increase short term loan	6(21)	(172,289)	(367,467)
Long term loan repayment	6(21)	(7,273)	(7,274)
Lease liabilities principle repayment	6(21)	(8,391)	(6,814)
Cash capital increase	6(12)	-	252,800
Cash dividend from capital surplus	6(13)	(8,865)	-
Cash dividend	6(14)	(44,323)	-
Net cash outflow from financing activities		(35,124)	99,535
Effect of exchange rate to cash and cash equivalent		33	(25)
Net decrease in cash and cash equivalent		(171,460)	212,525
Cash and cash equivalent at beginning of period		400,584	188,059
Cash and cash equivalent at end of period		$ 229,124	$ 400,584

ENE Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
January 1st to December 31st, 2022 & 2021

Unit：NTD$ thousands
(except otherwise indicated)

1. Company history

ENE TECHNOLOGY INC. (the "Company") was incorporated as a company by shares on May 20th, 1998. The Company and its subsidiaries (the "Group") is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since June 9th, 2022, the ultimate controlling parent company is Egis Technology Inc.

2. The date and procedure of authorization for issuance of the consolidated financial statements

These consolidated financial statements were approved and authorized by the Board of Directors on March 2st , 2023.

3. Application of New Standards, Amendments, Principles and Interpretations

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

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2022 adopted by the Company are as follows

New Standards／Amendments／Principles and Interpretations	Effective date by IASB
Amendments to IFRS 3, "Reference to the conceptual framework"	2022.01.01
Amendments to IAS 16 "Property, Plant and Equipment-Proceeds before Intended Use"	2022.01.01
Amendments to IAS 37 "Onerous Contracts-Cost of Fulfilling a Contract"	2022.01.01
Annual Improvements to IFRS Standards 2018-2021	2022.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

(2) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date by IASB
Amendments to IAS 1 "Disclosure of Accounting Policy"	2023.01.01
Amendments to IAS 8 "Definition of Accounting Estimates"	2023.01.01
Amendments to IAS 12 "Deferred tax related to Assets and Liabilities Arising from Single Transaction"	2023.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

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

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"	TBD
Amendments to IFRS 16 "Lease liabilities in a sale and leaseback"	2024.01.01
IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative information"	2023.01.01
Amendments to IAS 1 "To classify debt as current or non-current"	2024.01.01
Amendments to IAS 1 "Non-current liabilities with contractual terms"	2024.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

4. Summary of Significant Accounting Policies

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

(1) Statement of Compliance

1. These consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein after as the "IFRSs").

(2) Preparation basis

1. Other than the items below, the consolidated report is prepared based on historical cost:

(1) Financial asset and liability at fair value through profit and loss, financial asset and liability at fair value through other comprehensive income.

(2) Defined benefit asset measured by pension asset less present value of defined benefit obligation.

2. Please refer to Note 5 for significant assumptions and estimations.

(3) Basis of consolidation

1. Preparation of the consolidated financial report

(1) The Group includes all subsidiaries (including structured entities) that are controlled by the Group in the preparation of the consolidated financial statements. The Group controls a entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is lost.

(2) Transactions, balances, and unrealized gains or losses between companies within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(3) Components of income and other comprehensive income are attributed to the owners of the parent company and non-controlling interests. The total comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if it results in a deficit in non-controlling interests

(4) Changes in the parent company's holdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e. transactions with owners. The adjustment amount of non-controlling interests between the fair value of consideration paid or received is directly recognized in equity.

(5) When the Group loses control of a subsidiary, the remaining investment in the subsidiary is remeasured at fair value and recognized as the fair value of the originally recognized financial asset, or the cost of originally recognized investment in an associated enterprise or joint venture. The difference between the fair value and the carrying amount is recognized in the current income statement. For all amounts related to the subsidiary previously recognized in other comprehensive income, the accounting treatment is the same as the basis for disposing of related assets or liabilities directly by the Group. That is, if the previously recognized benefit or loss in other comprehensive income is reclassified to income when disposing of related assets or liabilities, then when the Group loses control of the subsidiary, the benefit or loss will be reclassified from equity to income.

2. List of subsidiaries in the consolidated financial statements:

Name of Investor	Name of Subsidiaries	Business	Percentage of ownership (%) 2022 12.31	2021 12.31	Note
ENE	Janus Power Electronics Pty Ltd. (Janus Power)	Electronic components	-	100	note
ENE	ENE Touch Technology Co., Ltd (ENE Touch)	Electronic materials distributor	100	100	

Note: Janus power was eliminated after simple merger with the Company on 2022.03.16.

3. List of subsidiaries which are not included in the consolidated financial statement: None.
4. Adjustment and treatment for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with significant non-controlling interests in the Group: None.

(4) Foreign currency translation

All items presented in the financial statements of each entity within the Group are measured using the functional currency of that entity's primary economic environment. The functional currency is the currency in which an entity primarily generates and expends cash. The consolidated financial statements are presented in the functional currency of the Company, which is the New Taiwan Dollar (NTD).

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into the functional currency using the exchange rates on the transaction or measurement date, and any resulting translation differences are recognized in the current period's income statement.
   (2) Foreign currency monetary assets and liabilities are remeasured at the exchange rates on the balance sheet date, and any resulting translation differences are recognized in the current period's income statement.
   (3) The balances of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted to reflect the spot exchange rates as of the balance sheet date. The resulting exchange differences from the adjustments are recognized in the current period's profit or loss. For those denominated in foreign currencies that are measured at fair value through other comprehensive income, the resulting exchange differences from the adjustments are recognized in the other comprehensive income section of the statement of comprehensive income. For those not measured at fair value, they are measured at

the historical exchange rates on the initial transaction date.

(4) All other exchange gains or losses are reported in the "Other gains and losses" section of the statement of profit or loss based on the nature of the transactions.

2. Conversion of operating agencies overseas

Conversion of functional currency and presentation currency for all entities, related companies, and joint agreements that have different functional currency and presentation currency. The operating results and financial status are converted to presentation currency as follows:

(1) Assets and liabilities on each balance sheet are converted using the closing exchange rate on the date of the balance sheet

(2) Revenue and expenses on each income statement are converted using the average exchange rate for the current period

(3) Any exchange differences arising from the conversion are recognized as other comprehensive income.

(5) Standards for Assets and Debts Classified as Current and Non-Current

1. An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.

B. The Company holds the asset primarily for the purpose of trading.

C. The Company expects to realize the asset within twelve months after the reporting period.

D. The asset is cash or cash equivalent unless the asset is restricted from. being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

2. A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle.

B. The Company holds the liability primarily for the purpose of trading.

C. The liability is due to be settled within twelve months after the reporting period.

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(6) <u>Fair value through other comprehensive income (FVOCI)</u>

1. This refers to an irrevocable election made at initial recognition to either. report the fair value changes of equity instruments classified as non-hold-for-trading investments in other comprehensive income or to report both the following conditions of debt instrument investments:

   (1) The financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset.

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

2. The Group applies the trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with market conventions.

3. The Group initially measures financial instruments at fair value plus transaction costs and subsequently measures them at fair value.

   (1) The fair value changes of equity instruments are recognized in other comprehensive income and are not reclassified to profit or loss upon derecognition. They are transferred to retained earnings upon disposal. When the right to receive dividends is established and the economic benefits associated with the dividends are expected to flow to the Group, and the amount of the dividends can be measured reliably, the Group recognizes dividend income in profit or loss.

   (2) The fair value changes of debt instruments are recognized in other comprehensive income, and impairment losses, interest income, and foreign exchange gains and losses are recognized in profit or loss prior to derecognition. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(7) Financial assets measured at amortized cost

1. This refers to financial assets that meet both of the following conditions:

   (1) It is held within a business model whose objective is to hold assets to. collect contractual cash flows

   (2) Its contractual terms give rise on specific dates to cash flows that are. solely payments of principal and interest on the principal amount outstanding.

2. For financial assets measured at amortized cost that comply with transaction, practices, the Group adopts the transaction date.

3. The Group measures financial assets at fair value on initial recognition, and subsequently at amortized cost using the effective interest method. Interest income is recognized over the expected life of the financial asset and impairment losses are recognized, and at the time of derecognition, any gain or loss is recognized in profit or loss.

4. The Group holds time deposits that are not considered as cash equivalents. Due to the short-term nature of these deposits, their discounted value is not significant and they are measured at the invested amount.

(8) Accounts Receivable

1. Refers to the amount receivable for goods or services transferred under a. contract, which has an unconditional right to receive.

2. Short-term accounts receivable that have not yet accrued interest are measured at their original invoice amounts as the effect of discounting is not significant.

(9) Impairment of Financial Assets

On each balance sheet date, the Group considers all reasonable and. supportable information (including forward-looking information) to assess the credit risk of debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. For financial assets for which credit risk has not increased significantly since initial recognition, the Group measures the expected credit loss amount over 12 months as the provision for impairment losses. For financial assets for which credit risk has increased significantly since initial recognition, the Group measures the expected credit loss amount over the remaining life of the financial asset as the provision for impairment losses. For trade receivables or contract assets that do not contain a significant financing component, the Group measures the provision for impairment losses based on the expected credit loss amount over the remaining life of the financial asset.

(10) Derecognition of financial assets

When the contractual rights to receive cash flows from a financial asset have expired, the Group derecognizes the financial asset.

The Group derecognizes a financial asset upon either of the following conditions is met:

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

2. The right to receive cash flows from financial assets is transferred and almost all risks and rewards of ownership have been transferred.

3. The right to receive cash flows from financial assets is transferred, but control over the financial asset is not retained.

(11) Inventory

Inventory is measured at cost or net realizable value, whichever is lower, using the weighted average method for cost determination. When comparing cost and net realizable value, the lower amount is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary selling expenses.

(12) Property, Plants and Equipment

1. Property, plant and equipment are recorded at cost of acquisition.

2. Subsequent costs are included in the carrying amount of an asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Any replaced part's carrying amount is derecognized. All other maintenance expenses are recognized in profit or loss as incurred.

3. Property, plant and equipment are measured using the cost model and depreciated using the straight-line method over their estimated useful lives. Depreciation of significant components of property, plant and equipment is recognized separately.

4. The Group reviews the residual values, useful lives, and depreciation methods of all assets at the end of each financial year. If there is a difference in the expected residual value or useful life compared to previous estimates, or there is a significant change in the expected consumption pattern of future economic benefits of an asset, the change is accounted for in accordance with the provisions of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of each asset are as follows:

Research & development equipment	2~8 years
Office and miscellaneous equipment	2~10 years
Lease improvement	5~10 years

(13) Lease Transactions of Lessee - Right-of-Use Assets/Lease Liabilities

1.Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the company. When the lease contract is a short-term lease or relates to a low-value underlying asset, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. Lease liabilities are recognized on the lease commencement date at the. present value of lease payments not yet paid, discounted at the incremental borrowing rate of the company. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is used to measure the lease. Liabilities at amortized cost and interest expense is recognized over the lease term. When a lease modification does not qualify as a separate contract and results in a change in the lease term or lease payments, the lease liabilities are remeasured, and the right-of-use assets are adjusted accordingly.

3. Right-of-use assets are recognized at cost on the lease commencement date, which includes:

(1) the initial measurement of lease liabilities.

(2) any lease payments made before or on the lease commencement date. Subsequently, the cost model shall be used to measure the right-of-use asset, and depreciation expense shall be recognized when the asset reaches the end of its useful life or at the end of the lease term, whichever comes earlier. Any adjustment to the lease liability's remeasurement shall result in an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee shall reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between the adjusted lease liability and the right-of-use asset as a gain or loss in profit or loss.

(14) Intangible Assets

Computer software is recognized as costs and amortized using the straight- line method over the estimated useful lives of 1 to 3 years.

(15) Impairment of non-financial assets

For assets showing impairment indicators, the Group estimates their recoverable amounts on the balance sheet date. If the recoverable amount is lower than the carrying amount, impairment losses are recognized. The recoverable amount refers to the higher of the fair value of an asset less disposal costs or its value in use. Impairment losses are reversed when there is an indication that the impairment loss recognized in prior years has decreased or no longer exists. However, the carrying amount of an asset increased by the reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less any depreciation or amortization charged in subsequent periods.

(16) Loan

This refers to long-term and short-term borrowings obtained from banks. When initially recognized, the Group measures these borrowings at fair value less transaction costs, and subsequently any difference between the carrying amount and the redemption value, net of transaction costs, is recognized as interest expense over the period of the borrowings using the effective interest method and an amortization schedule in the statement of comprehensive income.

(17) Account payable and Guarantee Notes

1. This refers to the liabilities arising from purchasing raw materials, goods, or services on credit, as well as the notes payable arising from both operating and non-operating activities.

2. These are short-term accounts payable and notes payable with unpaid interest, which are measured by the original invoice amount as the discount effect is not significant to the Group.

(18) Derecognition of financial liabilities

The Group derecognizes financial liabilities when they are fulfilled, cancelled, or expire according to the terms of the contract.

(19) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid, and are recognized as an expense when the related service is provided.

2. Pension

(1) Defined contribution plans

For defined benefit plans, the amount of retirement benefits to be accrued is recognized as retirement benefit costs in the current period based on the occurrence of obligations and responsibilities. Prepaid contribution is recognized as an asset within the scope of refundable cash or reduced future benefits.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit payments earned by employees for their current or past service, using the present value of the defined benefit obligation as of the balance sheet date less the fair value of plan assets. The net obligation under the defined benefit plan is calculated annually by an actuary using the projected unit credit method, and the discount rate used is determined based on the market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity that match the expected cash flows of the obligations. In countries where there is no deep market for high-quality corporate bonds, the discount rate is based on the market yields of government bonds as of the balance sheet date.

B. The remeasurement amount arising from defined benefit plans is recognized in other comprehensive income in the period in which it occurs and presented in retained earnings.

C. Expenses related to prior service costs are recognized immediately in the income statement.

3. Remuneration to employee and directors

Employee compensation and director and supervisor remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reliably estimated. Subsequently, if there are differences between the actual distribution amount and the estimated amount, it will be handled as an accounting estimate change.

(20) Employee Share-Based Payment

1. The equity-settled share-based payment arrangement is a method of providing employee compensation by granting equity instruments at fair value on the grant date. The fair value of the equity instruments should reflect the effects of vesting conditions and non-vesting conditions. The related compensation cost is recognized as an expense over the vesting period, and the equity is correspondingly adjusted. The recognized compensation cost is adjusted for the expected number of awards that will ultimately vest, including the effects of non-market-based vesting conditions, until the amount recognized is based on the number of awards that actually vest on the vesting date.

2. Restricted Stock for Employees

(1) Recognize the cost of employee compensation over the vesting period based on the fair value of the equity instruments granted on the grant date.

(2) For employees who are not prohibited from participating in dividend distributions and are not required to return dividends already received upon resignation during the vesting period, the portion of dividends expected to be received by employees who are expected to resign within the vesting period is recognized as compensation cost at the fair value of the dividends on the date of the dividend announcement.

(3) Employees do not need to pay a purchase price to obtain restricted stock. If employees resign during the vesting period, the company will reclaim the shares at no cost and cancel them.

(21) Income Tax

1.Income tax expense includes current and deferred income tax. Except for income taxes related to items included in other comprehensive income or directly in equity, income tax is recognized in income.

2. The Group calculates the current income tax based on the tax rates that have been legislated or substantively enacted in the countries where the Group operates and generates taxable income as of the balance sheet date. Management assesses the status of income tax filings periodically in accordance with the applicable income tax regulations and estimates income tax liabilities based on expected tax payments to be made to tax authorities when applicable. Income tax expense on undistributed earnings, as required by income tax laws, is recognized when a resolution for the distribution of earnings is passed by the shareholders' meeting in the year following the year in which the earnings are generated and based on the actual distribution of earnings.

3. The deferred income tax is calculated based on the balance sheet method, recognizing temporary differences between the tax base of assets and liabilities and their carrying amounts on the consolidated balance sheet. The applicable tax rate (and tax law) expected to be used upon realization of the deferred income tax assets or settlement of the deferred income tax liabilities is based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

4. Deferred income tax assets may be recognized for the temporary differences that are likely to be utilized to offset future taxable income, and the unrecognized and recognized deferred income tax assets are re-evaluated on each balance sheet date.

5. When there is a legal right to offset the current income tax assets and liabilities and there is an intention to settle on a net basis or simultaneously realize the assets and settle the liabilities, the current income tax assets and liabilities are offset. When there is a legal right to offset the current income tax assets and liabilities, and the deferred income tax assets and liabilities are levied by the same tax authority on the same taxpayer or different taxpayers, but each taxpayer intends to settle on a net basis or simultaneously realize the assets and settle the liabilities, the deferred income tax assets and liabilities are offset.

(22) Capital

Common stock is classified as equity. The net amount after deducting income tax of the incremental cost attributed to the issuance of new shares or stock options is directly allocated to equity as a deduction from proceeds.

(22) Dividend distribution

Dividends distributed to the shareholders of this company are recognized in the financial statements when they are approved for distribution at the shareholders' meeting. Cash dividends are recognized as liabilities.

(24) Recognition of Revenue

Sale of Goods

1. The Group designs and sells products related to integrated circuits, and sales revenue is recognized when control of the products is transferred to customers, that is, when the products are delivered to the customers, and the customers have the discretion over the sales channel and price of the products. The Group has no remaining performance obligations that may affect the customers' acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence, damage, and loss have been transferred to the customers, and the revenue recognition occurs when the customer accepts the products in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.

2. Sales revenue is recognized as the net amount of contract price, excluding. business tax, sales return, quantity discount and allowance. The amount of revenue recognition is limited to the portion that is highly probable not to be subject to significant reversals in the future and is updated at each balance sheet date based on estimation. Payment terms for sales transactions are typically 40 to 190 days after shipment, which is consistent with market practice, and therefore it is determined that there is no significant financing component included in the contracts.

3. Accounts receivable are recognized when goods are delivered to customers, as the Group has an unconditional right to payment for the contract price from that point in time, with only the passage of time required before the customer pays.

(25) Operating Segments

The operational information of this group is reported in a consistent manner in the internal management report provided to the main operational decision makers. The main operational decision makers are responsible for allocating resources to the operating departments and evaluating their performance. It has been identified that the board of directors is the main decision maker of this group.

5. Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty

The preparation of the Group's consolidated financial statements, the management. of this group has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on its reasonable expectations of future events as of the date of the balance sheet. Significant accounting estimates and assumptions made may differ from actual results, which will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry the risk of significant adjustments to the amounts of assets and liabilities in the next financial year. Please refer to the following explanation regarding the uncertainties associated with significant accounting judgments, estimates, and assumptions:

(1) Accounting policy adoption significant judgments

None.

(2) Significant accounting estimates and assumptions

Inventory evaluation

Inventories are stated at the lower of cost or net realizable value., this group. must exercise judgment and estimation to determine the net realizable value of inventory as of the balance sheet date. This group evaluates the amount of inventory that has normal wear and tear, is obsolete or has no market sales value as of the balance sheet date and reduces the inventory cost to its net realizable value. Because the determination of the net realizable value used in the inventory valuation and the estimation of inventory obsolescence losses often involve subjective judgment and have a high degree of estimation uncertainty and because inventory and the provision for inventory obsolescence losses have a significant impact on the financial statements, significant changes may occur

As of December 31, 2022, the book value of inventory for the Group was $375,244.

6. **Contents of significant accounts**

(1) Cash and Cash Equivalent

	2022.12.31	2021.12.31
Cash	$ 30	$ 200
Cash in Bank and Cheque	107,493	311,702
Term Deposit	121,601	88,682
	$ 229,124	$ 400,584

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Group deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral. ◦

(2) Financial assets at amortized cost

	2022.12.31	2021.12.31
Current		
>3 months Term deposit	$ 5,000	$ 21,608
Term deposit pledged for collateral	256,454	203,479
Total	$ 261,454	$ 225,087
Non current		
Term deposit pledged for collateral	$ 1,047	$ 1,038

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Group's holdings of financial assets measured at amortized cost, the largest credit risk on December 31, 2022 and 2021. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized. cost. It is deemed that the possibility of contract breach is very low.

(3) Account receivables

	2022.12.31	2021.12.31
Account receivables	$ 168,809	$ 191,427
Less: allowances for doubtful accounts	(1,649)	(2,336)
	$ 167,160	$ 189,091

1. Age analysis:

	2022.12.31	2021.12.31
	Account receivables	Account receivables
Not past due	$ 166,653	$ 187,429
Past due 0~30 days	-	1,765
Past due 31-90 days	727	-
Past due over 91 days	1,429	2,233
	$ 168,809	$ 191,427

2. Balance of account receivables as of 2022.12.31, 2021.12.31 and 2021.01.01 are $168,809, $191,427 and $171,240.

3. The Group adopts a simplified approach to estimate expected credit. losses based on the provision matrix. The loss rate is adjusted based on historical and current information for a specific period to estimate the provision loss of accounts receivable.

Expected loss for the Group as of 2022.12.31, 2021.12.31 areas following:

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2022.12.31					
Expected loss %	0%~5.00%	0%~12.30%	0%~44.10%	0%~100%	
AR total	$ 166,653	$ -	$ 727	$ 1,429	$ 168,809
Allowance for credit impairment loss	$ 220	$ -	$ -	$ 1,429	$ 1,649

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2021.12.31					
Expected loss %	0%~0.73%	0%~9.44%	0%~49.85%	0%~100%	
AR total	$ 187,429	$ 1,765	$ -	$ 2,233	$ 191,427
Allowance for credit impairment loss	$ 53	$ 50	$ -	$ 2,233	$ 2,336

4. The Group has adapted simplified measure for changes in allowance for impairment loss:

	2022	2021
	Account receivable	Account receivable
01.01	$ 2,336	$ 2,826
Allowance for impairment loss	281	(490)
Amounts written off as uncollectible.	(968)	-
12.31	$ 1,649	$ 2,336

5. Please refer to Note 12(2) for details on AR credit risk.

6. Transferred financial asset net yet derecognized

(1) The Group has entered separate factoring agreement with CTBC Bank to sell its account receivables and has provided bank note of $80,000 as guarantee. According to the contract, the guarantee cannot be recovered (whether due to delay in payment or breach) within a specific period, and the Group shall retain all the risks of the receivables, therefore the group did not fully write off the accounts receivable from the sales allowance. The related prepaid price is included under short-term borrowings.

(2) As of December 31, 2022 and December 31, 2021, this group continued to recognize the transferred accounts receivable from sales allowance, and the related information is as follows:

	2022.12.31		2021.12.31	
Book value of transferred accounts receivable from sales allowance	$	-	$	51,122
Book value of prepaid price		-		11,072

7. Please refer to Note 8 for account receivables pledged as collateral.

(4) Inventory

2022.12.31	Costs		Allowance for inventory valuation loss		Book Value	
Raw material	$	87,556	($	4,842)	$	82,714
Work in process		205,156	(	17,843)		187,313
Finished goods		110,610	(	5,393)		105,217
	$	403,322	($	28,078)	$	375,244

2021.12.31	Costs		Allowance for inventory valuation loss		Book Value	
Raw material	$	10,094	($	3,970)	$	6,124
Work in process		141,486	(	10,273)		131,213
Finished goods		44,394	(	4,762)		39,632
	$	195,974	($	19,005)	$	176,969

1.Inventory cost recognized as loss for the period

	2022		2021	
Cost of good sold	$	415,163	$	562,548
Inventory valuation loss		21,522		1,908
Unallocated manufacturing overhead		29,484		-
	$	466,169	$	564,456

2. Inventory was not pledged for collateral.

3. The Group enters a long-term contract with the supplier, which stipulates the minimum amount or quantity to be purchased. If the Group fails to fulfill the contractual amount, the loss shall be recognized as the cost of the current period.

(5) Real estate, plant and equipment

2022

	R&D equipment	Office equipment	Improvement on lease	Total
2022.01.01				
Cost	$ 20,768	$ 64,412	$ 2,526	$ 87,706
Accumulated depreciation	(20,768)	(45,966)	(1,126)	(67,860)
	$ -	$ 18,446	$ 1,400	$ 19,846
2022.01.01	$ -	$ 18,446	$ 1,400	$ 19,846
Acquisition	-	6,991	1,351	8,342
Disposal		(244)	(207)	(451)
Depreciation expense	-	(8,106)	(359)	(8,465)
2022.12.31	$ -	$ 17,087	$ 2,185	$ 19,272
2022.12.31				
Cost	$ 20,768	$ 70,793	$ 3,417	$ 94,978
Accumulated depreciation	(20,768)	(53,706)	(1,232)	(75,706)
	$ -	$ 17,087	$ 2,185	$ 19,272

2021

	R&D equipment	Office equipment	Improvement on lease	Total
2021.01.01				
Cost	$ 20,768	$ 53,931	$ 2,526	$ 77,225
Accumulated depreciation	(20,768)	(43,121)	(827)	(64,716)
	$ -	$ 10,810	$ 1,699	$ 12,509
2021.01.01	$ -	$ 10,810	$ 1,699	$ 12,509
Acquisition	-	13,167	-	13,167
Depreciation expense	-	(5,531)	(299)	(5,830)
2021.12.31	$ -	$ 18,446	$ 1,400	$ 19,846
2021.12.31				
Cost	$ 20,768	$ 64,412	$ 2,526	$ 87,706
Accumulated depreciation	(20,768)	(45,966)	(1,126)	(67,860)
	$ -	$ 18,446	$ 1,400	$ 19,846

The real estate, plant and equipment were not pledged for collateral.

(6) Lease－lessee

	2022.12.31		2021.12.31	
Right-of-use assets:				
buildings	$	10,540	$	7,146
Transportation vehicles		482		1,512
	$	11,022	$	8,658
Lease liabilities:				
Current	$	3,187	$	6,505
Non current		7,014		2,580
	$	10,201	$	9,085

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.
2. Depreciation expenses for right-of-use assets:

	2022		2021	
Building	$	6,127	$	5,544
Transport vehicle		1,030		1,199
	$	7,157	$	6,743

3. Acquisition of right-of-use asset for 01.01 to 12.31, 2022 and 2021 are $10,691 and $0.
4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.
5. P& L items related to lease contracts:

	2022		2021	
Interest expense from lease liabilities	$	196	$	218
Expenses of short term lease		254		114
Expenses of low-value lease		106		125
Expenses of changes in lease payment	(	15)		-
	$	541	$	457

6. Cash outflow from lease for the period 01.01 to 12.31 of 2022 and 2021are $8,947 and $7,271.
7. Due to changes in lease contract during 2022.01.01 to 2022. 12.31, the amounts for right-of-use asset and lease liabilities are decreased by $1,175 and $1,190 as of 2022.12.31.

(7) Short term loan

	2022.12.31	2021.12.31
Guarantee bank loan	$ 196,000	$ 162,272
Range of interests	1.46%~1.89%	0.89%~1.42%

1. Unused quota as of 2022.12.31 and 2021.12.31 are $154,000 and $297,711.
2. Please refer to Note 8 for details on short term loan pledged for collateral.

(8) Other payments

	2022.12.30	2021.12.31
Employee bonus	$ 18,275	$ 14,808
Salary	10,967	11,685
Compensation to Director of the Board	2,741	2,221
Others	10,742	10,898
	$ 42,725	$ 39,612

(9) Long term loan

Type	Duration and terms	Interest range	Guarantee	2022.12.31
Guarantee Bank loan	2020.06.29 ~2023.06.29 monthly interest payment	1.27%～2.69%	Note	$ 3,091
Credit loan	"	"	Non	545
				3.636
Less: loan matured within one year				(3,636)
				$ -

Type	Duration and terms	Interest range	Guarantee	2021.12.31
Guarantee Bank loan	2020.06.29 ~2023.06.29 monthly interest payment	1.27%～2.69%	Note	$ 9,273
Credit loan	"	"	Non	1,636
				10,909
Less: loan matured within one year				(7,273)
				$ 3,636

Note: The long-term loan is guaranteed by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG).

Unused quota for period ending 2022.12.31 and 2021.12.31are $0.

(10) Pension

1. Defined benefit

(1) The company and its domestic subsidiaries have established a retirement. method with defined benefits in accordance with the provisions of the "Labor Standards Law", which is applicable to the full-time employees before the implementation of the "Labor Pension Regulations" on July 1, 1994, and after the implementation of the "Labor Pension Regulations", the employees who choose to continue to apply the Labor Standards Law have their subsequent years of service. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases for each full year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, maximum payout base is 45. The company allocates 2% of the total salary to the retirement fund on a monthly basis in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, estimation of the balance of the special account for labor retirement reserves will be made at the end of the year. If the balance is insufficient to cover the estimated amount of pensions calculated for employees who meet the retirement requirements in the next year, the balance will be calculated again before the end of March the following year.

(2) The amounts recognized in the balance sheet are as follows:

	2022.12.31	2021.12.31
Defined benefit obligation.	($ 1,462)	($ 1,925)
Plan assets at fair value	7,090	7,519
Net defined benefit asset (Note).	$ 5,628	$ 5,594

Note: Classified as other non-current assets.

(3) The changes in net defined benefit liability are as follows:

	2022		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2022.01.01	($ 1,925)	$ 7,519	$ 5,594
Interest (expense) income	(15)	56	41
Settlement gain/loss	(182)	-	(182)
	(2,122)	7,575	5,453
remeasurement amount			
Plan Assets Return (Note)	-	578	578
Financial assumption sensitivity	(61)	-	(61)
Experience adjustment	(342)	-	(342)
	(403)	578	175
Payment of retirement benefits.	(1,063)	(1,063)	-
2022,12,31	($ 1,462)	$ 7,090	$ 5,628

	2021		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2021.01.01	($ 1,606)	$ 7,388	$ 5,782
Interest (expense) income	(14)	64	50
	(1,620)	7,452	5,832
remeasurement amount			
Plan Assets Return (Note)	-	67	67
Changes in demographic assumptions affect the number of movers	(61)	-	(61)
Financial assumption sensitivity	(43)	-	(43)
Experience adjustment	(201)	-	(201)
	(305)	67	(238)
2021,12,31	($ 1,925)	$ 7,519	$ 5,594

Note: The amount included in interest income or expenses is not included.

(4) The assets of our company's defined benefit retirement plan fund are. managed by the Bank of Taiwan according to the proportion and amount range of entrusted operating items specified in the investment and utilization plan for that fund's fiscal year. The entrusted operations are carried out in accordance with Article 6 of the Labor Retirement Fund Income and Expenditure Custody and Utilization Regulations (i.e., depositing funds in domestic and foreign financial institutions, investing in equities traded on domestic and foreign stock exchanges or over-the-counter markets, or privately placed, and investing in securities of securitized products of domestic and foreign real estate, etc.). The related utilization situation is supervised by the Labor Retirement Fund

Supervisory Committee. For the fund's utilization, the minimum return for annual settlement and distribution shall not be lower than the interest rate calculated based on the two-year fixed deposit rate of local banks. If there is any shortfall, it shall be supplemented by the national treasury upon approval by the competent authority. Because our company has no right to participate in the operation and management of the fund, we are unable to disclose the classification of the fair value of plan assets as required by paragraph 142 of International Accounting Standard No. 19. Please refer to the annual labor retirement fund utilization reports announced by the government for the fair value of the total assets of that fund as of December 31, 2022 and 2021.

(5) The summary of actuarial assumptions regarding retirement benefits is as follows:

	2022	2021
Discount rate.	2.00%	0.75%
Future salary growth rate	2.50%	1.00%

The assumption for future mortality rates is estimated based on the Taiwan life insurance industry's sixth experience life table. The impact on the determination of the present value of defined benefit obligations due to changes in the main actuarial assumptions used is analyzed as follows:

	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate.				
2022.12.31	($ 67)	($ 70)	($ 69)	($ 66)
The impact on the present value of defined benefit obligations.				
2021.12.31				
The impact on the present value of defined benefit obligations.	($ 85)	($ 89)	($ 88)	($ 84)

The sensitivity analysis described above analyzes the impact of a single assumption change while holding other assumptions constant. However, in practice, changes in many assumptions may be interrelated. Sensitivity analysis is consistent with the method used to calculate the net retirement benefit liability on the balance sheet.

The method and assumptions used in the sensitivity analysis prepared for the current period are the same as those used in the previous period.

(6) This group plans to stop making contributions in the fiscal year 2023 as the retirement reserve is fully funded.

2. Determination of Provision Plan.

(1) According to the "Labor Pension Act", the Company and its domestic subsidiaries have established a retirement method with definite contribution, which is applicable to employees of their nationality. The company and domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Regulations" for employees and contribute labor pensions to the individual accounts of employees of the Labor Insurance Bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee's personal pension special account and accumulated income is collected in monthly pension or one-time pension。

(2) According to the pension insurance system stipulated by the government of the People's Republic of China, ENE Touch allocates pension insurance funds according to a certain percentage of the total salary of local employees every month. The pension of each employee is managed and arranged by the government, and the Group has no further obligations other than the monthly allocation.

(3) Amount recognized for the pension in according to the above method for the period ending 01.01~12.31 of 2022 and 2021 are $4,902 and $5,087.

(11) Share-based payments

1.Share based payment as of 2022.12.31:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

2. Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	2022
	Quantity (thousands)
RES at the beginning of the period	-
Issued shares at the current period	1,000
RES at the end of the period	1,000

3. The par value of new shares issued by the Group to restrict employee shares is NT$10 per share, and the issue price per share is NT$0 (free for employees). The closing price on the date of grant is used as the measure of fair value.

4. The cost for above said RES for the period ending 2022.01.01~12.31 are $15,766。

(12) Capital

1. As of 2022.12.31, the registered capital is $950,000, total of 95,000 thousand shares. Actual capital is $453,228 with par value of NT$10. The adjustment of shares for the period as following:

	2022	2021
01.01	44,323	74,977
RES	1,000	-
Capital Reduction	-	(38,654)
Cash Refund	-	8,000
12.31	45,323	44,323

2. In order to compensate loss and to improve financial structure, the Company’s shareholders has decided in 2021 August to reduce capital by 38,654 thousand shares at par value of NT$10. The registration process has completed.

3.The company's shareholder meeting in August 2021 approved a resolution to increase cash capital through private placement. The benchmark date for private placement was October 26, 2021. The purpose of the cash capital increase was to enrich working capital, improve the financial structure, or other funds for future development. Demand, the number of private placement shares is capped at 8,000,000 shares, and the subscription price per share is NT$31.6 dollars. This capital increase has raised $252,800, and the change registration has been completed; In addition to the restrictions on the delivery date and three years after the date of delivery and supplementary office development and issuance before the application for listing on the OTC market, the rest is the same as other issued ordinary shares. ◦

4. Restricted employee shares (RES)

In order to attract and retain professional talents and create the best interests of the company and shareholders, the company has passed the resolution of the BOD in March 2022 and May 2022 to issue new shares with restricted employee rights for free. The base date of issuance is March 16, 2022. And on May 10, 2022, the total amount was 1,000,000 shares. The employee's personal retention and annual performance evaluation standards have all met the vested conditions. If the vested conditions are not met, the company has the right to take back its shares without compensation and cancel them. As of December 31, 2022, 1,000,000 shares have been issued, and there are no vested or canceled shares ◦

(13) <u>Capital surplus</u>

1. In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it. ◦

2.The Shareholders Meeting in June 2022 has approved the proposal to distribute cash from capital surplus, NT$0.2 per share, total of $8,865.

(14) Retained earning/Subsequent events

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. Earning distributed as approved in Shareholders Meeting on 2022.06.09 are:

	2021	
	Amount	Dividends per share
Legal reserve	$ 6,007	
Cash dividends	44,323	$ 0.98
	$ 50,330	

6. Subsequent events:
Earning distributed as approved in Shareholders Meeting on 2023.03.02 are:

	2022	
	Amount	Dividends per share
Legal reserve	$ 7,208	
Cash dividends	54,375	$ 1.20
	$ 61,583	

The above-mentioned 2022 surplus distribution proposal of the Republic of China has not yet been resolved by the shareholders' meeting.

(15) Operation revenue

The Group's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas：

2022	China	Taiwan	Others	Total
External customer contract	$ 450,113	$ 257,109	$ 6,663	$ 713,885

2021	China	Taiwan	Others	Total
External customer contract	$ 454,022	$ 362,934	$ 9,846	$ 826,802

(16) Other profit and loss

	2022	2021
Foreign exchange gain (loss)	$ 62,101	($ 6,926)
Gain from financial asset at fair value through P&L	148	(20)
Others	(501)	760
	$ 61,748	($ 6,186)

(17) Additional information on cost and expense

	2022		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 118,164	$ 118,164
Share based payment	-	15,766	15,766
Labor and health insurance expense	-	7,716	7,716
Pension expense	-	4,902	4,902
Other HR	-	2,376	2,376
	$ -	$ 148,924	$ 148,924
Depreciation expense	$ -	$ 15,622	$ 15,622
Amortization expense	$ -	$ 4,369	$ 4,369

	2021		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 107,817	$ 107,817

Labor and health insurance expense	-	7,030	7,030
Pension expense	-	5,200	5,200
Other HR	-	2,356	2,356
	$ -	$ 122,403	$ 122,403
Depreciation expense	$ -	$ 12,573	$ 12,573
Amortization expense	$ -	$ 954	$ 954

1. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
2. Remuneration for BOD and employees are as follows:

	2022	2021
Remuneration to BODs	$ 2,741	$ 2,221
Remuneration to employees	18,275	14,808
	$ 21,016	$ 17,029

   The estimation of profits is recognized in according to the Articles. For the period 01.01~12.31 of 2022 and 2021.
3. The remuneration for directors and employees for the fiscal year 2022, which was approved by the board of directors on March 2, 2023, is consistent with the estimated amount. The employee remuneration will be paid in cash.
4. The remuneration of directors and employees approved by the board of directors in 2022 is consistent with the amount recognized in the financial report of 2011.
5. Please see MOPS for related information.

(18) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2022	2021
Current income tax:		
Current income tax expense	$ -	$ -
Deferred income tax:		
Origination and reversal of temporary differences	(6,548)	(3,298)
Income tax	($ 6,548)	($ 3,298)

(2) Amount of income tax related to other comprehensive income:

	2022	2021
	6	(5)

2.Foreign exchange differences related to foreign operations

The relationship between income tax benefit and accounting profit:

	2022	2021
Income tax calculated at statutory tax rate on income before income taxes (Note)	$ 15,825	$ 11,402
Expenses to be deducted in accordance with tax laws and regulations	29	-
Income exempted from taxation according to tax law	(30)	(359)
Unrecognized deferred tax assets due to temporary differences	350	(1,442)
Changes in the assessment of realizability of deferred tax assets	(22,722)	(12,899)
Income tax benefit	($ 6,548)	($ 3,298)

Note: The applicable tax rates are calculated based on the tax rates in the countries where the Company and its subsidiaries are located.

3. The amounts of deferred income tax assets or liabilities resulting from temporary differences and tax loss. carryforwards are as follows:

	2022			
	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Temporary difference				
-Deferred income tax asset				
Unrealized inventory loss	$ 3,541	$ 2,075	$ -	$ 5,616
Unrealized gross profit on sales.	3,330	4,236	-	7,566
Foreign investment accounted for using the equity method.	-		-	

Net investment loss.	-	1,891	-	1,891
	$ 6,871	$ 8,202	$ -	$ 15,073
-Deferred income tax liabilities.				
Foreign exchange differences - operational entity	(34)	-	(6)	(40)
unrealized translation gains.	-	(1654)	-	(1,654)
	($ 34)	($ 1,654)	($ 6)	($ 1,694)
	($ 6,837)	($ 6,548)	($ 6)	$ 13,379

	2021			
	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Temporary difference				
-Deferred income tax asset				
Unrealized inventory loss	$ 3,160	$ 381	$ -	$ 3,541
Unrealized gross profit on sales.	413	2,917	-	3,330
	$ 3,573	$ 3,298	$ -	$ 6,871
-Deferred income tax liabilities.				
Foreign exchange differences - operational entity	($ 39)	$ - -	$ 5	($ 34)
	$ 3,534	($ 3,298)	$ 5	$ 6,837

4. The effective period of unused tax losses and the amount of unrecognized deferred tax assets related to. the Company and its domestic subsidiaries are as follows:

2022.12.31				
Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2012	$ 35,036	$ -	$ -	2022
2013	68,665	-	-	2023
2014	205,755	183,483	183,483	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	94,604	92,739	92,739	2027
2018	70,693	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 671,442	$ 671,442	

2021.12.31

Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2012	$ 79,588	$ 44,552	$ 44,552	2022
2013	86,590	54,169	54,169	2023
2014	221,374	221,374	221,374	2024
2015	119,249	119,249	119,249	2025
2016	121,815	121,815	121,815	2026
2017	94,604	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 808,094	$ 808,094	

5. The effective period of unutilized tax losses and the amount of unrecognized deferred tax assets related to ENE Touch Technologies are as follows:

2022.12.31

Year	Reported amount/estimated number	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2018	$ 585	$ 585	$ 585	2023
2019	2,942	2,942	2,942	2024
2020	1,977	1,977	1,977	2025
2021	1,478	1,478	1,478	2026
2022	2,352	2,352	2,352	2027
		$ 9,334	$ 9,334	

2021.12.31

Year	Reported amount/estimated number	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2018	$ 585	$ 585	$ 585	2023
2019	2,942	2,942	2,942	2024
2020	1,977	1,977	1,977	2025
2021	1,478	1,478	1,478	2026
		$ 6,982	$ 6,982	

6. The d

eDeductible temporary differences that have not been recognized as deferred tax assets

	2022.12.31	2021.12.31
Deductible temporary differences	$ 1,263	$ 9,203

7. Our company's income tax for operating businesses has been verified by the tax collection agency until fiscal year 2020.

(19) Earnings per share

2022

	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 76,906	44,322	$ 1.74
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 76,906	44,322	
Potential dilution impact			
RES	-	719	
Employee remuneration	-	78	
Potential dilution impact attributed to the parent company	$ 76,906	45,119	$ 1.70

2021

	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 60,307	37,791	$ 1.60
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 60,307	37,791	
Potential dilution impact			
RES	-	-	
Employee remuneration	-	251	
Potential dilution impact attributed to the parent company	$ 60,307	38,042	$ 1.59

(20) Additional information to cash flow

Investment activity with partial cash payment:

	2022	2021
Acquisition of real estate, plant and equipment	$ 8,342	$ 13,167
Add: equipment payment at the beginning of the period	555	202
Less: equipment payment at the beginning of the period	(773)	(555)
Cash payment of the period	$ 8,124	$ 12,814

(21) Changes in liabilities from financing activities

2022

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$ 162,272	$ 10,909	$ 9,085	$ 182,266
Changes in financing cash flow	(33,728)	(7,273)	(8,391)	(18,064)
Interest payment			(196)	(196)
Other non-cash changes	-	-	9,703	9,703
09.30	$ 196,000	$ 3,636	$ 10,201	$ 209,837

2021

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$ 301,449	$ 18,183	$ 15,906	$ 335,538
Changes in financing cash flow	(139,177)	(7,274)	(6,814)	(153,265)
Interest payment			(218)	(218)
Other non-cash changes	-	-	211	211
09.30	$ 162,272	$ 10,909	$ 9,085	$ 182,266

7. Related party transactions

(1) Related party

Related party	Relationship
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity

(2) Significant transactions with related parties

1.Sales

	2022	2021
Sales:		
ASUSTek	$ 91,430	$ 98,874

Product prices quoted to the related parties were determined by the product. specification. Some discounts were given depending on the total sales quantity. Therefore, prices quoted to the related parties were of no big difference to other customers.

2.Purchasing

	2022	2021
Service purchase		
Siguard	$ 15,085	$ 24,845

The trading conditions between the Company and related parties are no different to those with general suppliers.

3.Account receivable

	2022.12.31	2021.12.31
Service purchase		
ASUSTek	$ 32,871	$ 29,163

There is no bad debt allowances for the related party AR. The AR is mainly from product sales.

4.Account payable

	2022.12.31	2021.12.31
Service purchase		
Siguard	$ 3,349	$ 5,491

Related party AP is mainly from purchasing transaction with 60 days of term with no interest.

5. Unrecognized contract commitments

The company has signed a product development contract with Egis Technology Inc. As of December 31, 2022, the contracted price of $30,000 has been signed but not yet paid.

(3) Key personnel remuneration information

	2022	2021
Salary and other short term employee benefit	$ 28,820	$ 26,125
Post employment benefit	699	642
Share based payment	2,378	-
Total	$ 31,897	$ 26,767

8. Pledged Asset

Details of the assets provided as collateral by the Group are as follows:

Asset	2022.12.31	2021.12.31	Purpose
Term deposit(Note1)	$ 256,454	$ 203,479	Note 3
Term deposit(Note2)	1,047	1,038	Note 4
Account receivable	-	51,122	Note 3
	$ 257,501	$ 255,639	

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

9. Significant commitments

1. The group has signed a software licensing contract. As of December 31, 2022, the amount not yet paid is $38,245.
2. The Group signs a long-term contract with the supplier, which stipulates the relevant period and the minimum amount or quantity that the Group needs to purchase from the supplier。
3. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

10. Losses due to major disasters

None.

11. Significant subsequent events

Please refer to Note6 (14.) for details.

12. Others

(1) Capital management

The capital management objective of this group is to ensure the continued operation of the group, maintain the optimal capital structure to reduce the cost of funds, and provide returns to shareholders. In order to maintain or adjust the capital structure, the group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares of common stock in private placement, or sell assets to reduce debt. The group uses the debt-to-capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as equity reported on the consolidated balance sheet plus net debt.

In 2022, the capital management strategy of this group remains the same as in 2021, which is to maintain the debt-to-equity ratio within a reasonable range.

(2) Financial instruments

1.Types

	2022.12.31	2021.12.31
Financial asset		
amortized cost measurement (note1)	$ 697,094	$ 850,201
Financial liabilities		
Financial liabilities at amortized cost (note2)	$ 356,853	$ 320,403
Lease liabilities	$ 10,201	$ 9,085

Note1: cash and cash equivalent, financial asset at amortized cost, net account receivable (including related parties), other account receivables and refundable deposit.

Note2: account payables (including related parties), other account payable, short term loan, long term loan (including maturity within one year) and refundable deposit.

2.Risk management policy

(1) The daily operations of the Group are subject to various financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) The risk management work is carried out by the Finance Department of the Company in accordance with policies approved by the Board of Directors. The Finance Department works closely with the various operating units within the Company to identify, assess and mitigate financial risks. The Board of Directors has established written principles for overall risk management and also provides written policies for specific areas and matters, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess cash.

3.Significana financial risks

(1) Market risks

Exposure to currency risk

A. The Group operates globally, therefore, it is exposed to. various currency exchange rate risks, mainly from the US dollar and the RMB. These exchange rate risks arise from future business transactions and recognized assets and liabilities.

B. The Company financial assets and liabilities exposed to. exchange rate risk were as following:

2022.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 20,168	30.71	$ 619,356	1%	$ 6,194
Financial liabilities					
Monetary item					
USD: NTD	2,391	30.71	73,416	1%	734

2021.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 25,039	27.68	$ 693,109	1%	$ 6,931
Financial liabilities					
Monetary item					
USD: NTD	2,314	27.68	64,064	1%	641

Recognized FX translation (loss)gains (realized and unrealized) are $62,101 and ($6,926) for period of 2022 and 2021.

Price risk

The Group mainly invests in equity instruments of domestic listed and over-the-counter companies and open-ended funds, and the prices of these equity instruments will be affected by the uncertainty of the future value of the underlying investments. In order to manage the price risk of financial instrument investments, the Group diversifies its investment portfolio, which is done in accordance with the limits set by the Group.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk primarily arises from borrowings issued at floating interest rates, exposing the Group to cash flow interest rate risk. In 2022 and 2021, the Group's borrowings issued at floating interest rates were denominated in NTD.

B. When the interest rate of NTD-denominated loans increases or decreases by 1% while all other factors remain unchanged, the profit before tax of the Company for the years 2022 and 2021 will decrease or increase by $1,996 and $1,732, respectively, mainly due to the change in interest expenses caused by the floating rate loans.

(2) Credit risk

A. The credit risk of the Group refers to the risk of financial loss caused by customers or counterparties of financial instruments being unable to fulfill contractual obligations. It mainly comes from counterparties being unable to settle accounts receivable according to payment conditions, and debt instruments investment contracts with cash flow measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

B. The Group establishes credit risk management from a group perspective. According to the internal credit policy, each operating unit within the group and each new customer must be managed and analyzed for credit risk before setting payment and delivery terms and conditions. Internal risk control is carried out by assessing the credit quality of customers by considering their financial condition, past experience, and other factors. The individual risk limit is set by the board of directors based on internal or external ratings and regularly monitors the use of credit limits.

C. The group adopts the following premise assumptions under IFRS 9 as a basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition:

(A) When the contractual payment terms of a financial asset are overdue for more than 30 days, it is considered that the credit risk of the financial asset has significantly increased since initial recognition.

(B) Financial assets that are rated as investment grade by any external credit rating agency on the balance sheet date are considered to have low credit risk.

D. When the payment terms of a contract are overdue for more than 120 days according to the agreed terms, it is considered a default.

E. The Group considers the characteristics of trade credit risk and categorizes accounts receivable from customers into groups. A simplified approach is used to estimate expected credit losses based on a matrix.

F. The indicators used by the Group to determine credit impairment of debt instrument investments are as follows:

(A) Significant financial difficulties of the issuer and a high probability of bankruptcy or other financial restructuring.

(B) The active market for the financial asset disappears due to the issuer's financial difficulties.

(C) The issuer delays or fails to pay interest or principal.

(D) Changes in national or regional economic conditions that are unfavorable and lead to the issuer's default.

G. After the collection process, the Group wrote off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Group will continue to pursue legal proceedings to preserve its rights to the receivables.

H. The Group adjusts its forward-looking assessment to estimate the allowance for doubtful accounts by using loss rates established based on a specific historical and current information period. The expected loss rate for the Group's non-overdue accounts receivable as of December 31, 2021, and December 31, 2020, is not considered significant.

(3) Liquidity Risk

A. Cash flow forecasts are prepared by individual operating entities within the Group and consolidated by the Group's finance department. The finance department monitors the forecasted cash needs of the Group to ensure that sufficient funds are available to support its operations.

B. The non-derivative financial liabilities of the Group, except for those listed in the table below, are due within one year and represent significant cash flow amounts within one year from December 31, 2022 and December 31, 2021, including short-term borrowings, accounts payable, and other payables. These amounts are undiscounted and consistent with the balances of each item in the balance sheet.

2022.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 3,337	$ 7,195	$ 10,532
Long-term borrowings (including current portion)	3,666	-	3,666
2021.12.31	**within one year**	**over one year**	**total**
Non-derivative financial liabilities:			
lease liabilities	$ 6,596	$ 2,597	$ 9,193
Long-term borrowings (including current portion)	7,434	3,659	11,093

(3) Fair value of financial instruments

1. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

2. Financial instrument not measured by fair value

The carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

3. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks, and fair value hierarchy of assets and liabilities.

4. Valuation method and techniques to measure fair value

(1) Valuation techniques for financial instruments measured at fair value:

	Open fund
Market quote	Net worth

(2) If one or more significant parameters cannot be retrieved from the market, the financial instrument shall belong to Level 3.

5. For the period of 2022 and 2021, there was no transfer of Level1 and Level2

6. For the period of 2022 and 2021, there was no transfer of financial instruments in Level 3.

7. Finance department is responsible for verifying the valuation of Level 3 financial instruments.

8. The significant unobservable inputs of equity instrument investments in an inactive market are independent of each other and therefore are not interrelated. The list of quantitative information for significant unobservable inputs is as follows:

	2021.12.31 Fair value	Valuation techniques	Significant unobservable inputs	Relationship between inputs and fair value measurement
Non derivative equity instrument				
Private company	$ -	Net asset value method	Net asset value	Not applicable

Not applicable for 2022.12.31.

(4) Others

Due to the COVID 19 and the government's prevention measures, the Group's operating activities are proceeding normally except for cooperating with the government's instruction to divide staff into two shifts. There are no significant impact on the operation for 2022.

13. Other disclosures

(1) Information on significant transactions

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held as of June 30th 2021 (other than investments in subsidiaries, associates and JVs): none
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: none
5. Acquisition of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
6. Disposal of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: (attachment I)
8. Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of capital stock: none
9. Trading in derivative instruments: none
10. Business relationship and significant intercompany transactions: none

(2) Investment

Please see attachment II for related information.

(3) Investment in China

1.Basic information: please see attachment III

2. Direct or indirect significant transaction between investee in China and the company: none

(4) Major shareholders

Please refer to attachment IV

14. Segment information

(1) General information

The Group is focus on the research and development, design, manufacture and sales of NB related application ICs. The Group operates as a single operation entity.

(2) Department information

1. The profit and loss of the Group's operating departments are measured by pre-tax operating profit and serve as the basis for performance evaluation. The accounting policies and accounting estimates of the operating department are the same as the summary of important accounting policies and important accounting estimates and assumptions described in Notes 4 and 5.

2. External revenue (no revenue from transactions within other operating units of the enterprise), profit and loss, and financial information reported to the chief operating decision maker are the same and measured in a consistent manner as revenue, profit and loss, and financial information in the consolidated income statement。

3. Total asset amount and total liability amount provided to the chief operating decision maker adopts the same measurement method as the assets and liabilities in this financial statement.

(3) Information by Product and Service

External customer revenue primarily comes from the design and sale of integrated circuit-related products.

(4) Regional information

	2022		2021	
	revenue	non-current assets	revenue	non-current assets
Taiwan	$ 450,113	$ 50,478	$ 362,934	$ 29,763
China	257,109	651	454,022	253
Others	6,663	-	9,846	-
Total	$ 713,885	$ 51,129	$ 826,802	$ 30,016

The regional information for the years 2022 and 2021 of the Group is presented below:

1. Revenue from external customers and non-current assets are attributed. based on the country of origin of the customer and the region where the asset is located.

2. Non-current assets refer to real estate, plant and equipment, right-of-use assets, intangible assets, and other non-current assets.

(5) Information on key customers

Key customer information for the 2022 and 2021 of the Group are as follows:

	2022	2021
	revenue	revenue
customer A	$ 336,201	$ 338,064
ASUSTek	91,430	98,874

ENE Technology Inc. and Subsidiaries

Purchases And Sales With Related Parties That Reach NT$100 Million or 20% Of The Paid-In Capital:

January 1st to December 31st, 2022

Appendix One

Unit: NTD thousands

			Transaction details				situation and reason		Accounts receivable (payable)		
Company of purchase(s) or sale(s)	Counterparty	Relationship	purchase(s) or sale(s)	Amount	Percentage of total purchases or sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts receivable (payable)	Notes
ENE Technology Inc	ASUSTek Computer Inc.	The main management level (legal board of directors) of our company.	sale(s)	$ 91,430	13%	60 days monthly	All are equivalent to normal business practices.		$ 32,871	16%	

ENE Technology Inc. and Subsidiaries

Investees,locations and other related information (excluding investees in China).

2022,01,01~12,31

Appendix Two

Unit: NTD thousands

(unless specified otherwise)

investor	investee	Location	Business scope	Initial Investment Amount: End of current	Initial Investment Amount: End of last year	Held at the end of the period: shares	Held at the end of the period: Percentage	Held at the end of the period: Carring amount	Current P&L of the investee	P&L recognized from investment	Remark
ENE Technology Inc.	JANUS POWER	Taiwan	Electronic component	$ -	$ 6,798	-	-	$ -	$ -	$ -	註

Note: JANUS Electronics was dissolved after a simplified merger with our company on March 16th, 2022

Investment information in China - Basic information

January 1st to December 31st, 2022

Appendix Three

Unit: NTD thousands

(unless specified otherwise)

Investee in China	Main business	Paid-in capital	Method	Accumulated $ from Taiwan at Period	Investment amount Outflow	Investment amount Inflow	Accumulated $ from Taiwan at end of Period	P&L of investee	Ownership % direct/indirect	P&L recognized	Carring amount at end of period	Retrieved gains from investment	Remark
ENE Touch Technology Inc.	Electronic component	$ 9,047	Note1	$ 9,047	-	-	$ 9,047	($ 2,352)	100	($ 2,352)	($ 205)	-	註2

Name	Accumulated $ outflow from Taiwan	Investment $ authorized by Investment Commission MOEA	Maximum limit on investment
ENE Touch Technology Co., Ltd (ENE Touch)	$ 9,047	$ 9,047	$ 475,730

Note 1：Direct investment in China

Note 2：P&L of the investment is concluded in according to the financial report reviewed by independent auditor

ENE Technology Inc. and Subsidiaries

Major Shareholders

2022.12.31

Appendix Four

Major Shareholders	Share holding	
	No, of shares	%
Alcor Micro Corp.	8,000,000	17.65%

Stock Code：6243

ENE TECHNOLOGY INC

PARENT ONLY FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

December 31st, 2022 AND 2021

This document is a translated version from the Chinese version for the convenience of reader and for information purpose only. Any discrepancy between the English and Chinese version, the Chinese version shall prevail.

ADDRESS：4F, No.21, LIXING RD. HSINCHU SCIENCE PARK
Contact Number：886-3-666-2888

Translated Independent Auditor’s Review Report

To the Board of Directors of ENE TECHNOLOGY INC. :

Opinion

We have audited the accompanying financial statements of ENE TECHNOLOGY INC (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent only financial statements present fairly, in all material respects, the parent only financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 auditing stands generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of ENE Technology Inc. and its subsidiaries 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 judgement, were of most significance in our audit of the parent only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Key audit matters for the Company’s parent only financial statements for the year ended December 31, 2022 are stated as follows:

2. Key Audit Matters - Allowance for impairment losses on inventories

Description of matters:

ENE TECHNOLOGY Inc designs, manufactures, and sells integrated circuit-related products. Due to the short lifecycle of electronic products and intense market competition, there is a higher risk of inventory obsolescence and losses from price declines. For information regarding the accounting policies, accounting estimates, and assumption uncertainty of the valuation of inventory, as well as allowance for inventory impairment loss, please refer to Notes 4(10), 5(2), and 6(4).

Due to the rapid change of technology industry in which ENE TECHNOLOGY Inc. operates, and the subjectivity involved in assessing the net realizable value of obsolete inventory and the basis for evaluating inventory obsolescence losses, there is a high degree of estimation uncertainty. Given the significant impact of inventory and its allowances for declines in value on the parent only financial statements, the auditor has identified the assessment of inventory allowances for declines in value as the most critical area for audit in the current year.

Our key audit procedures performed in respect of the mentioned item included the following:

The auditor has performed the following procedures regarding the critical audit area mentioned above:

4. Based on the auditor's understanding of ENE TECHNOLOGY Inc. business and industry characteristics, evaluating the policy on inventory valuation and Impairment loss as well as the reasonableness of allowances on inventory valuation and impairment loss.

5. Verify the accuracy and completeness of the inventory aging report and its underlying system logic.

6. Test the market value basis for individual inventory item's net realizable value, and select samples to confirm the accuracy of their net realizable value calculations.

Other Matter – Retrospective financial statement for 2021

As stated in the Note 4 (25), ENE has performed a simple merger with Janus Power on 2022.03.16. As requested by ARDF, the Company should regenerate the 2021 parent only financial statement. The CPA did not amend the opinion.

Other Matter

The parent only financial statements of ENE TECHNOLOGY Inc. for the year 2021 were audited by another auditor, who issued an unqualified audit opinion report on March 10, 2022. We performed the necessary procedures to review the report and regard the report as adequate.

Responsibilities of Management and Those Charges with Governance for the Parent only Financial Statements

Management is responsible for the preparation and fair presentation of the parent only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 parent only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent only financial statement, management is responsible for assessing the ENE TECHNOLOGY Inc. 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 ENE TECHNOLOGY Inc or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the ENE TECHNOLOGY Inc. financial reporting process.

Auditors' Responsibilities for the Audit of the Parent only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements 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 auditing standards generally accepted in 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 based on this parent only financial statement.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also do below :

7. Identify an assess the risks of material misstatement of the parent 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.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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 ENE TECHNOLOGY Inc. 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 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 ENE TECHNOLOGY Inc to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent only financial statements, including the disclosures, and whether the parent only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent only financial statements. We are responsible for the direction, supervision and performance of the Company 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 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.

PricewaterhouseCoopers Taiwan

Chin-Chang Chen
CPA
Pei-Chuan Huang

ENE Technology Inc. and Subsidiaries

Parent only Balance Sheet
January 1st to December 31st, 2022 & 2021

Unit: NTD thousands

	Assets	Note	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Assets					
1100	Cash & cash equivalents	6(1)	$ 227,895	20	$ 399,420	37
1136	Financial asset after amortization current	6(2) & 8	261,454	23	225,087	21
1170	Net accounts receivables	6(3)	164,988	14	185,708	17
1180	Accounts receivable- related parties	7	36,644	3	31,680	3
1220	Income tax asset		472		222	
130X	Inventories	6(4)	375,244	32	176,969	16
1410	Pre-payments		19,355	2	15,330	2
1479	Other current assets-others		4,332	-	2,952	-
11XX	**Total Current Assets**		1,090,384	94	1,037,368	96
	Non-Current Asset					
1535	Financial assets after amortization －non current	6(2)	1,047	-	1,038	-
1550	Investment by equity method	6(5)			2,115	
1600	Property, plant and equipment	6(6)	19,272	2	19,846	2
1755	Right-of-use asset	6(7)	10,372	1	8,404	1
1780	Intangible asset		20,835	2	1,512	-
1840	Deferred tax asset	6(19)	15,073	1	6,871	-
1900	Other non-current assets	6(11)	6,698	-	7,748	1
15XX	**Total Non-current assets**		73,297	6	47,534	4
1XXX	**Total Assets**		$ 1,163,681	100	$ 1,084,902	100

(Continue next page)

ENE Technology Inc. and Subsidiaries
Parent only Balance Sheet
January 1st to December 31st, 2022 & 2021

Unit: NTD thousands

	Liabilities and Equity	Note	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Liabilities					
2100	Short term loan	6(8)	$ 196,000	17	$ 162,272	15
2170	Account payables		111,137	10	102,119	9
2180	Account payable - related parties	7	3,349	-	5,491	-
2200	Other account payables	6(9)	42,652	4	39,766	4
2280	Lease liabilities-current	6(7)	2,817	-	6,239	1
2320	Loan term loan matured within 1 year	6(10)	3,636	-	7,273	1
2399	Other current liabilities-others		2,574	-	2,292	-
21XX	**Total current liabilities**		362,165	31	325,452	30
	Non-Current liabilities					
2540	Loan term loan	6(10)	-	-	3,636	1
2570	Deferred income tax liabilities	6(19)	1,694	-	34	-
2580	Lease liabilities－non current	6(7)	6,727	1	2,580	-
2600	Other non current liabilities	6(5)	211	-	-	-
25XX	**Non current liabilities**		8,632	1	6,250	1
2XXX	**Total liabilities**		370,797	32	331,702	31
	Equity					
	Equity attributed to Parent					
	Capital	6(13)				
3110	Ordinary share capital		453,228	39	443,228	41
	Capital surplus	6(14)				
3200	Capital surplus		276,767	24	254,767	23
	Retained earnings	6(15)				
3310	Legal reserve		6,007	-	-	-
3350	Undistributed earnings		81,820	7	60,069	5
	Other equity					
3400	Other equity		(24,938)	(2)	(4,864)	-
3XXX	**Total equity attributed to Parent company**		792,884	68	753,200	69
	Significant or liable and unrecognized committed contract	9				
	Significant subsequent events	6(15)&11				
3X2X	**Total liabilities and equity**		$ 1,163,681	100	$ 1,084,902	100

ENE Technology Inc. and Subsidiaries
Parent only Statement of Comprehensive Income
January 1st to December 31st, 2022 & 2021

	Item	Note	2022 Amount	%	2021 Amount	%
4000	Operating revenue	6(16) &7	$ 713,684	100	$ 824,988	100
5000	Operating cost	6(4)	(466,169)	(65)	(563,671)	(68)
5900	Gross margin		247,515	35	261,317	32
	Operating expense	6(18)				
6100	Selling expense		(80,881)	(11)	(57,184)	(7)
6200	General & admin expense		(76,124)	(11)	(73,399)	(9)
6300	R & D expense		(84,048)	(12)	(64,025)	(8)
6450	Expected credit loss	6(3)	(164)	-	490	-
6000	Total operating expense		(241,217)	(34)	(194,118)	(24)
6900	Operating profit (loss)		6,298	(1)	67,199	8
	Non-operating income and expense					
7100	Interest income		6,078	1	694	-
7010	Other income		536	-	631	-
7020	Other profit and loss	6(17)	61,986	9	(7,077)	(1)
7050	Financial cost		(2,188)	-	(2,961)	-
7070	Share on subsidiaries by equity method, related enterprise and JV P&L	6(5)	(2,352)	(1)	(1,477)	
7000	Total of non operating income and expense		64,060	9	(10,190)	(1)
7900	**Profit before income tax**		70,358	10	57,009	7
7950	Income tax expense	6(19)	6,548	1	3,298	-
8200	**Net profit for the period**		$ 76,906	11	$ 60,307	7
	Other comprehensive profit and loss (net)					
	Items may be reclassified to profit or loss					
8311	Gain/Loss of remeasurement of defined benefit plan	6(11)	$ 175	-	($ 238)	-
8361	Cumulative translation differences of foreign operation		31	-	(27)	-
8399	Income tax relating to items may be reclassified	6(19)	(6)	-	5	-
8300	**Other comprehensive profit and loss (net)**		$ 200	-	($ 260)	-
8500	**Total comprehensive profit and loss**		$ 77,106	11	$ 60,047	7

	Net profit attributed to			
	Earning per share	6(20)		
9750	Basic earning per share		$ 1.74	$ 1.60
9850	Diluted earning per share		$ 1.70	$ 1.59

ENE Technology Inc. & Subsidiaries
Parent only Statements of Changes in Equity
January 1st to December 31st, 2022 & 2021

Unit：NTD$ Thousands

		Equity attributed to Parent Company								
			Capital surplus		Retained earnings		Others			
	Note	Ordinary shares capital	Capital Surplus —Premium	Capital Surplus — Others	Legal reserve	Undistributed earning	Cumulative translation differences of foreign operation	Unrealized P&L from financial assets measured at fair value through P&L	Other equity — Others	Total equity
2021										
Balance as of 0101		$ 749,767	$ 68,283	$ 13,684	$ -	($ 386,539)	$ 158	($ 5,000)	$ -	$ 440,353
Net profit of the period		-	-	-	-	60,307	-	-	-	60,307
Comprehensive P & L of the period	6(11)	-	-	-	-	(238)	(22)	-	-	(260)
Total of comprehensive P&L of the period		-	-	-	-	60,069	(22)	-	-	60,047
Cash capital increase	6(13)	80,000	172,800	-	-	-	-	-	-	252,800
Capital reduction to compensate loss	6(13)	(386,539)	-	-	-	386,539	-	-	-	-
Balance as of 1231		$ 443,228	$ 241,083	$ 13,684	$ -	$ 60,069	$ 136	($ 5,000)	$ -	$ 753,200
2022										
Balance as of 0101		$ 443,228	$ 241,083	$ 13,684	$ -	$ 60,069	$ 136	($ 5,000)	$ -	$ 753,200
Net profit of the period		-	-	-	-	76,906	-	-	-	76,906
Comprehensive P & L of the period	6(11)	-	-	-	-	175	25	-	-	200
Total of comprehensive P&L of the period		-	-	-	-	77,081	25	-	-	77,106
2021 earning distributions and allotment	6(15)									
Legal reserve		-	-	-	6,007	(6,007)	-	-	-	-
Cash dividends		-	-	-	-	(44,323)	-	-	-	(44,323)
Cash dividends from capital surplus	6(14)	-	(8,865)	-	-	-	-	-	-	(8,865)
Share-based payment transaction	6(12)	10,000	-	30,865	-	-	-	-	(25,099)	15,766
Disposal of equity instrument investments measured at fair value through other comprehensive income		-	-	-	-	(5,000)	-	5,000	-	-
Balance as of 1231		$ 453,228	$ 232,218	$ 44,549	$ 6,007	$ 81,820	$ 161	$ -	($ 25,099)	$ 792,884

ENE Technology Inc. and Subsidiaries
Parent only Statements of Cash Flows
January 1st to December 31st, 2022 & 2021

Unit: NTD$ Thousands

	Notes	20220101~1231	20210101~1231
Cash flow from operating activities:			
Income before income tax		$ 70,358	$ 57,009
Adjustments			
Income and expenses/loss items			
Depreciation	6(18)	15,114	11,964
Amortization	6(18)	4,369	954
Interest expenses		2,188	2,961
Interest income		(6,078)	(694)
Expected credit impairment loss	6(3)	163	(490)
Disposal of fixed assets loss		403	-
Net financial asset at fair value through P&L (profit) loss		(148)	-
Profits from changes in lease		(15)	-
Cost for share-based payment compensation	6(12)	15,766	-
Share for loss in related enterprise by equity method	6(5)	2,352	1,477
Changes in operating assets and liabilities			
Net changes in operating related assets			
Current financial assets at fair value through profit or loss		148	-
Account receivables (include related parties)		15,593	(26,845)
Inventories		(198,275)	(31,571)
Prepaid payments		(4,025)	(2,163)
Other current assets		(752)	656
Net defined benefit assets		141	(50)
Net changes in operating related liabilities			
Account payables (include related parties)		6,876	33,813
Other account payables		2,677	18,895
Other current liabilities		282	(293)
Other non-current liabilities		6	-
Cash flows from operating activities (outflow) inflow		(72,857)	65,623
Interest received		5,450	708
Interest paid		(2,199)	(2,987)
Income tax paid		(250)	-
Income tax refund		-	914
Net cash outflow from operating activities		(69,856)	64,258
Cash flow from investment activities			( )
Acquisition of financial asset after amortization		(36,376)	-
Disposal of financial assets after amortization		-	66,540
Acquisition of real estate, plant and equipment	6(21)	(8,124)	(12,814)
Disposal of fixed asset		48	-
Acquisition of intangible assets		(23,692)	(2,466)
Decrease of refundable deposits (other non-current asset)		1,084	-
Net cash outflow from investment activities		(67,060)	(51,260)
Cash flow from financing activities			( )
Increase short term loan	6(22)	206,017	228,290
Decrease short term loan		(172,289)	(367,467)
Long term loan repayment	6(22)	(7,273)	(7,274)
Lease liabilities principle repayment	6(22)	(7,876)	(6,204)
Cash capital increase	6(13)	-	252,800
Cash dividend from capital surplus	6(14)	(8,865)	-
Cash dividend	6(15)	(44,323)	-
Net cash outflow from financing activities		(34,609)	100,145
Net (decrease) increase in cash and cash equivalent		(171,525)	215,663
Cash and cash equivalent at beginning of period		399,420	183,757
Cash and cash equivalent at end of period		$ 227,895	$ 399,420

ENE Technology Inc. and Subsidiaries
Notes to Parent only Financial Statements
January 1st to December 31st, 2022 & 2021

Unit：NTD$ thousands
(except otherwise indicated)

5. Company history

ENE TECHNOLOGY INC. (the “Company”) was incorporated as a company by shares on May 20th, 1998. The Company and its subsidiaries (the “Group”) is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since June 9th, 2022, the ultimate controlling parent company is Egis Technology Inc.

6. The date and procedure of authorization for issuance of the parent only financial statements

These parent only financial statements were approved and authorized by the Board of Directors on March 2st , 2023.

7. Application of New Standards, Amendments, Principles and Interpretations

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

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2022 adopted by the Company are as follows

New Standards／Amendments／Principles and Interpretations	Effective date by IASB
Amendments to IFRS 3, “Reference to the conceptual framework”	2022.01.01
Amendments to IAS 16 “Property, Plant and Equipment-Proceeds before Intended Use”	2022.01.01
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	2022.01.01
Annual Improvements to IFRS Standards 2018-2021	2022.01.01

After assessing the above standards and interpretations, the Company found no major impact on the parent only financial report.

(3) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date by IASB
Amendments to IAS 1 "Disclosure of Accounting Policy"	2023.01.01
Amendments to IAS 8 "Definition of Accounting Estimates"	2023.01.01
Amendments to IAS 12 "Deferred tax related to Assets and Liabilities Arising from Single Transaction"	2023.01.01

After assessing the above standards and interpretations, the Company found no major impact on the parent only financial report.

(4) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"	TBD
Amendments to IFRS 16 "Lease liabilities in a sale and leaseback"	2024.01.01
IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative information"	2023.01.01
Amendments to IAS 1 "To classify debt as current or non-current"	2024.01.01
Amendments to IAS 1 "Non-current liabilities with contractual terms"	2024.01.01

After assessing the above standards and interpretations, the Company found no major impact on the parent only financial report.

8. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the parent only financial statements are outlined below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

(5) Statement of Compliance

1. These parent only financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein after as the "IFRSs").

(6) Preparation basis

1. Other than the items below, the parent only report is prepared based on historical cost:

(1) Financial asset and liability at fair value through profit and loss, financial asset and liability at fair value through other comprehensive income.
(2) Defined benefit asset measured by pension asset less present value of defined benefit obligation.

2. Please refer to Note 5 for significant assumptions and estimations.

(7) <u>Foreign currency translation</u>

All items presented in the financial statements of each entity within the Company are measured using the functional currency of that entity's primary economic environment. The functional currency is the currency in which an entity primarily generates and expends cash. The parent only financial statements are presented in the functional currency of the Company, which is the New Taiwan Dollar (NTD).

3. Foreign currency transactions and balances

(5) Foreign currency transactions are translated into the functional currency using the exchange rates on the transaction or measurement date, and any resulting translation differences are recognized in the current period's income statement.

(6) Foreign currency monetary assets and liabilities are remeasured at the exchange rates on the balance sheet date, and any resulting translation differences are recognized in the current period's income statement.

(7) The balances of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted to reflect the spot exchange rates as of the balance sheet date. The resulting exchange differences from the adjustments are recognized in the current period's profit or loss. For those denominated in foreign currencies that are measured at fair value through other comprehensive income, the resulting exchange differences from the adjustments are recognized in the other comprehensive income section of the statement of comprehensive income. For those not measured at fair value, they are measured at the historical exchange rates on the initial transaction date.

(8) All other exchange gains or losses are reported in the "Other gains and losses" section of the statement of profit or loss based on the nature of the transactions.

4. Conversion of operating agencies overseas

Conversion of functional currency and presentation currency for all entities, related companies, and joint agreements that have different functional currency and presentation currency. The operating results and financial status are converted to presentation currency as follows:

(4) Assets and liabilities on each balance sheet are converted using the closing exchange rate on the date of the balance sheet

(5) Revenue and expenses on each income statement are converted using the average exchange rate for the current period

(6) Any exchange differences arising from the conversion are recognized as other comprehensive income.

(4) <u>Standards for Assets and Debts Classified as Current and Non-Current</u>

1. An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.

B. The Company holds the asset primarily for the purpose of trading.

C. The Company expects to realize the asset within twelve months after the reporting period.

D. The asset is cash or cash equivalent unless the asset is restricted from. being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

2. A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle.

B. The Company holds the liability primarily for the purpose of trading.

C. The liability is due to be settled within twelve months after the reporting period.

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all assets that do not meet the above criteria as non-current liability

(5) Fair value through other comprehensive income (FVOCI)

1. This refers to an irrevocable election made at initial recognition to either. report the fair value changes of equity instruments classified as non-hold-for-trading investments in other comprehensive income or to report both the following conditions of debt instrument investments:

(1) The financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset.

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

2. The Company applies the trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with market conventions.

3. The Company initially measures financial instruments at fair value plus transaction costs and subsequently measures them at fair value.

(1) The fair value changes of equity instruments are recognized in other comprehensive income and are not reclassified to profit or loss upon derecognition. They are transferred to retained earnings upon disposal. When the right to receive dividends is established and the economic benefits associated with the dividends are expected to flow to the Company, and the amount of the dividends can be measured reliably, the Company recognizes dividend income in profit or loss.

(2) The fair value changes of debt instruments are recognized in other comprehensive income, and impairment losses, interest income, and foreign exchange gains and losses are recognized in profit or loss prior to derecognition. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(6) Financial assets measured at amortized cost

1. This refers to financial assets that meet both of the following conditions:

(1) It is held within a business model whose objective is to hold assets to. collect contractual cash flows

(2) Its contractual terms give rise on specific dates to cash flows that are. solely payments of principal and interest on the principal amount outstanding.

2. For financial assets measured at amortized cost that comply with transaction. practices, the Company adopts the transaction date

3. Its measure financial assets at fair value on initial recognition, and. subsequently at amortized cost using the effective interest method. Interest income is recognized over the expected life of the financial asset and impairment losses are recognized, and at the time of derecognition, any gain or loss is recognized in profit or loss.

4. Its holds time deposits that are not considered as cash equivalents. Due. to the short-term nature of these deposits, their discounted value is not significant and they are measured at cost.

(7) Accounts Receivable

1. Refers to the amount receivable for goods or services transferred under a. contract, which has an unconditional right to receive.

2. Short-term accounts receivable that have not yet accrued interest are measured at their original invoice amounts as the effect of discounting is not significant.

(8) Impairment of Financial Assets

On each balance sheet date, the Company considers all reasonable and. supportable information (including forward-looking information) to assess the credit risk of debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. For financial assets for which credit risk has not increased significantly since initial recognition, the Company measures the expected credit loss amount over 12 months as the provision for impairment losses. For financial assets for which credit risk has increased significantly since initial recognition, the Company measures the expected credit loss amount over the remaining life of the financial asset as the provision for impairment losses. For trade receivables or contract assets that do not contain a significant financing component, the Company measures the provision for impairment losses based on the expected credit loss amount over the remaining life of the financial asset.

(9) Derecognition of financial assets

The contractual rights to receive cash flows from a financial asset have expired, the Company derecognizes the financial asset.

The Company derecognizes a financial asset when either of the following conditions is met:

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

2. The right to receive cash flows from financial assets is transferred and almost all risks and rewards of ownership have been transferred.

3. The right to receive cash flows from financial assets is transferred, but control over the financial asset is not retained.

(10) Inventory

Inventory is measured at cost or net realizable value, whichever is lower, using the weighted average method for cost determination. When comparing cost and net realizable value, the lower amount is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary selling expenses.

(11) Investment using Equity Method- Subsidiary

1. Subsidiary means an entity (including a structured entity) controlled by the Company when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to influence the entity through its power over the entity When waiting for remuneration, the company controls the individual。
2. Unrealized gains and losses arising from transactions between the Company and its subsidiaries are eliminated. The accounting policy of the subsidiary has been adjusted as necessary to be consistent with the policy adopted by the company。
3. The Company recognizes the share of profit or loss acquired by the subsidiary as current profit or loss, and the share of other comprehensive profit or loss acquired by the subsidiary as other comprehensive profit or loss. If the share of losses recognized by the company for a subsidiary is equal to or exceeds the equity in the subsidiary, the company will continue to recognize losses in proportion to its shareholding。
4. In accordance with the "Standards for the Preparation of Financial Reports of Securities Issuers", the current profit and loss and other comprehensive profit and loss in the individual financial report should be the same as the share of the current profit and loss and other comprehensive profit and loss attributable to the owners of the parent company in the financial report prepared on a consolidated basis. Reporting owner's equity should be the same as the equity attributable to the owner of the parent company in the financial report prepared on a consolidated basis。

(12) Property, Plants and Equipment

1. Property, plant and equipment are recorded at cost of acquisition.

2. Subsequent costs are included in the carrying amount of an asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Any replaced part's carrying amount is derecognized. All other maintenance expenses are recognized in profit or loss as incurred.

3. Property, plant and equipment are measured using the cost model and depreciated using the straight-line method over their estimated useful lives. Depreciation of significant components of property, plant and equipment is recognized separately.

4. The Company reviews the residual values, useful lives, and depreciation methods of all assets at the end of each financial year. If there is a difference in the expected residual value or useful life compared to previous estimates, or there is a significant change in the expected consumption pattern of future economic benefits of an asset, the change is accounted for in accordance with the provisions of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of each asset are as follows:

Research & development equipment	2~8 years
Office and miscellaneous equipment	2~10 years
Lease improvement	5~10 years

(13) Lease Transactions of Lessee - Right-of-Use Assets/Lease Liabilities

1.Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the company. When the lease contract is a short-term lease or relates to a low-value underlying asset, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. Lease liabilities are recognized on the lease commencement date at the. present value of lease payments not yet paid, discounted at the incremental borrowing rate of the company. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is used to measure the lease. Liabilities at amortized cost and interest expense is recognized over the lease term. When a lease modification does not qualify as a separate contract and results in a change in the lease term or lease payments, the lease liabilities are remeasured, and the right-of-use assets are adjusted accordingly.

3. Right-of-use assets are recognized at cost on the lease commencement date, which includes:

(1) the initial measurement of lease liabilities.

(2) any lease payments made before or on the lease commencement date. Subsequently, the cost model shall be used to measure the right-of-use asset, and depreciation expense shall be recognized when the asset reaches the end of its useful life or at the end of the lease term, whichever comes earlier. Any adjustment to the lease liability's remeasurement shall result in an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee shall. reduce the carrying amount of the right-of-use asset to reflect the termination of the lease partially or entirely and recognize the difference between the adjusted lease liability and the right-of-use asset as a gain or loss in profit or loss.

(14) Intangible Assets

Computer software is recognized as costs and amortized using the straight- line method over the estimated useful lives of 1 to 3 years.

(15) Impairment of non-financial assets

For assets showing impairment indicators, the Company estimates their recoverable amounts on the balance sheet date. If the recoverable amount is lower than the carrying amount, impairment losses are recognized. The recoverable amount refers to the higher of the fair value of an asset less disposal costs or its value in use. Impairment losses are reversed when there is an indication that the impairment loss recognized in prior years has decreased or no longer exists. However, the carrying amount of an asset increased by the reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less any depreciation or amortization charged in subsequent periods.

(16) Loan

This refers to long-term and short-term borrowings obtained from banks. When initially recognized, the Company measures these borrowings at fair value less transaction costs, and subsequently any difference between the carrying amount and the redemption value, net of transaction costs, is recognized as interest expense over the period of the borrowings using the effective interest method and an amortization schedule in the statement of comprehensive income.

(17) Account payable and Guarantee Notes

1. This refers to the liabilities arising from purchasing raw materials, goods, or services on credit, as well as the notes payable arising from both operating and non-operating activities.

2. These are short-term accounts payable and notes payable with unpaid interest, which are measured by the original invoice amount as the discount effect is not significant to the Company.

(18) Derecognition of financial liabilities

The Company recognizes financial liabilities until they are fulfilled, cancelled, or expire according to the terms of the contract."

(19) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid, and are recognized as an expense when the related service is provided.

2. Pension

(1) Defined contribution plans

For defined benefit plans, the amount of retirement benefits to be accrued is recognized as retirement benefit costs in the current period based on the occurrence of obligations and responsibilities. Prepaid contribution is recognized as an asset within the scope of refundable cash or reduced future benefits.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit payments earned by employees for their current or past service, using the present value of the defined benefit obligation as of the balance sheet date less the fair value of plan assets. The net obligation under the defined benefit plan is calculated annually by an actuary using the projected unit credit method, and the discount rate used is determined based on the market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity that match the expected cash flows of the obligations. In countries where there is no deep market for high-quality corporate bonds, the discount rate is based on the market yields of government bonds as of the balance sheet date.

B. The remeasurement amount arising from defined benefit plans is recognized in other comprehensive income in the period in which it occurs and presented in retained earnings.

C. Expenses related to prior service costs are recognized immediately in the income statement.

3. Remuneration to employee, directors, and supervisors

Employee compensation and director and supervisor remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reliably estimated. Subsequently, if there are differences between the actual distribution amount and the estimated amount, it will be handled as an accounting estimate change.

(20) Employee Share-Based Payment

1. The equity-settled share-based payment arrangement is a method of providing employee compensation by granting equity instruments at fair value on the grant date. The fair value of the equity instruments should reflect the effects of vesting conditions and non-vesting conditions. The related compensation cost is recognized as an expense over the vesting period, and the equity is correspondingly adjusted. The recognized compensation cost is adjusted for the expected number of awards that will ultimately vest, including the effects of non-market-based vesting conditions, until the amount recognized is based on the number of awards that actually vest on the vesting date.

2. Restricted Stock for Employees

(1) Recognize the cost of employee compensation over the vesting period based on the fair value of the equity instruments granted on the grant date.

(2) For employees who are not restricted from participating in dividend distributions and are not required to return dividends already received upon leaving during the vesting period, the portion of dividends expected to be received by employees who are expected to leave within the vesting period is recognized as compensation cost at the fair value of the dividends on the date of the dividend announcement.

(3) Employees do not need to pay a purchase price to obtain restricted stock units. If employees leave during the vesting period, the company will reclaim the shares at no cost and cancel them.

(21) Income Tax

1.Income tax expense includes current and deferred income tax. Except for income taxes related to items included in other comprehensive income or directly in equity, income tax is recognized in income.

2. The Company calculates the current income tax based on the tax rates that have been legislated or substantively enacted in the countries where the Company operates and generates taxable income as of the balance sheet date. Management assesses the status of income tax filings periodically in accordance with the applicable income tax regulations and estimates income tax liabilities based on expected tax payments to be made to tax authorities when applicable. Income tax expense on undistributed earnings, as required by income tax laws, is recognized when a resolution for the distribution of earnings is passed by the shareholders' meeting in the year following the year in which the earnings are generated and based on the actual distribution of earnings.

3. The deferred income tax is calculated based on the balance sheet method, recognizing temporary differences between the tax base of assets and liabilities and their carrying amounts on the parent only balance sheet. The applicable tax rate (and tax law) expected to be used upon realization of the deferred income tax assets or settlement of the deferred income tax liabilities is based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

4. Deferred income tax assets may be recognized for the temporary differences that are likely to be utilized to offset future taxable income, and the unrecognized and recognized deferred income tax assets are re-evaluated on each balance sheet date.

5. When there is a legal right to offset the current income tax assets and liabilities and there is an intention to settle on a net basis or simultaneously realize the assets and settle the liabilities, the current income tax assets and liabilities are offset. When there is a legal right to offset the current income tax assets and liabilities, and the deferred income tax assets and liabilities are levied by the same tax authority on the same taxpayer or different taxpayers, but each taxpayer intends to settle on a net basis or simultaneously realize the assets and settle the liabilities, the deferred income tax assets and liabilities are offset.

(22) Share capital

Common stock is classified as equity. The net amount after deducting income tax of the incremental cost attributed to the issuance of new shares or stock options is directly allocated to equity as a deduction from proceeds.

(22) Dividend distribution

Dividends distributed to the shareholders of this company are recognized in the financial statements when they are approved for distribution at the shareholders' meeting. Cash dividends are recognized as liabilities.

(24) Recognition of Revenue

Sale of Goods

1. The Company designs and sells products related to integrated circuits, and sales revenue is recognized when control of the products is transferred to customers, that is, when the products are delivered to the customers, and the customers have the discretion over the sales channel and price of the products. The Company has no remaining performance obligations that may affect the customers' acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence, damage, and loss have been transferred to the customers, and the revenue recognition occurs when the customer accepts the products in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.

2. Sales revenue is recognized as the net amount of contract price, excluding. business tax, sales return, quantity discount and allowance. The amount of revenue recognition is limited to the portion that is highly probable not to be subject to significant reversals in the future and is updated at each balance sheet date based on estimation. Payment terms for sales transactions are typically 40 to 190 days after shipment, which is consistent with market practice, and therefore it is determined that there is no significant financing component included in the contracts.

3. Accounts receivable are recognized when goods are delivered to customers, as the Company has an unconditional right to payment for the contract price from that point in time, with only the passage of time required before the customer pays.

(25) Enterprise merger

On March 16, 2022, the company carried out a simplified merger with its subsidiary Janus Power. It is deemed as internal reorganization. It is carried out by book value method.

5. Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty

The preparation of the Company’s parent only financial statements, the management. of the Company has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on its reasonable expectations of future events as of the date of the balance sheet. Significant accounting estimates and assumptions made may differ from actual results, which will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry the risk of significant adjustments to the amounts of assets and liabilities in the next financial year. Please refer to the following explanation regarding the uncertainties associated with significant accounting judgments, estimates, and assumptions:

(1) Accounting policy adoption significant judgments

None.

(2) Significant accounting estimates and assumptions

Inventory evaluation

Inventories are stated at the lower of cost or net realizable value., the Company. must exercise judgment and estimation to determine the net realizable value of inventory as of the balance sheet date. The Company evaluates the amount of inventory that has normal wear and tear, is obsolete or has no market sales value as of the balance sheet date and reduces the inventory cost to its net realizable value. Because the determination of the net realizable value used in the inventory valuation and the estimation of inventory obsolescence losses often involve subjective judgment and have a high degree of estimation uncertainty and because inventory and the provision for inventory obsolescence losses have a significant impact on the financial statements, significant changes may occur

On December 31, 2022, the book value of inventory for the Company was $375,244.

6. **Contents of significant accounts**

(8) Cash and Cash Equivalent

	2022.12.31	2021.12.31
Cash	$ 30	$ 200
Cash in Bank and Cheque	106,264	310,538
Term Deposit	121,601	88,682
	$ 227,895	$ 399,420

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Company deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral. 。

(2) Financial assets at amortized cost

	2022.12.31	2021.12.31
Current		
>3 months Term deposit	$ 5,000	$ 21,608
Term deposit pledged for collateral	256,454	203,479
Total	$ 261,454	$ 225,087
Non current		
Term deposit pledged for collateral	$ 1,047	$ 1,038

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Company's holdings of financial assets measured at amortized cost, the largest credit risk on December 31, 2022 and 2021. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized. cost. It is deemed that the possibility of contract breach is very low.

(3) Account receivables

	2022.12.31	2021.12.31
Account receivables	$ 166,519	$ 188,044
Less: allowances for doubtful accounts	(1,531)	(2,336)
	$ 164,988	$ 185,708

3. Age analysis:

	2022.12.31	2021.12.31
	Account receivables	Account receivables
Not past due	$ 164,363	$ 184,046
Past due 0~30 days	-	1,765
Past due 31-90 days	727	-
Past due over 91 days	1,429	2,233
	$ 166,519	$ 188,044

2. Balance of account receivables as of 2022.12.31, 2021.12.31 and 2021.01.01 are $166,519, $188,044 and $171,031.

3. The Company adopts a simplified approach to estimate expected credit. losses based on the provision matrix. The loss rate is adjusted based on historical and current information for a specific period to estimate the provision loss of accounts receivable.

Expected loss for the Company as of 2022.12.31, 2021.12.31 areas following:

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2022.12.31					
Expected loss %	0%~0.38%	0%~12.30%	0%~44.10%	0%~100%	
AR total	$ 164,363	$ -	$ 727	$ 1,429	$ 166,519
Allowance for credit impairment loss	$ 102	$ -	$ -	$ 1,429	$ 1,531

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2021.12.31					
Expected loss %	0%~0.73%	0%~9.44%	0%~49.85%	0%~100%	
AR total	$ 184,046	$ 1,765	$ -	$ 2,233	$ 188,044
Allowance for credit impairment loss	$ 53	$ 50	$ -	$ 2,233	$ 2,336

4. The Company has adapted simplified measure for changes in allowance for impairment loss:

	2022	2021
	Account receivable	Account receivable
01.01	$ 2,336	$ 2,826
Allowance for impairment loss	164	(490)
Amounts written off as uncollectible.	(969)	-
12.31	$ 1,531	$ 2,336

5. Please refer to Note 12(2) for details on AR credit risk.

6. Transferred financial asset net yet derecognized

(1) The Company has entered separate factoring agreement with CTBC Bank to sell its account receivables and has provided bank note of $80,000 as guarantee. According to the contract, the guarantee cannot be recovered (whether due to delay in payment or breach) within a specific period, and the Company shall retain all the risks of the receivables, therefore the Company did not fully write off the accounts receivable from the sales allowance. The related prepaid price is included under short-term borrowings.

(2) As of December 31, 2022 and December 31, 2021, the Company continued to recognize the transferred accounts receivable from sales allowance, and the related information is as follows:

	2022.12.31	2021.12.31
Book value of transferred accounts receivable from sales allowance	$ -	$ 51,122
Book value of prepaid price	-	11,072

7. Please refer to Note 8 for account receivables pledged as collateral.

(4) Inventory

2022.12.31

	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 87,556	($ 4,842)	$ 82,714
Work in process	205,156	(17,843)	187,313
Finished goods	110,610	(5,393)	105,217
	$ 403,322	($ 28,078)	$ 375,244

2021.12.31

	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 10,094	($ 3,970)	$ 6,124
Work in process	141,486	(10,273)	131,213
Finished goods	44,394	(4,762)	39,632
	$ 195,974	($ 19,005)	$ 176,969

1.Inventory cost recognized as loss for the period

	2022	2021
Cost of good sold	$ 415,163	$ 561,763
Inventory valuation loss	21,522	1,908
Unallocated manufacturing overhead	29,484	-
	$ 466,169	$ 563,671

2. Inventory was not pledged for collateral.

3. The Company enters a long-term contract with the supplier, which stipulates the minimum amount or quantity to be purchased. If the Company fails to fulfill the contractual amount, the loss shall be recognized as the cost of the current period.

(5) Investment by equity method

1. Subsidiary by using equity method

	2022.12.31	2021.12.31
ENE Touch Inc. (Shenzen)	($ 205)	$ 2,115

Note: categorized as other non-current liabilities on 2022.12.31.

2. Share for P&L from subsidiary by equity method

	2022.12.31	2021.12.31
ENE Touch Inc. (Shenzen)	($ 2,352)	($ 1,477)

(6) Real estate, plant and equipment

2022

	R&D equipment	Office equipment	Improvement on lease	Total
2022.01.01				
Cost	$ 20,768	$ 64,412	$ 2,526	$ 87,706
Accumulated depreciation	(20,768)	(45,966)	(1,126)	(67,860)
	$ -	$ 18,446	$ 1,400	$ 19,846
2022.01.01	$ -	$ 18,446	$ 1,400	$ 19,846
Acquisition	-	6,991	1,351	8,342
Disposal		(244)	(207)	(451)
Depreciation expense	-	(8,106)	(359)	(8,465)
2022.12.31	$ -	$ 17,087	$ 2,185	$ 19,272
2022.12.31				
Cost	$ 20,768	$ 70,793	$ 3,417	$ 94,978
Accumulated depreciation	(20,768)	(53,706)	(1,232)	(75,706)
	$ -	$ 17,087	$ 2,185	$ 19,272

2021

	R&D equipment	Office equipment	Improvement on lease	Total
2021.01.01				
Cost	$ 20,768	$ 53,931	$ 2,526	$ 77,225
Accumulated depreciation	(20,768)	(43,121)	(827)	(64,716)
	$ -	$ 10,810	$ 1,699	$ 12,509
2021.01.01	$ -	$ 10,810	$ 1,699	$ 12,509
Acquisition	-	13,167	-	13,167

Depreciation expense	-	(5,531)	(299)	(5,830)
2021.12.31	$ -	$ 18,446	$ 1,400	$ 19,846
2021.12.31				
Cost	$ 20,768	$ 64,412	$ 2,526	$ 87,706
Accumulated depreciation	(20,768)	(45,966)	(1,126)	(67,860)
	$ -	$ 18,446	$ 1,400	$ 19,846

The real estate, plant and equipment were not pledged for collateral.

(7) Lease－lessee

	2022.12.31	2021.12.31
Right-of-use assets:		
buildings	$ 9,890	$ 6,892
Transportation vehicles	482	1,512
	$ 10,372	$ 8,404
Lease liabilities:		
Current	$ 2,817	$ 6,239
Non current	6,727	2,580
	$ 9,544	$ 8,819

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.
2. Depreciation expenses for right-of-use assets:

	2022	2021
Building	$ 5,620	$ 4,935
Transport vehicle	1,029	1,199
	$ 6,649	$ 6,134

3. Acquisition of right-of-use asset for 01.01 to 12.31, 2022 and 2021 are $10,691 and $0.
4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.
5. P& L items related to lease contracts:

	2022	2021
Interest expense from lease liabilities	$ 174	$ 177
Expenses of short term lease	254	114
Expenses of low-value lease	106	125
Expenses of changes in lease payment	(15)	-
	$ 519	$ 416

6. Cash outflow from lease for the period 01.01 to 12.31 of 2022 and 2021are $8,410 and $7,271.
7. Due to changes in lease contract during 2022.01.01 to 2022. 12.31, the amounts for right-of-use asset and lease liabilities are decreased by $1,175 and $1,190 as of 2022.12.31.

(8) Short term loan

	2022.12.31	2021.12.31
Guarantee bank loan	$ 196,000	$ 162,272
Range of interests	1.46%~1.89%	0.89%~1.42%

1. Unused quota as of 2022.12.31 and 2021.12.31 are $154,000 and $297,711.
2. Please refer to Note 8 for details on short term loan pledged for collateral.

(9) Other payments

	2022.12.30	2021.12.31
Employee bonus	$ 18,275	$ 14,808
Salary	10,874	11,595
Compensation to Director of the Board	2,741	2,221
Others	10,762	11,142
	$ 42,652	$ 39,766

(10) Long term loan

Type	Duration and terms	Interest range	Guarantee	2022.12.31
Guarantee Bank loan	2020.06.29 ~2023.06.29 monthly interest payment	1.27%～2.69%	Note	$ 3,091
Credit loan	"	"	Non	545
				3.636
Less: loan matured within one year				(3,636)
				$ -

Type	Duration and terms	Interest range	Guarantee	2021.12.31
Guarantee Bank loan	2020.06.29 ~2023.06.29 monthly interest payment	1.27%～2.69%	Note	$ 9,273
Credit loan	"	"	Non	1,636
				10,909
Less: loan matured within one year				(7,273)
				$ 3,636

Note: The long-term loan is guaranteed by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG).

Unused quota for period ending 2022.12.31 and 2021.12.31are $0.

(11) Pension

1. Defined benefit

(1) The company and its domestic subsidiaries have established a retirement. method with defined benefits in accordance with the provisions of the "Labor Standards Law", which is applicable to the full-time employees before the implementation of the "Labor Pension Regulations" on July 1, 1994, and after the implementation of the "Labor Pension Regulations", the employees who choose to continue to apply the Labor Standards Law have their subsequent years of service. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases for each full year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, maximum payout base is 45. The company allocates 2% of the total salary to the retirement fund on a monthly basis in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, estimation of the balance of the special account for labor retirement reserves will be made at the end of the year. If the balance is insufficient to cover the estimated amount of pensions calculated for employees who meet the retirement requirements in the next year, the balance will be calculated again before the end of March the following year.

(2) The amounts recognized in the balance sheet are as follows:

	2022.12.31	2021.12.31
Defined benefit obligation.	($ 1,462)	($ 1,925)
Plan assets at fair value	7,090	7,519
Net defined benefit asset (Note).	$ 5,628	$ 5,594

Note: Classified as other non-current assets.

(3) The changes in net defined benefit liability are as follows:

	2022		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2022.01.01	($ 1,925)	$ 7,519	$ 5,594
Interest (expense) income	(15)	56	41
Settlement gain/loss	(182)	-	(182)
	(2,122)	7,575	5,453
remeasurement amount			
Plan Assets Return (Note)	-	578	578
Financial assumption sensitivity	(61)	-	(61)
Experience adjustment	(342)	-	(342)
	(403)	578	175
Payment of retirement benefits.	(1,063)	(1,063)	-
2022,12,31	($ 1,462)	$ 7,090	$ 5,628

	2021		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2021.01.01	($ 1,606)	$ 7,388	$ 5,782
Interest (expense) income	(14)	64	50
	(1,620)	7,452	5,832
remeasurement amount			
Plan Assets Return (Note)	-	67	67
Changes in demographic assumptions affect the number of movers	(61)	-	(61)
Financial assumption sensitivity	(43)	-	(43)
Experience adjustment	(201)	-	(201)
	(305)	67	(238)
2021,12,31	($ 1,925)	$ 7,519	$ 5,594

Note: The amount included in interest income or expenses is not included.

(4) The assets of our company's defined benefit retirement plan fund are. managed by the Bank of Taiwan according to the proportion and amount range of entrusted operating items specified in the investment and utilization plan for that fund's fiscal year. The entrusted operations are carried out in accordance with Article 6 of the Labor Retirement Fund Income and Expenditure Custody and Utilization Regulations (i.e., depositing funds in domestic and foreign financial institutions, investing in equities traded on domestic and foreign stock exchanges or over-the-counter markets, or privately placed, and investing in securities of securitized products of domestic and foreign real estate, etc.). The related utilization situation is supervised by the Labor Retirement Fund Supervisory Committee. For the fund's utilization, the minimum return for

annual settlement and distribution shall not be lower than the interest rate calculated based on the two-year fixed deposit rate of local banks. If there is any shortfall, it shall be supplemented by the national treasury upon approval by the competent authority. Because our company has no right to participate in the operation and management of the fund, we are unable to disclose the classification of the fair value of plan assets as required by paragraph 142 of International Accounting Standard No. 19. Please refer to the annual labor retirement fund utilization reports announced by the government for the fair value of the total assets of that fund as of December 31, 2022 and 2021.

(5) The summary of actuarial assumptions regarding retirement benefits is as follows:

	2022	2021
Discount rate.	2.00%	0.75%
Future salary growth rate	2.50%	1.00%

The assumption for future mortality rates is estimated based on the Taiwan life insurance industry's sixth experience life table. The impact on the determination of the present value of defined benefit obligations due to changes in the main actuarial assumptions used is analyzed as follows:

	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate.				
2022.12.31	($ 67)	($ 70)	($ 69)	($ 66)
The impact on the present value of defined benefit obligations.				
2021.12.31				
The impact on the present value of defined benefit obligations.	($ 85)	($ 89)	($ 88)	($ 84)

The sensitivity analysis described above analyzes the impact of a single assumption change while holding other assumptions constant. However, in practice, changes in many assumptions may be interrelated. Sensitivity analysis is consistent with the method used to calculate the net retirement benefit liability on the balance sheet.

The method and assumptions used in the sensitivity analysis prepared for the current period are the same as those used in the previous period.

(6) The Company plans to stop making contributions in the fiscal year 2023 as

the retirement reserve is fully funded.

2. Determination of Provision Plan.

(1) According to the "Labor Pension Act", the Company and its domestic subsidiaries have established a retirement method with definite contribution, which is applicable to employees of their nationality. The company and domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Regulations" for employees and contribute labor pensions to the individual accounts of employees of the Labor Insurance Bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee's personal pension special account and accumulated income is collected in monthly pension or one-time pension。

(2) Amount recognized for the pension in according to the above method for the period ending 01.01~12.31 of 2022 and 2021 are $4,738 and $5,036.

(12) <u>Share-based payments</u>

1.Share based payment as of 2022.12.31:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

4. Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	2022 Quantity (thousands)
RES at the beginning of the period	-
Issued shares at the current period	1,000
RES at the end of the period	1,000

3. The par value of new shares issued by the Company to restrict employee shares is NT$10 per share, and the issue price per share is NT$0 (free for employees). The closing price on the date of grant $41.5 and $40.25 is used as the measure of fair value.

4. The cost for above said RES for the period ending 2022.01.01~12.31 are $15,766。

(12) Capital

2. As of 2022.12.31, the registered capital is $950,000, total of 95,000 thousand shares. Actual capital is $453,228 with par value of NT$10. The adjustment of shares for the period as following:

	2022	2021
01.01	44,323	74,977
RES	1,000	-
Capital Reduction	-	(38,654)
Cash Refund	-	8,000
12.31	45,323	44,323

2. In order to compensate loss and to improve financial structure, the Company's shareholders has decided in 2021 August to reduce capital by 38,654 thousand shares at par value of NT$10. The registration process has completed.

3.The company's shareholder meeting in August 2021 approved a resolution to increase cash capital through private placement. The benchmark date for private placement was October 26, 2021. The purpose of the cash capital increase was to enrich working capital, improve the financial structure, or other funds for future development. Demand, the number of private placement shares is capped at 8,000,000 shares, and the subscription price per share is NT$31.6 dollars. This capital increase has raised $252,800, and the change registration has been completed; In addition to the restrictions on the delivery date and three years after the date of delivery and supplementary office development and issuance before the application for listing on the OTC market, the rest is the same as other issued ordinary shares.。

4. Restricted employee shares (RES)

In order to attract and retain professional talents and create the best interests of the company and shareholders, the company has passed the resolution of the BOD in March 2022 and May 2022 to issue new shares with restricted employee rights for free. The base date of issuance is March 16, 2022. And on May 10, 2022, the total amount was 1,000,000 shares. The employee's personal retention and annual performance evaluation standards have all met the vested conditions. If the vested conditions are not met, the company has the right to take back its shares without compensation and cancel them. As of December 31, 2022, 1,000,000 shares have been issued, and there are no vested or canceled shares。

(14) Capital surplus

1. In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it.。

2.The Shareholders Meeting in June 2022 has approved the proposal to distribute cash from capital surplus, NT$0.2 per share, total of $8,865.

(14) Retained earning/Subsequent events

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. Earning distributed as approved in Shareholders Meeting on 2022.06.09 are:

	2021	
	Amount	Dividends per share
Legal reserve	$ 6,007	
Cash dividends	44,323	$ 0.98
	$ 50,330	

6. Subsequent events:
Earning distributed as approved in Shareholders Meeting on 2023.03.02 are:

	2022	
	Amount	Dividends per share
Legal reserve	$ 7,208	
Cash dividends	54,375	$ 1.20
	$ 61,583	

The above-mentioned 2022 surplus distribution proposal of the Republic of China has not yet been resolved by the shareholders' meeting.

(16) Operation revenue

The Company's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas：

2022	China	Taiwan	Others	Total
External customer contract	$ 449,911	$ 257,109	$ 6,664	$ 713,684

2021	China	Taiwan	Others	Total
External customer contract	$ 452,669	$ 362,934	$ 9,385	$ 824,988

Note: revenue is reported based on where the customers are located.

(17) Other profit and loss

	2022	2021
Foreign exchange gain (loss)	$ 62,326	($ 6,843)
Gain from financial asset at fair value through P&L	148	(20)
Others	(488)	214
	$ 61,986	($ 7,077)

(18) Additional information on cost and expense

	2022		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 112,066	$ 112,066
Share based payment	-	15,766	15,766
Labor and health insurance expense	-	7,636	7,636
Pension expense	-	4,738	4,738
BOD remuneration		4,645	4,645
Other HR	-	2,320	2,320
	$ -	$ 147,171	$ 147,171
Depreciation expense	$ -	$ 15,114	$ 15,114
Amortization expense	$ -	$ 4,369	$ 4,369

	2021		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 103,114	$ 103,114
Labor and health insurance expense	-	6,963	6,963
Pension expense	-	5,036	5,036

BOD remuneration		3,286	3,286
Other HR	-	2,301	2,301
	$ -	$ 120,700	$ 120,700
Depreciation expense	$ -	$ 11,964	$ 11,964
Amortization expense	$ -	$ 954	$ 954

1. Average number of employees for 2022 and 2021 are 75 and 73. Board members that are not employees are 6.
2. Average employee benefits expenses for 2022 and 2021 are $2,066 and $1, 752. Average employee salary expenses are $1,853 and $1,539. Average adjustment for employee salary is 20%.
3. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
4. Remuneration for BOD and employees are as follows:

	2022	2021
Remuneration to BODs	$ 2,741	$ 2,221
Remuneration to employees	18,275	14,808
	$ 21,016	$ 17,029

   The estimation of profits is recognized in according to the Articles. For the period 01.01~12.31 of 2022 and 2021.

5. The remuneration for directors and employees for the fiscal year 2022, which was approved by the board of directors on March 2, 2023, is consistent with the estimated amount. The employee remuneration will be paid in cash.
6. The remuneration of directors and employees approved by the board of directors in 2022 is consistent with the amount recognized in the financial report of 2011.
7. The company has set up a remuneration committee. The remuneration of directors and managers is based on the degree of participation in operations and the value of their contributions. After comprehensive consideration of the achievement of annual goals and performance contributions, the remuneration committee decides to issue.
8. The company's employee remuneration includes monthly salary, bonus and employee remuneration. The salary standard of employees is determined according to the position held, academic experience, professional knowledge and market value. The starting salary and rewards are not different due to gender, religion, party affiliation, marital status, etc. Regarding salary adjustments and employee remuneration, the company's operating conditions will be determined annually based on the employee's duties, contributions, and performance, and the principle of ensuring that employee salaries are

in line with market conditions and fairness

9. Please see MOPS for related information.

(18) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2022	2021
Current income tax:		
Current income tax expense	$ -	$ -
Deferred income tax:		
Origination and reversal of temporary differences	(6,548)	(3,298)
Income tax	($ 6,548)	($ 3,298)

(2) Amount of income tax related to other comprehensive income:

(

	2022	2021
Foreign exchange differences related to foreign operations	6	(5)

2. The relationship between income tax benefit and accounting profit:

	2022	2021
Income tax calculated at statutory tax rate on income before income taxes (Note)	$ 15,825	$ 11,402
Expenses to be deducted in accordance with tax laws and regulations	29	-
Income exempted from taxation according to tax law	(30)	(359)
Unrecognized deferred tax assets due to temporary differences	350	(1,442)
Changes in the assessment of realizability of deferred tax assets	(22,722)	(12,899)
Income tax benefit	($ 6,548)	($ 3,298)

Note: The applicable tax rates are calculated based on the tax rates in the countries where the Company and its subsidiaries are located.

3. The amounts of deferred income tax assets or liabilities resulting from temporary differences and tax loss. carryforwards

are as follows:

	2022			
	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Temporary difference				
-Deferred income tax asset				
Unrealized inventory loss	$ 3,541	$ 2,075	$ -	$ 5,616
Unrealized gross profit on sales.	3,330	4,236	-	7,566
Foreign investment accounted for using the equity method.	-		-	
Net investment loss.	-	1,891	-	1,891
	$ 6,871	$ 8,202	$ -	$ 15,073
-Deferred income tax liabilities.				
Foreign exchange differences - operational entity	(34)	-	(6)	(40)
unrealized translation gains.	-	(1654)	-	(1,654)
	($ 34)	($ 1,654)	($ 6)	($ 1,694)

	2021			
	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Temporary difference				
-Deferred income tax asset				
Unrealized inventory loss	$ 3,160	$ 381	$ -	$ 3,541
Unrealized gross profit on sales.	413	2,917	-	3,330
	$ 3,573	$ 3,298	$ -	$ 6,871
-Deferred income tax liabilities.				
Foreign exchange differences - operational entity	($ 39)	$ -	$ 5	($ 34)

4. The effective period of unused tax losses and the amount of unrecognized deferred tax assets related to. the Company and its domestic subsidiaries

are as follows:

2022.12.31				
Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2012	$ 35,036	$ -	$ -	2022
2013	68,665	-	-	2023
2014	205,755	183,483	183,483	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	94,604	92,739	92,739	2027
2018	70,693	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 671,442	$ 671,442	

2021.12.31				
Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2013	68,665	36,244	36,244	2023
2014	205,755	205,755	205,755	2024
2015	119,209	119,209	119,249	2025
2016	121,815	121,815	121,815	2026
2017	94,604	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 729,958	$ 729,958	

5. The deductible temporary differences that have not been recognized as deferred tax assets

	2022.12.31	2021.12.31
Deductible temporary differences	$ 1,263	$ 9,203

6. Our company's income tax for operating businesses has been verified by the tax collection agency until fiscal year 2020.

(20) Earnings per share

2022

	$ after tax	Weighted average outstanding Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 76,906	44,322	$ 1.74
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 76,906	44,322	
Potential dilution impact			
RES	-	719	
Employee remuneration	-	78	
Potential dilution impact attributed to the parent company	$ 76,906	45,119	$ 1.70

2021

	$ after tax	Weighted average outstanding Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 60,307	37,791	$ 1.60
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 60,307	37,791	
Potential dilution impact			
RES	-	-	
Employee remuneration	-	251	
Potential dilution impact attributed to the parent company	$ 60,307	38,042	$ 1.59

(21) Additional information to cash flow

Investment activity with partial cash payment:

	2022	2021
Acquisition of real estate, plant and equipment	$ 8,342	$ 13,167
Add: equipment payment at the beginning of the period	555	202
Less: equipment payment at the beginning of the period	(773)	(555)
Cash payment of the period	$ 8,124	$ 12,814

(22) Changes in liabilities from financing activities

2022

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$ 162,272	$ 10,909	$ 8,819	$ 182,000
Changes in financing cash flow	(33,728)	(7,273)	(7,876)	18,579
Interest payment			(174)	(174)
Other non-cash changes	-	-	8,775	8,775
09.30	$ 196,000	$ 3,636	$ 9,544	$ 209,180

2021

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$ 301,449	$ 18,183	$ 15,023	$ 334,655
Changes in financing cash flow	(139,177)	(7,274)	(6,204)	(152,655)
Interest payment			(177)	(177)
Other non-cash changes	-	-	177	177
09.30	$ 162,272	$ 10,909	$ 8,819	$ 182,000

7. Related party transactions

(1) Related party

Related party	Relationship
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity
ENE Touch Inc (Shenzen) (ENE Touch)	Subsidiary

(2) Significant transactions with related parties

1.Sales

	2022	2021
Sales:		
ASUSTek	$ 91,430	$ 98,874
ENE Touch	5,599	10,011
	97,029	108,885

Product prices quoted to the related parties were determined by the product. specification. Some discounts were given depending on the total sales quantity. Therefore, prices quoted to the related parties were of no big difference to other customers.

2.Purchasing

	2022	2021
Service purchase		
Siguard	$ 15,085	$ 24,845

The trading conditions between the Company and related parties are no different to those with general suppliers.

3.Account receivable

	2022.12.31	2021.12.31
Service purchase		
ASUSTek	$ 32,871	$ 29,163
ENE Touch	3,773	2,517
	36,644	31,680

There is no bad debt allowances for the related party AR. The AR is mainly from product sales.

4.Account payable

	2022.12.31	2021.12.31
Service purchase		
Siguard	$ 3,349	$ 5,491

Related party AP is mainly from purchasing transaction with 60 days of term with no interest.

5. Unrecognized contract commitments

The company has signed a product development contract with Egis Technology Inc. As of December 31, 2022, the contracted price of $30,000 has been signed but not yet paid.

(3) Key personnel remuneration information

	2022		2021	
Salary and other short term employee benefit	$	28,820	$	26,125
Post employment benefit		699		642
Share based payment		2,378		-
Total	$	31,897	$	26,767

8. Pledged Asset

Details of the assets provided as collateral by the Company are as follows:

Asset	2022.12.31		2021.12.31		Purpose
Term deposit(Note1)	$	256,454	$	203,479	Note 3
Term deposit(Note2)		1,047		1,038	Note 4
Account receivable		-		51,122	Note 3
	$	257,501	$	255,639	

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

9. Significant commitments

1. The Company has signed a software licensing contract. As of December 31, 2022, the amount not yet paid is $38,245.
2. The Company signs a long-term contract with the supplier, which stipulates the relevant period and the minimum amount or quantity that the Company needs to purchase from the supplier。
3. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

10. Losses due to major disasters

None.

11. Significant subsequent events

Please refer to Note6 (15.) for details.

12. Others

(6) Capital management

The capital management objective of the Company is to ensure the continued operation of the Company, maintain the optimal capital structure to reduce the cost of funds, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares of common stock in private placement, or sell assets to reduce debt. The Company uses the debt-to-capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as equity reported on the parent only balance sheet plus net debt.

In 2022, the capital management strategy of the Company remains the same as in 2021, which is to maintain the debt-to-equity ratio within a reasonable range.

(7) Financial instruments

1.Types

	2022.12.31	2021.12.31
Financial asset		
amortized cost measurement (note1)	$ 697,331	$ 848,034
Financial liabilities		
Financial liabilities at amortized cost (note2)	$ 356,780	$ 320,557
Lease liabilities	$ 9,544	$ 9,085

Note1: cash and cash equivalent, financial asset at amortized cost, net account receivable (including related parties), other account receivables and refundable deposit.

Note2: account payables (including related parties), other account payable, short term loan, long term loan (including maturity within one year) and refundable deposit.

2.Risk management policy

(1) The daily operations of the Company are subject to various financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) The risk management work is carried out by the Finance Department of the Company in accordance with policies approved by the Board of Directors. The Finance Department works closely with the various operating units within the Company to identify, assess and mitigate financial risks. The Board of Directors has established written principles for overall risk management and also provides written policies for specific areas and matters, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess cash.

3. Significana financial risks

(4) Market risks

Exposure to currency risk

A. The Company operates globally, therefore, it is exposed to. various currency exchange rate risks, mainly from the US dollar and the Chinese yuan. These exchange rate risks arise from future business transactions and recognized assets and liabilities.

B. The Company financial assets and liabilities exposed to. exchange rate risk were as following:

2022.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 20,168	30.71	$ 619,356	1%	$ 6,194
Financial liabilities					
Monetary item					
USD: NTD	2,391	30.71	73,416	1%	734

2021.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 25,018	27.68	$ 692,527	1%	$ 6,925
Financial liabilities					
Monetary item					
USD: NTD	2,314	27.68	64,064	1%	641

Recognized FX translation (loss)gains (realized and unrealized) are $62,326 and ($6,843) for period of 2022 and 2021.

Price risk

The Company mainly invests in equity instruments of domestic listed and over-the-counter companies and open-ended funds, and the prices of these equity instruments will be affected by the uncertainty of the future value of the underlying investments. In order to manage the price risk of financial instrument investments, the Company diversifies its investment portfolio, which is done in accordance with the limits set by the Company.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk primarily arises from borrowings issued at floating interest rates, exposing the Company to cash flow interest rate risk. In 2022 and 2021, the Company's borrowings issued at floating interest rates were denominated in NTD.

B. When the interest rate of NTD-denominated loans increases or decreases by 1% while all other factors remain unchanged, the profit before tax of the Company for the years 2022 and 2021 will decrease or increase by $1,996 and $1,732, respectively, mainly due to the change in interest expenses caused by the floating rate loans.

(5) Credit risk

A. The credit risk of the Company refers to the risk of financial loss caused by customers or counterparties of financial instruments being unable to fulfill contractual obligations. It mainly comes from counterparties being unable to settle accounts receivable according to payment conditions, and debt instruments investment contracts with cash flow measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

B. The Company establishes credit risk management from a group perspective. According to the internal credit policy, each operating unit within the Company and each new customer must be managed and analyzed for credit risk before setting payment and delivery terms and conditions. Internal risk control is carried out by assessing the credit quality of customers by considering their financial condition, past experience, and other factors. The individual risk limit is set by the board of directors based on internal or external ratings and regularly monitors the use of credit limits.

C. The Company adopts the following premise assumptions under IFRS 9 as a basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition:

(A) When the contractual payment terms of a financial asset are overdue for more than 30 days, it is considered that the credit risk of the financial asset has significantly increased since initial recognition.

(B) Financial assets that are rated as investment grade by any external credit rating agency on the balance sheet date are considered to have low credit risk.

D. When the payment terms of a contract are overdue for more than 120 days according to the agreed terms, it is considered a default.

E. The Company considers the characteristics of trade credit risk and categorizes accounts receivable from customers into groups. A simplified approach is used to estimate expected credit losses based on a matrix.

F. The indicators used by the Company to determine credit impairment of debt instrument investments are as follows:

(A) Significant financial difficulties of the issuer and a high probability of bankruptcy or other financial restructuring.

(B) The active market for the financial asset disappears due to the issuer's financial difficulties.

(C) The issuer delays or fails to pay interest or principal.

(D) Changes in national or regional economic conditions that are unfavorable and lead to the issuer's default.

G. After the collection process, the Company wrote off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Company will continue to pursue legal proceedings to preserve its rights to the receivables.

H. The Company adjusts its forward-looking assessment to estimate the allowance for doubtful accounts by using loss rates established based on a specific historical and current information period. The expected loss rate for the Company's non-overdue accounts receivable as of December 31, 2021, and December 31, 2020, is not considered significant.

(6) Liquidity Risk

A. Cash flow forecasts are prepared by individual operating entities within the Company and parent only by the Company's finance department. The finance department monitors the forecasted cash needs of the Company to ensure that sufficient funds are available to support its operations.

B. The non-derivative financial liabilities of the Company, except for those listed in the table below, are due within one year and represent significant cash flow amounts within one year from December 31, 2022 and December 31, 2021, including short-term borrowings, accounts payable, and other payables. These amounts are undiscounted and consistent with the balances of each item in the balance sheet.

2022.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 2,948	$ 6,904	$ 9,852
Long-term borrowings (including current portion)	3,666	-	3,666

2021.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 6,324	$ 2,597	$ 8,921
Long-term borrowings (including current portion)	7,434	3,659	11,093

(8) Fair value of financial instruments

3. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

4. Financial instrument not measured by fair value

The carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

3. Financial and non-financial instruments measured at fair value are classified by the Company based on the nature, characteristics, risks, and fair value hierarchy of assets and liabilities.

4. Valuation method and techniques to measure fair value

(1) Valuation techniques for financial instruments measured at fair value:

	Open fund
Market quote	Net worth

(2) If one or more significant parameters cannot be retrieved from the market, the financial instrument shall belong to Level 3.

5. For the period of 2022 and 2021, there was no transfer of Level1 and Level2

6. For the period of 2022 and 2021, there was no transfer of financial instruments in Level 3.

7. Finance department is responsible for verifying the valuation of Level 3 financial instruments.

8. The significant unobservable inputs of equity instrument investments in an inactive market are independent of each other and therefore are not interrelated. The list of quantitative information for significant unobservable inputs is as follows:

	2022.09.30 Fair value	Valuation techniques	Significant unobservable inputs	Relationship between inputs and fair value measurement
Non derivative equity instrument				
Private company	$ -	Net asset value method	Net asset value	Not applicable

(9) Others

Due to the COVID 19 and the government's prevention measures, the Company's operating activities are proceeding normally except for cooperating with the government's instruction to divide staff into two shifts. There are no significant impact on the operation for 2022.

13. Other disclosures

(10) Information on significant transactions

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held as of June 30th 2021 (other than investments in subsidiaries, associates and JVs): none
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: none
5. Acquisition of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
6. Disposal of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: (attachment I)
8. Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of capital stock: none
9. Trading in derivative instruments: none
10. Business relationship and significant intercompany transactions: none

(11) Investment

Please see attachment II for related information.

(12) Investment in China

1.Basic information: please see attachment III

2. Direct or indirect significant transaction between investee in China and the company: none

(13) Major shareholders

Please refer to attachment IV

14. Segment information

It is allowed not to disclose.

ENE Technology Inc. and Subsidiaries

Purchases And Sales With Related Parties That Reach NT$100 Million or 20% Of The Paid-In Capital:

January 1st to December 31st, 2022

Appendix One

Unit: NTD thousands

			Transaction details				situation and reason		Accounts receivable (payable)		
Company of purchase(s) or sale(s)	Counterparty	Relationship	purchase(s) or sale(s)	Amount	Percentage of total purchases or sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts receivable (payable)	Notes
ENE Technology Inc	ASUSTek Computer Inc.	The main management level (legal board of directors) of our company.	sale(s)	$ 91,430	13%	60 days monthly	All are equivalent to normal business practices.		$ 32,871	16%	

ENE Technology Inc. and Subsidiaries

Investees,locations and other related information (excluding investees in China).

2022,01,01~12,31

Appendix Two

Unit: NTD thousands

(unless specified otherwise)

investor	investee	Location	Business scope	Initial Investment Amount: End of current	Initial Investment Amount: End of last year	Held at the end of the period: shares	Held at the end of the period: Percentage	Held at the end of the period: Carring amount	Current P&L of the investee	P&L recognized from investment	Remark
ENE Technology Inc.	JANUS POWER	Taiwan	Electronic component	$ -	$ 6,798	-	-	$ -	$ -	$ -	註

Note: JANUS Electronics was dissolved after a simplified merger with our company on March 16th, 2022

Investment information in China - Basic information

January 1st to December 31st, 2022

Appendix Three

Unit: NTD thousands

(unless specified otherwise)

Investee in China	Main business	Paid-in capital	Method	Accumulated $ from Taiwan at Period	Investment amount Outflow	Investment amount Inflow	Accumulated $ from Taiwan at end of Period	P&L of investee	Ownership % direct/indirect	P&L recognized	Carring amount at end of period	Retrieved gains from investment	Remark
ENE Touch Technology Inc.	Electronic component	$ 9,047	Note1	$ 9,047	-	-	$ 9,047	($ 2,352)	100	($ 2,352)	($ 205)	-	註2

Name	Accumulated $ outflow from Taiwan	Investment $ authorized by Investment Commission MOEA	Maximum limit on investment
ENE Touch Technology Co., Ltd (ENE Touch)	$ 9,047	$ 9,047	$ 475,730

Note 1：Direct investment in China

Note 2：P&L of the investment is concluded in according to the financial report reviewed by independent auditor

ENE Technology Inc. and Subsidiaries

Major Shareholders

2022.12.31

Appendix Four

Major Shareholders	Share holding	
	No, of shares	%
Alcor Micro Corp.	8,000,000	17.65%

ENE TECHNOLOGY INC

Statement of Cash and Cash Equivalent

December 31, 2022

(Expressed in thousands of NTD thousands)

Item	Description			Amount	Note
Cash and petty cash				$ 30	
Term deposit					
-NTD				26,400	
-USD	USD	3,100 thousands	FX 30.71	95,201	
Deposit					
-NTD				17,917	
-USD	USD	2,853 thousands	FX 30.71	87,627	
Check deposit				720	
Total				$ 227,895	

ENE TECHNOLOGY INC

Statement of Financial Asset after Amortization-Current

December 31, 2022

(Expressed in thousands of NTD thousands)

Name	Interest rate range	Amount	Note
CTCB	1.185%	$ 5,000	Term deposit
CTCB	4.520%	30,736	Term deposit pledged as collateral
TFB	4.500%	116,698	"
Cathay Bank	3.500%-4.400%	109,020	"
		$ 261,454	

ENE TECHNOLOGY INC

Statement of Notes and Account Receivables

December 31, 2022

(Expressed in thousands of NTD thousands)

Item	Amount
Customer A	$ 112,510
Customer B	14,260
Customer C	9,563
Customer D	8,329
Others (note)	21,857
Sub-total	166,519
Less: Allowances for loss	1,531
Total:	$ 164,988

Note: total of individual customers with amount less than 5 % of Notes and A/R

ENE TECHNOLOGY INC

Statement of Inventories

December 31, 2022

(Expressed in thousands of NTD thousands)

Item	Amount		Note
	Cost	Net realizable value	
Raw material	$ 87,556	83,701	
Work in process	205,156	430,835	
Finished good	110,610	147,968	
	403,322	662,504	
Less: allowances for loss	(28,078)		
	$		

ENE TECHNOLOGY INC

Statement of Short-Term Loan

December 31, 2022

Creditor	Description	Amount at the end of the period	Contract duration	Interest rate	Quota	Mortgage or Guarantee
CTCB	Secured loan	$ 20,000	2022/12/28-2023/3/28	1.89%	$ 100,000	Note8
TFB	Secured loan	80,000	2022/12/22-2023/6/20	1.74%	150,000	"
Cathay Bank	Secured loan	96,000	2022/12/30-2023/3/30	1.46%	100,000	"
		$ 196,000			$ 350,000	

ENE TECHNOLOGY INC

Statement of Account Payables

(Expressed in NTD thousands)

Item		Amount
A supplier	$	64,255
B supplier		36,189
C supplier		8,156
Others (Note)		2,537
Total	**$**	**111,137**

Note: Total of individual vendors not exceeding 5% of total of account payables.

Statement of Revenue

January 1 to December 31, 2022

(Expressed in NTD thousands)

Item	Qty	Amount
NB & peripheral consumer related application ICs	40,855 thousands units	$761,000
Less: return		(47,747)
Others	10,943	431
Net revenue		713,684

ENE TECHNOLOGY INC

Statement of Cost of Sales

January 1 to December 31, 2022

(Expressed in NTD thousands)

Item		Amount	Remark
Direct Material			
Beginning balance of raw materials	$	10,094	
Add: purchase		435,145	
Less: ending balance of raw materials	(	87,556)	
Transferred	(	125)	
Scrap of raw material	(	3,422)	
Raw material used		354,136	
Manufacturing expense		200,115	
Cost of manufacturing		554,251	
Add: Beginning balance of work-in-process inventory		141,485	
Less: Ending balance of work-in-process inventory	(	205,156)	
Transferred	(	274)	
Scrap of work in process	(	5,591)	
Cost of finished goods		484,715	
Add: Beginning balance of finished goods		44,394	
Less: Ending balance of finished goods	(	110,610)	
Transferred	(	66)	
Scrap of finished goods	(	3,436)	
Total Cost of Sales		414,997	
Beginning of inventory		-	
Add: purchase		166	

Cost of sales	**166**
Allowances for loss	**21,522**
Manufacturing expenses	**29,484**
Total cost of sales	**$ 466,169**

ENE TECHNOLOGY INC

Statement of Sales Expenses

January1 to December 31, 2022

(Expressed in NTD thousands)

Item	Promotion exp	Management exp	R&D exp	Amount	Remark
Salary	$ 43,835	$ 45,324	$ 48,056	$ 137,215	
Miscellaneous	36	390	18,876	19,302	
Commission	15,373	-	-	15,373	
Depreciation	2,391	11,112	1,611	15,114	
Others	19,246	19,298	15,505	54,049	Note
Total	$ 80,881	$ 76,124	$ 84,048	$ 241,053	

Note： The amount of each item does not exceed 5% of the subject amount