CoAsia Electronics Corp. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

(Stock Code: 8096)

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CoAsia Electronics Corp. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Years Ended December 31, 2022 and 2021

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CoAsia Electronics Corp.

Declaration of Consolidated Financial Statements of Affiliates

In 2022 (from January 1, 2022 to December 31, 2022), the companies required to be included in the consolidated financial statements of affiliates under the standards Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Corporation hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Sincerely,

Name of Company: CoAsia Electronics Corp.

Chairman: Lee, Hee-Jun

February 16, 2023

Independent Auditors' Report

(2023) C.S.B.Z. No. 22003465

To: CoAsia Electronics Corp.,

Opinions

The Consolidated Balance Sheets of CoAsia Electronics Corp. and its subsidiaries (hereinafter "CoAsia Group") as of December 31, 2022 and 2021, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021, have been audited by the CPAs.

In the opinion of the CPAs, the above Consolidated Financial Statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation and Interpretation Notices as endorsed and issued into effect by the Financial Supervisory Commission, and are sufficient to give a fair representation of the consolidated financial position of CoAsia Group as at December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2022 and 2021.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS) of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of CoAsia Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and 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 refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the Consolidated Financial Statements of CoAsia Group for the year 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Consolidated Financial Statements of CoAsia Group for the year 2022 are listed as follows:

Inventory Evaluation

Description

Please refer to Note IV(XII) of the consolidated financial report for the accounting policy of inventory evaluation; please refer to Note V(II) of the consolidated financial report for the uncertainty of accounting estimates and assumptions of inventory evaluation; and refer to Note VI(IV) to the consolidated financial report for the description of allowance for inventory impairment loss. The inventory balance of CoAsia Group on December 31, 2022 was NT$1,738,020 thousand (including NT$141,405 thousand after deducting allowance for inventory impairment loss).

CoAsia Group operates the wholesale sales of electronic components and materials. Due to the short life cycle of its related products and the fierce market competition, there is a high risk of inventory impairment loss or obsolescence. CoAsia Group's inventories are measured at the lower of cost and net realizable value; for inventories that are outdated and obsolete beyond a certain period of time, the net realizable value is calculated based on historical information on the extent of inventory depletion and discount rate.

Due to the rapid technological changes in the industry in which CoAsia Group operates, and because the net realizable value used in evaluating outdated and obsolete inventories often involves subjective judgments and therefore has a high degree of estimation uncertainty, considering that the inventory of CoAsia Group and its allowance for inventory impairment loss have a significant impact on the financial statements, the CPAs believe that the assessment of the inventory of CoAsia Group and its allowance for inventory impairment loss is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of CoAsia Group's operation and industry nature, assess the rationality of the policies and procedures adopted in assessing the provision for impairment losses on inventories, including the classification of inventories based on the net realizable value, and the degree of expiry of inventories, sources of historical information and discount margins and the rationality of judging obsolete and obsolete inventory items.
2. Identify the warehouse management process of CoAsia Group, review its annual inventory plan and participate in the annual inventory checking to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.
3. Verify the properness of the inventory age report used by CoAsia Group for evaluation, and estimate the net realizable value of the inventory that exceeds a certain period of time, estimate its net reliable value based on the historical information on the extent of inventory depletion and discount rate, so as to evaluate the rationality of the allowance for inventory impairment loss

determined by CoAsia Group.

4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allow for impairment loss determined by CoAsia Group.

Evaluation on the Allowance for Losses of Accounts Receivable

Description

Please refer to Note IV(X) of the consolidated financial report for the evaluation on the allowance for losses of accounts receivable; please refer to Note V(II) of the consolidated financial report for the uncertainty of accounting estimates and assumptions of the allowance for losses of accounts receivable; and refer to Note VI(II) to the consolidated financial report for the description of the allowance for losses of accounts receivable. The balance of accounts receivable of CoAsia Group as at December 31, 2022 was NT$2,768,075 thousand (including the deducted allowance for loss of NT$92,986 thousand).

The accounts receivable of CoAsia Group are based on historical experience, forward-looking information and other known reasons or existing objective evidence to estimate the expected credit impairment losses that may occur, and are listed as deduction from accounts receivable in the current period when the accounts receivable may not be recovered, and CoAsia Group regularly reviews the rationality of its loss estimates. Because the evaluation of allowance losses often involves the subjective judgment of the management, various industrial prosperity indicators or the possibility of account recovery after the period, and the amount to be set aside is estimated accordingly, considering that the accounts receivable of CoAsia Group and its allowance for loss have a significant impact on the financial statements, the CPAs believe that the assessment of the allowance for loss of accounts receivable of CoAsia Group is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the operation of CoAsia Group and the credit quality of customer credit standards, assess the rationality of the policies and procedures for the provision of allowance losses of accounts receivable, including the rationality of group classification and aging analysis to determine the credit quality of customer credit standards.
2. Obtain the overdue aging data sheet used by the management to evaluate the expected credit loss rate of accounts receivable, confirm that the logic of the data source is consistent, and test the relevant forms to confirm the correctness of the aging data.

3. Evaluate the rationality of the estimates used by management to estimate the expected credit losses of accounts receivable and obtain relevant supporting documents, including: long overdue accounts, collections after the period, and signs that customers are unable to repay on time, etc.
4. Post-period collection test to support the adequacy of the provision of allowance losses.

Authenticity of Revenue Recognition

Description

Please refer to Note IV (XXVII) to the consolidated financial report for the accounting policy for revenue recognition.

CoAsia Group is mainly engaged in the wholesale sales of electronic components and is an agent of Samsung Electronics. The sales revenue in 2022 was NT$23,417,746 thousand. CoAsia Group's sales targets include consumer electronics manufacturers and distributors at home and abroad, and due to changes in the consumer electronics product end market and changes in Samsung Electronics' sales strategy, as well as the huge amount and volume of sales revenue, which have an impact on the financial statements. Therefore, the CPAs considers that the authenticity of CoAsia Group's revenue recognition is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the internal control of CoAsia Group to obtain significant sales targets, including the relevant credit investigation procedures and accounting policies for revenue recognition.
2. Identify the rationality of the credit investigation and related approval procedures carried out by CoAsia Group for important transaction partners.
3. Perform spot checks on sales revenue transactions, including checking the date and amount of sales invoices and the delivery orders which have been properly approved and signed to confirm that the transactions have indeed occurred and belonged to the appropriate period.
4. For a certain period before and after the balance sheet date, identify the reasons for the significant return of sales and evaluate the rationality of the vesting period.

Other Matters - Financial Report

We have also audited the Parent Company Only Financial Statements of CoAsia Electronics Corp. for 2022 and 2021, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers, as well as the IFRS, IAS, Interpretation and Interpretation Notices as endorsed and issued into effect by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

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

Those in charge with CoAsia Group's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, 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 error or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit 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 CoAsia Group's internal control.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
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 CoAsia Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CoAsia Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of the Group.

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 of the Republic of China, 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 communication with the management unit, the accountant decided on the key audit matters for the Consolidated Financial Statements of CoAsia Group for 2022. 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.

PwC Taiwan

Feng, Min-Chuan

CPA

Wu, Han-Chi

Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan
Approval File No.: Financial-Supervisory-Securities-Six-0960038033
Former Securities and Futures Commission of the Ministry of Finance
Approval File No.: (90) T.C.Z. (L.) Z. No. 157088

February 16, 2023

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT$ thousand

	Assets	Note	December 31, 2022 Amount		%	December 31, 2021 Amount		%
	Current Assets							
1100	Cash and Cash Equivalents	VI(I)	$	718,472	11	$	519,580	6
1110	Financial assets at fair value through profit or loss - current	VI(V)		-	-		4,734	-
1136	Financial assets at amortized cost - current	VI(VI) and VIII		544,835	9		474,334	6
1170	Accounts receivable, net	VI(II)(III) and VIII		2,213,303	34		3,859,371	47
1180	Accounts receivable - related parties, net	VII		554,772	9		217,523	3
1200	Other receivables	VI(III)		80,203	1		34,754	-
1210	Other receivables - related parties	VII		156	-		348	-
130X	Inventories	VI(IV)		1,738,020	27		2,265,406	27
1410	Prepayments	VII		121,337	2		173,418	2
1470	Other Current Assets	VI(VII)		149,282	2		460,796	6
11XX	**Total current assets**			6,120,380	95		8,010,264	97
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	VI(V)		26,807	-		21,685	-
1600	Property, Plant, and Equipment	VI(VIII) and VIII		194,443	3		152,035	2
1755	Right-of-use assets	VI(IX)		13,830	-		20,264	-
1780	Intangible Assets	VI(X)		31,707	-		30,977	-
1840	Deferred income tax assets	VI(XXI)		42,353	1		36,862	1
1900	Other non-current assets			33,567	1		11,055	-
15XX	**Total non-current assets**			342,707	5		272,878	3
1XXX	**Total assets**		$	6,463,087	100	$	8,283,142	100

(Continued on the next page)

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT$ thousand

	Liabilities and Equity	Note	December 31, 2022 Amount	%	December 31, 2022 Amount	%
	Current Liabilities					
2100	Short-term Loans	VI(XI) and VIII	$ 3,006,678	46	$ 4,207,737	51
2110	Short-term notes and bills payable		40,000	1	100,000	1
2130	Contract liabilities - current	VI(XVII)	139,062	2	555,772	7
2170	Accounts Payable		39,754	1	155,246	2
2180	Accounts payable - related parties	VII	57,799	1	43,559	-
2200	Other payables	VI(XII)	569,109	9	637,921	8
2220	Others payables - related parties	VII	1,713	-	1,573	-
2230	Current income tax liabilities	VI(XXI)	8,592	-	20,623	-
2280	Lease liabilities - current		9,452	-	12,839	-
2300	Other current liabilities	VII	4,050	-	52,311	1
21XX	**Total current liabilities**		3,876,209	60	5,787,581	70
	Non-current liabilities					
2570	Deferred income tax liabilities	VI(XXI)	5,613	-	497	-
2580	Lease liabilities - non-current		4,525	-	7,835	-
2600	Other non-current liabilities		12,365	-	8,113	-
25XX	**Total non-current liabilities**		22,503	-	16,445	-
2XXX	**Total liabilities**		3,898,712	60	5,804,026	70
	Equity attributable to owners of the parent company					
	Capital Stock	VI(XIV)				
3110	Capital stock - common shares		1,488,964	23	1,452,648	18
	Capital Surplus	VI(XV)				
3200	Capital Surplus		837,054	13	837,054	10
	Retained Earnings	VI(XVI)				
3310	Legal reserve		82,593	1	66,161	1
3320	Special reserve		140,416	2	84,408	1
3350	Unappropriated earnings		39,987	1	183,946	2
	Other equity					
3400	Other equity		(20,053)	-	(140,416)	(2)
31XX	**Total equity attributable to owners of parent company**		2,568,961	40	2,483,801	30
36XX	**Non-controlling Interests**		(4,586)	-	(4,685)	-
3XXX	**Total equity**		2,564,375	40	2,479,116	30
	Significant Contingent Liabilities and Unrecognized Contract Commitments	IX				
3X2X	**Total liabilities and equity**		$ 6,463,087	100	$ 8,283,142	100

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee, Hee-Jun　　Managerial Officer: Shin, Dong-Soo　　Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand
(Except earnings per share in NT$)

			2022		2021	
	Item	Note	Amount	%	Amount	%
4000	Operating Revenue	VI(XVII) and VII	$ 23,417,746	100	$ 29,203,713	100
5000	Operating Costs	VI(IV) and VII	(22,781,235)	(97)	(28,244,408)	(97)
5900	Gross profit		636,511	3	959,305	3
	Operating expenses	VI(XIX)(XX) and VII				
6100	Selling and Marketing Expenses		(297,894)	(1)	(400,144)	(1)
6200	General and Administrative Expenses		(216,528)	(1)	(258,197)	(1)
6300	Research and development expenses		-	-	(17,927)	-
6450	Expected credit impairment losses	XII(II)	(85,834)	(1)	(3,771)	-
6000	Total operating expenses		(600,256)	(3)	(680,039)	(2)
6900	Operating gains		36,255	-	279,266	1
	Non-operating income and expenses					
7100	Interest income		5,517	-	1,397	-
7010	Other income		3,096	-	33,195	-
7020	Other gains or losses	VI(XVIII)	125,041	1	(29,718)	-
7050	Finance costs		(164,479)	(1)	(69,070)	(1)
7000	Total non-operating income and expenses		(30,825)	-	(64,196)	(1)
7900	**Net income before tax**		5,430	-	215,070	-
7950	Income tax expenses	VI(XXI)	(4,218)	-	(50,691)	-
8200	**Net profit for the period**		$ 1,212	-	$ 164,379	-
	Other comprehensive income (net)					
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		$ 120,363	1	($ 56,008)	-
8300	**Other comprehensive income (net)**		$ 120,363	1	($ 56,008)	-
8500	**Total comprehensive income (loss) for the period**		$ 121,575	1	$ 108,371	-
	Net income attributable to:					
8610	Owners of the parent company		$ 1,113	-	$ 164,317	-
8620	Non-controlling Interests		99	-	62	-
			$ 1,212	-	$ 164,379	-
	Total comprehensive income attributable to:					
8710	Owners of the parent company		$ 121,476	1	$ 108,309	-
8720	Non-controlling Interests		99	-	62	-
			$ 121,575	1	$ 108,371	-
	Basic earnings per share	VI(XXII)				
9750	Net profit for the period		$ 0.01		$ 1.10	
	Diluted earnings per share	VI(XXII)				
9850	Net profit for the period		$ 0.01		$ 1.09	

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee, Hee-Jun　　Managerial Officer: Shin, Dong-Soo　　Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

		Equity attributable to owners of the parent company											
			Capital Surplus				Retained Earnings			Other equity			
	Note	Capital stock - common shares	Capital surplus - share premium	Capital surplus - treasury share transactions	Capital surplus - recognized value of changes in equity of ownership of subsidiaries	Capital surplus - others	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Total	Non-controlling Interests	Total Equity
2021													
Balance as of January 1, 2021		$ 1,424,165	$ 744,222	$ 60,466	$ 32,129	$ -	$ 56,053	$ 52,594	$ 118,517	($ 84,408)	$ 2,403,738	($ 4,747)	$ 2,398,991
Consolidated net profit in 2021		-	-	-	-	-	-	-	164,317	-	164,317	62	164,379
Other comprehensive income in 2021		-	-	-	-	-	-	-	-	(56,008)	(56,008)	-	(56,008)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	164,317	(56,008)	108,309	62	108,371
Appropriation and distribution of earnings in 2020:	VI(XVI)												
Legal reserve		-	-	-	-	-	10,108	-	(10,108)	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	31,814	(31,814)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(28,483)	-	(28,483)	-	(28,483)
Stock dividends	VI(XIV)	28,483	-	-	-	-	-	-	(28,483)	-	-	-	-
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	-	-	-	237	-	-	-	-	237	-	237
Balance as of December 31, 2021		$ 1,452,648	$ 744,222	$ 60,466	$ 32,129	$ 237	$ 66,161	$ 84,408	$ 183,946	($ 140,416)	$ 2,483,801	($ 4,685)	$ 2,479,116
2022													
Balance as of January 1, 2022		$ 1,452,648	$ 744,222	$ 60,466	$ 32,129	$ 237	$ 66,161	$ 84,408	$ 183,946	($ 140,416)	$ 2,483,801	($ 4,685)	$ 2,479,116
Consolidated net profit in 2022		-	-	-	-	-	-	-	1,113	-	1,113	99	1,212
Other comprehensive income in 2022		-	-	-	-	-	-	-	-	120,363	120,363	-	120,363
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	1,113	120,363	121,476	99	121,575
Appropriation and distribution of earnings in 2021:	VI(XVI)												
Legal reserve		-	-	-	-	-	16,432	-	(16,432)	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	56,008	(56,008)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(36,316)	-	(36,316)	-	(36,316)
Stock dividends	VI(XIV)	36,316	-	-	-	-	-	-	(36,316)	-	-	-	-
Balance as of December 31, 2022		$ 1,488,964	$ 744,222	$ 60,466	$ 32,129	$ 237	$ 82,593	$ 140,416	$ 39,987	($ 20,053)	$ 2,568,961	($ 4,586)	$ 2,564,375

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee, Hee-Jun

Managerial Officer: Shin, Dong-Soo

Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

	Note	From January 1 to December 31, 2022	From January 1 to December 31, 2021
Cash flows from operating activities			
Net profit before tax of the period		$ 5,430	$ 215,070
Adjustment item			
Incomes, expenses and losses that do not affect cash flow			
Depreciation expenses (including right-of-use assets)	VI(VIII)(IX)(XIX)	20,585	21,225
Amortization expenses	VI(X)(XIX)	7,363	6,065
Net loss (gain) on financial assets at fair value through profit or loss	VI(XVIII)	(5,234)	3,942
Expected credit impairment losses	XII(II)	85,834	3,771
Interest expenses		164,479	69,070
Interest income		(5,517)	(1,397)
Losses on disposal of property, plant, and equipment	VI(XVIII)	47	410
Income from disposal of assets	VI(XVIII)	-	(1,032)
Gains on lease modifications	VI(IX)(XVIII)	(7)	-
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Accounts receivable		1,644,809	(956,920)
Accounts receivable - related parties		(427,046)	(164,984)
Other receivables		(43,982)	(18,385)
Other receivables - related parties		192	7,415
Inventories		527,386	(823,922)
Prepayments		51,491	253,825
Other Current Assets		311,514	(458,987)
Other non-current assets		(5,559)	(2,124)
Net change in liabilities related to operating activities			
Contract liabilities - current		(435,648)	454,395
Accounts Payable		(115,492)	59,116
Accounts payable - related parties		14,240	(10,204)
Other payables		(57,012)	430,778
Other payables - related parties		140	995
Other current liabilities		(48,261)	48,977
Other non-current liabilities		4,252	(282)
Cash inflow (outflow) generated from operations		1,694,004	(863,183)
Interest received		5,216	1,394
Interest paid		(157,111)	(68,412)
Income tax paid		(16,921)	(41,062)
Net cash inflow (outflow) generated from operating activities		1,525,188	(971,263)

(Continued on the next page)

CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

	Note	From January 1 to December 31, 2022	From January 1 to December 31, 2021
Cash flows from investing activities			
Acquisition of property, plant, and equipment	VI(XXIII)	($ 49,332)	($ 27,127)
Proceeds from disposal of property, plant, and equipment		-	386
Acquisition of intangible assets	VI(X)	(8,054)	(3,524)
Decrease (increase) in refundable deposits		(4,037)	1,760
Acquisition of financial assets at fair value through profit or loss - non-current		(610)	-
Disposal of financial assets at fair value through profit or loss - current		5,456	-
Increase in financial assets at amortized cost		(70,501)	(38,888)
Decrease in other receivables - related parties		-	31,328
Price of asset disposal		-	15,631
Acquisition of other non-current assets		(12,916)	-
Net cash flows used in investing activities		(139,994)	(20,434)
Cash flows from financing activities			
Increase (decrease) in short-term loans	VI(XXIV)	(1,366.323)	899,478
Increase (decrease) in short-term notes and bills payable	VI(XXIV)	(60,000)	100,000
Repayment of the principal portion of leases	VI(XXIV)	(14,151)	(15,540)
Decrease in guarantee deposits received		-	(6,265)
Cash dividends paid	VI(XVI)	(36,316)	(28,483)
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	237
Net cash (outflows) inflows from financing activities		(1,476,790)	949,427
Effect of exchange rate changes		290,488	(130,250)
Increase (decrease) in cash and cash equivalents for the current period		198,892	(172,520)
Beginning balance of cash and cash equivalents	VI(I)	519,580	692,100
Ending balance of cash and cash equivalents	VI(I)	$ 718,472	$ 519,580

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee, Hee-Jun | Managerial Officer: Shin, Dong-Soo | Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand
(Unless Stated Otherwise)

I.Company History

CoAsia Electronics Corp. (hereinafter referred to as the "Corporation") was established in November 1997. The main business activities of the Corporation and its subsidiaries (hereinafter collectively referred to as the "Group") are research, development and design of integrated circuits, international trade, electronic component manufacturing, product design, electronic material wholesale and intellectual property rights, etc. The Corporation's stock has been listed for trading on the Taipei Exchange (TPEx) since July 15, 2004. As of December 31, 2022, the Group has 150 employees.

II.Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The consolidated financial statements were adopted and issued by the Corporation's Board of Directors on February 16, 2023.

III.Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and amended IFRSs as endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2022 as endorsed and issued into effect by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant, and Equipment: Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRSs 2018--2020 Cycle	January 1, 2022

The Group assessed the above standards and interpretations and there is no material impact on the Group's financial condition and financial performance.

(II) The impact of not adopting new and revised IFRSs endosed by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2023 endosed by the FSC:

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

The Group assessed the above standards and interpretations and there is no material impact on the Group's financial condition and financial performance.

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

The following table summarizes the new, amended and revised IFRSs and interpretations published by the IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

The Group assessed the above standards and interpretations and there is no material impact on the Group's financial condition and financial performance.

IV.Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Compliance declaration

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) endorsed and issued into effect by the FSC.

(II) Preparation basis

1. Except for financial assets at fair value through profit or loss, these consolidated financial statements have been prepared at historical cost.
2. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Group's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the consolidated financial statements, please refer to Note V for details.

(III) Basis of consolidation

1. Principles for the preparation of the Consolidated Financial Statements
   (1) The Group includes all subsidiaries as entities for the preparation of consolidated financial statements. Subsidiary means an entity (including structured entity) that is controlled by the Group when the Group is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity. Subsidiaries can be included in the consolidated financial statements from the date the Group gains control, and the consolidation shall be terminated on the date of loss of control.
   (2) Intra-corporation transactions, balances and unrealized gains or losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Group.
   (3) Gains or losses and each component of other comprehensive income are attributed to the owners of the parent company and the non-controlling interests; the total comprehensive income is also attributed to the owners of the parent company and the non-controlling interests, even if it results in a loss balance of the non-controlling interests.
   (4) Changes in shareholdings in subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, that is, transactions with owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
   (5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and regarded as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in an

affiliate or joint venture. The difference between the fair value and the carrying amount is recognized as the gains or losses of the current period. All amounts previously recognized in other comprehensive income relating to the subsidiary are accounted for on the same basis as if the Group had directly disposed of the relevant assets or liabilities. In other words, if a profit or loss previously recognized as other comprehensive income will be reclassified as gain or loss in the disposal of related assets or liabilities, such profit or loss will be reclassified as gain or loss from equity in the event of loss of control over the subsidiary.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of Equity Held December 31, 2022	Percentage of Equity Held December 31, 2021	Description
The Corporation	CoAsia International Corp. (CoAsia)	Professional investment company	100	100	
The Corporation	CoAsia Technology Co., Ltd. (CoAsia Technology)	International trade and entrepot trade	-	-	Note 1
The Corporation	CoAsia Korea Co., Ltd. (CoAsia Korea)	Manufacturing and sales of semiconductor peripheral products and development of software and hardware technologies, etc.	100	100	
The Corporation	Studybank Co., Ltd. (Studybank)	Electronic devices, data processing business, online learning courses, etc.	89	89	
The Corporation	CoAsia Electronics Corp. (Singapore) Pte. Ltd. (CoAsia Singapore)	International trade and entrepot trade	100	100	
The Corporation	CoAsia Electronics (US) Corp. (CoAsia US)	International trade and entrepot trade	100	100	Note 2
CoAsia	CoAsia Electronics Corp. (Hong Kong) Limited (CoAsia Hong Kong)	Wholesaling, designing and manufacturing of electronic components	100	100	
CoAsia Hong Kong	CoAsia Electronics Corp. (Shanghai) Limited (CoAsia Shanghai)	International trade, entreport trade, and commercial simple processing in the bonded area	100	100	

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of Equity Held December 31, 2022	Percentage of Equity Held December 31, 2021	Description
CoAsia Hong Kong	CoAsia Electronics Corporation (Shenzhen) Limited (CoAsia Shenzhen)	International trade and entrepot trade	100	100	Note 1
CoAsia Technology	CoAsia Shenzhen	International trade and entrepot trade	-	-	Note 1
Studybank	Taiwan Interactive Education Co., Ltd. (Taiwan Interactive)	Academic tutoring, afterschool teaching, other sound recording and music publishing	-	100	Note 3
CoAsia Singapore	CoAsia Electronics Corp. LLP (CoAsia India)	International trade and entrepot trade	100	100	

Note 1: On May 31, 2021, the Corporation donated 100% equity of CoAsia Technology, a subsidiary directly held by the Corporation with 100% shares, to CoAsia Hong Kong, a subsidiary in which the Corporation indirectly held 100% of the shares, CoAsia Hong Kong and CoAsia Technology merged and took CoAsia Hong Kong as the surviving company. The merger base date was May 31, 2021, and the accounting treatment was carried out according to the reorganization. After the completion of the reorganization, CoAsia Shenzhen became a 100% direct subsidiary of CoAsia Hong Kong.

Note 2: CoAsia US was approved and established on June 16, 2021, and has been incorporated in the preparation of the consolidated financial statements since its establishment.

Note 3: Taiwan Interactive applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatment methods for different accounting periods of subsidiaries: None.
5. Significant restrictions: None.
6. Subsidiaries with non-controlling interests in the Group: None.

(IV) Foreign currency conversion

Items included in the financial statements of each entity within the Group are measured in the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The Consolidated Financial Statements are presented in the New Taiwan dollar, the

Corporation's functional currency.

1. Foreign currency transactions and balances

   (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and translation differences arising from the translation of such transactions are recognized as current profit and loss.

   (2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation differences arising from the adjustment shall be recognized as current profit and loss.

   (3) The balance of non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value through profit or loss, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized as the current profit and loss; for those measured at fair value through other comprehensive income, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized in other comprehensive income; those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

   (4) All exchange gains or losses are reported under "Other gains or losses" of the consolidated income statement.

2. Translation of foreign operating entities

   (1) For all entities and affiliates of the Group whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:

      A Assets and liabilities presented on each balance sheet are translated at the closing exchange rate on that balance sheet date;

      B. The gains or losses presented in each consolidated statement of gains or losses are translated at the average exchange rate for the period; and

      C. All exchange differences arising from translation are recognized in other comprehensive income.

   (2) When a foreign operating entity that is partially disposed of or sold is an affiliate, the exchange difference under other comprehensive income will be reclassified as the current profit and loss proportionally as part of the gains or losses on sale. However, if the Group still retains part of the equity in the former affiliate, but has lost its significant influence on the foreign operating entity that is an affiliate, it shall dispose of all the equity in such foreign operating entity.

   (3) When a foreign operating entity partially disposed or sold is a subsidiary, the

accumulated exchange differences recognized as other comprehensive income shall be re-attributed to the non-controlling interests of the foreign operating entity on a pro rata basis. However, if the Group still retains part of the equity in the former subsidiary, but has lost its control over the foreign operating entity that is a subsidiary, it shall dispose of all the equity in such foreign operating entity.

(V) Classification criteria for distinguishing current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

(1) Those expected to be realized in the normal operating cycle, or intended to be sold or consumed.
(2) Those held primarily for trading purposes.
(3) Those expected to be realized within 12 months after the balance sheet date.
(4) Cash or a cash equivalents, unless the assets are restricted from being exchanged or used to pay off liabilities at least 12 months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Those expected to be paid off in the normal operating cycle;
(2) Those held primarily for trading purposes.
(3) Those expected to be paid off within 12 months after the balance sheet date.
(4) Those of which the settlement term cannot be deferred unconditionally to at least 12 months after the balance sheet date. The terms of a liability which may result in the settlement of an equity instrument at the option of the counterparty will not affect its classification.

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

(VI) Cash Equivalents

Cash equivalents refer to short-term investments with highly liquidity that can be converted into quota cash at any time with little risk of change in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(VII) Financial Assets at Fair Value through Profit or Loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Group uses trade-date accounting for financial assets at fair value through profit or loss in customary transactions.
3. The Group measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized as profit and loss, and subsequently measured at fair value, with

its benefits or losses recognized as profit and loss.

4. The Group recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of dividends can be measured reliably.

(VIII) Financial Assets at Amortized Cost

1. Refer to those which meet the following conditions at the same time:
   (1) The financial asset is held under an operating model for the purpose to collect contract cash flows.
   (2) The cash flow generated by the terms of the contract of the financial asset on a specified date is solely for the payment of principal and interest on the principal amount outstanding.
2. The Group uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(IX) Accounts Receivable

1. Refer to the account with the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts receivable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(X) Impairment of Financial Assets

With respect to financial assets at fair value through profit or loss whose credit risk has not increased significantly since the original recognition, the Group measures the allowance loss at the 12-month expected credit loss amount on each balance sheet date after considering all reasonable and corroborative information (including forward-looking ones); for those whose credit risk has increased significantly since the original recognition, the Group measures the allowance loss at the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured at the expected credit loss amount during the duration.

(XI) Derecognition of Financial Assets

The Group will derecognize financial assets when one of the following conditions is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive cash flows from a financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

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

(XII) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost carry-forward is calculated using the weighted average method. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the normal course of business deducting the estimated cost to be invested until completion and estimated cost of completion of sale.

(XIII) Investments Accounted for Using the Equity Method - Affiliates

1. Affiliates refer to all entities over which the Group has significant influence but without control, generally holding more than 20% of their voting shares directly or indirectly. The Group's investment in affiliates is treated by equity method and is recognized according to cost at the time of acquisition.
2. The Group recognizes the share of profit and loss of the affiliates after acquisition as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. If the Group's share of loss to any affiliate equals or exceeds its equity in that affiliate (including any other unsecured receivables), the Group does not recognize further losses unless the Group has a statutory obligation, a constructive obligation or has made payments on behalf of the affiliate.
3. When there is a change in the equity of an affiliate that is not profit or loss or other comprehensive income, which does not affect the shareholding ratio in the affiliate, the Group recognizes the change in equity attributable to the Group's share in the affiliate as "capital surplus" according to the shareholding ratio.
4. Unrealized gains or losses arising from transactions between the Group and its affiliates are eliminated in proportion to its equity in the affiliates; unrealized losses are also eliminated unless evidence shows that the assets transferred by the transaction have been impaired. The accounting policies of affiliates have been adjusted as necessary to be consistent with those adopted by the Group.

(XIV) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow into the Group and the cost of the item can be measured reliably. The carrying amount

of the replacement part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated useful life except for land. The depreciation of each component of property, plant and equipment is provided separately if it is significant.

4. The Group reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, it shall be treated in accordance with the provisions of IAS 8 "Changes in Accounting Policies, Estimates and Errors" for changes in accounting estimates since the date of the change. The useful life of each major asset are as follows:

Housing and Construction	50 years
Computer and Communication Equipment	3-9 years
Office Equipment	2-12 years
Testing Equipment	3-10 years
Other Equipment	2-5 years

(XV) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense by the straight-line method during the lease term,

2. With respect to lease liabilities, the outstanding lease payments shall be recognized on the commencement date of the lease at the present value after discounting at the interest rate of the Group's incremental loan. The lease payments include fixed payments minus any lease inducements that may be collected.

   The lease liabilities shall be measured by the interest method and the amortized cost method subsequently, and the provision for interest expense shall be made during the lease term. The lease liabilities will be reassessed and the remeasurement amount will be adjusted to right-of-use asset when there is a change in the lease term or lease payments due to non-contractual modification.

3. Right-of-use assets are recognized at costs on the lease commencement date. Costs include:

   (1) The initial measurement amount of the lease liability.

(2) Any lease payments paid on or before the commencement date.

The costs are subsequently measured by cost model. The depreciation provision for right-of-use assets shall be made on at the end of the useful life of the assets or the end of the lease term, whichever is earlier. When the lease liability is reassessed, the right-of-use assets will be adjusted to any remeasurement of the lease liability.

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

(XVI) Intangible Assets

1. Computer software

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 3 to 8 years.

2. Other intangible assets

(1) The other intangible assets of Studybank belong to the online teaching courses of broadcast programs, which are accounted for on the basis of the original acquisition cost, and are rerecognized as the cost with an amortization over 4-8 years based on the contracted broadcast years on the basis of individual courses.

(2) Other intangible assets of CoAsia Hong Kong are mainly product sales royalties, which are amortized on a straight-line basis with an amortization period of 10 years.

(3) Taiwan Interactive's other intangible assets are the authorization of electronic file of course handouts, which are accounted for on the basis of the original acquisition cost, amortized on a straight-line basis for 10 years based on individual courses according to the contract.

3. Goodwill

Goodwill arises from business mergers and acquisitions.

(XVII) Impairment of Non-Financial Assets

1. The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date, and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its use value, whichever is higher. Except for goodwill, when there is no or decrease in recognized asset impairment in previous years, the impairment loss shall be reversed, but the increase in the carrying amount of the asset due to reversal of impairment loss shall not exceed the carrying amount of such asset after deduction of depreciation or amortization if the impairment loss is not recognized.

2. For goodwill and intangible assets with indefinite useful lives, their recoverable amounts

are regularly estimated. When the recoverable amount is lower than its book value, impairment loss is recognized. Impairment loss for goodwill shall not be reversed in subsequent years.

3. Goodwill is allocated to the cash-generating unit for the purpose of impairment testing. This allocation is based on the allocation of goodwill to cash generating units or groups of cash generating units that are expected to benefit from the merger of the business generating goodwill, as identified by the operating unit.

(XVIII) Loans

Short-term loans from banks. They are measured by the Group at their fair value less transaction costs at the time of initial recognition, and with respect to any difference between the price after deducting transaction costs and the redemption value, the interest expenses are subsequently recognized as profit or loss during the circulation period by the effective interest method according to the amortization procedures.

(XIX) Accounts Payable

1. The debts incurred for purchasing raw materials, commodities or services on credit.
2. Short-term accounts payable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(XX) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are fulfilled, canceled or expired.

(XXI) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities may be offset against each other and expressed as net in the balance sheet only when there is a legally enforceable right to offset the recognized amount of financial assets and liabilities and there is an intention to settle the assets on a net basis or to realize both assets and liabilities simultaneously.

(XXII) Financial Guarantee Contract

A financial guarantee contract entered into by the Corporation refers to a contract whereby the Group is obliged to make a specific payment to cover the loss incurred by the holder of the debt if the specific debtor is unable to repay the debt at maturity in accordance with the terms of the original or modified debt instrument. It is measured at the fair value on the trading day adjusted for transaction cost at the time of the original recognition, and subsequently measured at the higher of the best estimate of the expenditure required to pay off the current obligations at the balance sheet date and the amount of the original recognition.

(XXIII) 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 services are rendered.

2. Pensions

   Defined contribution plans

   The Corporation, Studybank, Taiwan Interactive, CoAsia Singapore and CoAsia Korea recognize the amount of the retirement fund to be contributed as the current pension cost on an accrual basis for he defined contribution plan. Advance contribution is recognized as asset to the extent of refundable cash or reduced future payments.

   In accordance with the Mandatory Provident Fund Ordinance, CoAsia Hong Kong implements a defined contribution mandatory provident fund retirement benefit scheme (MPF Scheme) for eligible employees of CoAsia Hong Kong. The assets of the MPF Scheme are separate from those of the Group and are independently managed by the trustee.

   The representative offices and branches of CoAsia Hong Kong in mainland China, CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen adopt a defined pension contribution system, that is, contribute the pension benefits on a monthly basis according to the regulations of the local government, and account for in the fees of the period.

   CoAsia India provides pension costs according to the insurance system stipulated by the local government.

3. Termination benefits

   Termination benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept the Corporation's offer of benefits in exchange for termination of employment. The Group recognizes expenses when the offer of termination benefits can no longer be withdrawn or when the associated restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date shall be discounted.

4. Remunerations of employees and directors

   Remunerations of employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

(XXIV) Income Tax

1. Income tax expense includes current and deferred income taxes. Income tax shall be recognized in profit and loss, except that income tax related to items included in other comprehensive income or directly included in equity shall be separately included in other comprehensive income or directly included in equity.
2. The Group calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its taxable income. Management periodically evaluates the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the taxes expected to be paid to tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until the year next to the year in which the surplus is generated after the shareholders' meeting has approved the distribution of surplus.
3. Deferred income tax is recognized using the balance sheet method at temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business combination) that does not affect accounting profit or taxable income (taxable loss) at the time of transaction. Temporary differences arising from investments in subsidiaries where the Group can control the timing of the reversal of the temporary differences are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is subject to the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is paid off.
4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. The current income tax assets and current income tax liabilities can be offset only when there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities, and there is an intention to realize the assets and pay off the liabilities on a net basis; Only when the current income tax assets and current income tax liabilities can be offset against each other by a statutory enforcement right, and the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but each entity intends to pay off the liabilities on a net basis or simultaneously realize the assets and pay off the liabilities, can the deferred income tax assets and liabilities be offset against each other.

(XXV) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized by the net of income tax as a deduction in equity.

(XXVI) Dividend Distribution

Dividends distributed to shareholders of the Corporation are recognized in the financial statements when the Corporation's shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, while stock dividends are recognized as undistributed stock dividends and are rerecognized as ordinary shares on the base date of issuance.

(XXVII) Revenue Recognition

1. The Group is mainly engaged in the wholesale of electronic components related to mobile communications. Its sales revenue is recognized when the control of product is transferred to customer, that is, when the product is delivered to the customer, the customer has the discretion on the product sales channel and the price, and the Group has no outstanding performance obligations that may affect the customer's acceptance of the product. Product delivery occurs only when the product has been shipped to the designated location, the risk of obsolescence and loss has passed to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.
2. Revenue from the sale of electronic components is recognized at the contract price net of estimated sales tax, returns of sales, quantity discounts and allowances. Quantity discounts and sales discounts given to customers are estimated by the Group based on historical experience and relevant agreements with customers. The revenue shall be recognized to the extend that there will be no highly probable significant reversal in the future, and the estimate is updated on each balance sheet date. Estimated discounts payable to customers in relation to sales up to the balance sheet date are recognized as a refund liability (listed as other payables in the statements).
3. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on, and it only takes time to receive the consideration from the customer.

(XXVIII) Operating Divisions

Information on the Group's operating divisions is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to operating departments and evaluating their performance, and the chief operating decision maker of the Group is identified as the Board of Directors.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

In preparing the consolidated financial statements of the Group, the management has used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted by taking into account historical experience and other factors. Such estimates and assumptions carry risks that will result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following explanations on the uncertainty of significant accounting judgments, estimates and assumptions:

(I) Important Judgments on Accounting Policies

Recognition of gross or net incomes

Based on the transaction type and its economic substance, the Group determines that the nature of its commitment to customers is its own performance obligation to provide specific goods (i.e., the Group as the principal), or it is a performance obligation to arrange for the supply of such goods for another party (i.e., the Group as the agent). When the Group controls specific goods before it transfers it to a customer, the Group is the principal and revenue is recognized for the total consideration to which it is expected to be entitled from transfer the specific goods. If the Group does not have control over the specific goods prior to their transfer to the customer, the Group is the agent, making arrangements for the other party to supply the specific goods to the customer, and any charges or commissions for the arrangement to which the Group is entitled to are recognized as income.

The Group controls specific goods prior to its transfer to the customer based on the following criteria:

(1) Assume primary responsibility for fulfilling commitments to provide specific goods.

(2) Bear the inventory risk before the specific goods are transferred to the customer or after the transfer of control.

(3) Has the discretion to set prices for specific goods.

(II) Significant Accounting Estimates and Assumptions

1. Inventory evaluation

Since inventories are to be valued at the lower of cost and net realizable value, the Group must use judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid changes in technology, the Group assesses the amount of inventories at the balance sheet date due to normal wear and tear, obsolescence or no market value, and writes down the cost of inventories to net realizable value. Such inventory evaluation is made primarily based on product demand for specific periods in the future and is therefore subject to material change.

The carrying amount of the Group's inventory on December 31, 2022 was $1,738,020.

2. Impairment loss estimates of accounts receivable

The amount of impairment loss is the expected credit impairment loss evaluated after considering various indicators such as forward-looking information. If the indicators such as forward-looking information slow down or decline in the future, there may be significant impairment losses.

The carrying amount of the Group's accounts receivable on December 31, 2022 was $2,768,075.

VI. Details of Significant Accounts

(I) Cash and Cash Equivalents

	December 31, 2022	December 31, 2021
Cash on Hand and Petty Cash	$ 1,253	$ 1,140
Demand Deposits	1,205,779	942,138
Time Deposits	56,275	50,636
	1,263,307	993,914
Rerecognized Financial Assets at Amortized Cost	(544,835)	(474,334)
	$ 718,472	$ 519,580

1. The financial institutions with which the Group is engaged with are of good credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
2. As of December 31, 2022 and 2021, part of time deposits (with annual interest rates of 2.75%~3.00% and 0.05%~0.10%, respectively) and demand deposits of the Group, which are provided as guarantee margin for short-term borrowing facilities, had been rerecognized to financial assets measured at amortized cost according to their nature.
3. Please refer to Note VIII for the details of the cash and cash equivalents provided by the Group as pledge guarantee.

(II) Accounts Receivable

	December 31, 2022	December 31, 2021
Accounts Receivable	$ 2,216,458	$ 3,890,282
Less: Loss allowances	(3,155)	(30,911)
	$ 2,213,303	$ 3,859,371

1. Please refer to Note XII(II) for the aging analysis of the Group's accounts receivable and related credit risk information.
2. The balances of accounts receivable as of December 31, 2022 and 2021 all arose from customer contracts, and the balances of notes receivable from customer contracts as of January 1, 2021 was $2,933,362.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets derecognized as a whole

The Group has signed accounts receivable factoring contracts with domestic financial institutions. According to the contracts, the Group does not have to bear the risk that the transferred accounts receivable cannot be recovered, but only needs to bear the losses caused by commercial disputes. In addition, the Group has not engaged in such transferred receivables in any way, so the Group derecognizes such accounts receivable factored. The relevant information about them not yet due is as follows:

	December 31, 2022	December 31, 2021
Factored accounts receivable (derecognized amount)	$ 357,684	$ 142,498
Advanced price	$ 296,488	$ 113,998
Unadvanced price (presented as "Other receivables")	$ 61,196	$ 28,500

(1) The financial institutions with which the Group is engaged with are of good credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low. In addition, the eligible receivables factored by the Group have been rerecognized as other receivables.
(2) As of December 31, 2022 and 2021, the amounts of accounts receivable factoring contracts signed by the Group with banks were $4,237,980 and $3,321,600, respectively.
(3) As of December 31, 2022 and 2021, the Corporation and the Chairman had issued promissory notes of $4,023,010 and $3,321,600 respectively as agreed with banks as a guarantee against failure to perform the contracts due to commercial disputes.

2. Transferred financial assets not derecognized as a whole

(1) The Group has signed accounts receivable factoring contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, the Group does not derecognize the accounts receivable factored as a whole. The relevant advance payments are recognized under short-term borrowings.

(2) As of December 31, 2022 and 2021, the Group continued to recognize the related information and fair value of the transferred factored accounts receivable as follows, and within the scope of the Group's continued participation, the total carrying amount of the transferred factored receivables recognized as original assets before transfer (i.e., the carrying amount of the continuously recognized assets) and the carrying amount of related liabilities are the same as the fair value of the factored accounts receivable and the fair value of the advanced price.

	December 31, 2022	December 31, 2021
Carrying amount of factored accounts receivable (i.e. fair value)	$ 430,935	$ 529,508
Carrying value of advanced price (i.e. fair value)	(355,223)	(476,528)
Net position	$ 75,712	$ 52,980

3. As of December 31, 2022 and 2021, the accounts receivable of $573,091 and $257,633 for which the Group had entered into contracts and is expected to factor in the future are financial assets measured at fair value through other comprehensive income (presented under accounts receivable).

(IV) Inventories

	December 31, 2022	December 31, 2021
Inventory	$ 1,879,425	$ 2,314,033
Allowance for inventory impairment loss	(141,405)	(48,627)
	$ 1,738,020	$ 2,265,406

Cost of inventories recognized by the Group as expense or loss:

	2022	2021
Cost of inventories sold	$ 22,685,877	$ 28,240,954
Loss from slow moving inventories and write-down (recovery benefit) (Note)	85,563	(8,883)
Loss on retirement of inventories	3,361	4,163
Others	6,434	8,174
	$ 22,781,235	$ 28,244,408

Note: In 2021, the net realizable value rebounded due to the inventory depletion, resulting in a recovery benefit.

(V) Financial Assets at Fair Value through Profit or Loss

Item	December 31, 2022	December 31, 2021
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Trust fund beneficiary certificates	$ -	$ 5,000
Assessment adjustment	-	(266)
	$ -	$ 4,734

Item	December 31, 2022	December 31, 2021
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 29,311	$ 40,052
Assessment adjustment	(2,504)	(18,367)
	$ 26,807	$ 21,685

Please refer to Note VI (XVIII) for details of financial assets at fair value through profit or loss recognized in gains or losses.

(VI) Financial Assets at Amortized Cost

Item	December 31, 2022	December 31, 2021
Current:		
Restricted assets - bank deposits	$ 544,835	$ 474,334

1. Please refer to Note XII (II) for detailed information on the credit risk of financial assets measured at amortized cost. The financial institutions with which the Group is engaged with are of good credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
2. Please refer to Note VIII for details of the situation in which the Group had provided financial assets measured at amortized cost as pledged guarantee.

(VII) Other Current Assets

Item	December 31, 2022		December 31, 2021	
Assets not attributable to the owner (Note)	$	148,067	$	460,711
Others		1,215		85
	$	149,282	$	460,796

Note: In the purchase transaction model between the Group and some suppliers, it is determined to be an agent, mainly because the Group only holds these assets for a short time before the transfer of specific goods to customers, and does not bear the inventory risk of these goods, and is not entitled to such goods. Therefore, the Group has no control over these goods, which are therefore accounted for under other current assets until the goods are transferred to customers.

(Blank below)

(VIII) Property, Plant, and Equipment

	2022						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Costs	$ 52,744	$ 99,026	$ 4,656	$ 6,903	$ 2,349	$ 28,724	$ 194,402
Accumulated depreciation	-	(27,021)	(4,115)	(2,354)	(2,341)	(6,536)	(42,367)
	$ 52,744	$ 72,005	$ 541	$ 4,549	$ 8	$ 22,188	$ 152,035
January 1	$ 52,744	$ 72,005	$ 541	$ 4,549	$ 8	$ 22,188	$ 152,035
Addition	34,946	4,305	238	619	-	8,994	49,102
Net disposal	-	-	-	-	-	(47)	(47)
Depreciation expenses	-	(2,011)	(201)	(852)	(8)	(3,623)	(6,695)
Net exchange differences	-	-	(62)	18	-	92	48
December 31	$ 87,690	$ 74,299	$ 516	$ 4,334	$ -	$ 27,604	$ 194,443
December 31							
Costs	$ 87,690	$ 103,331	$ 3,463	$ 7,589	$ 2,349	$ 37,439	$ 241,861
Accumulated depreciation	-	(29,032)	(2,947)	(3,255)	(2,349)	(9,835)	(47,418)
	$ 87,690	$ 74,299	$ 516	$ 4,334	$ -	$ 27,604	$ 194,443

	2021						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Costs	$ 52,744	$ 99,026	$ 7,639	$ 7,675	$ 2,384	$ 14,070	$ 183,538
Accumulated depreciation	-	(25,080)	(7,180)	(6,146)	(2,359)	(12,028)	(52,793)
	$ 52,744	$ 73,946	$ 459	$ 1,529	$ 25	$ 2,042	$ 130,745
January 1	$ 52,744	$ 73,946	$ 459	$ 1,529	$ 25	$ 2,042	$ 130,745
Addition	-	-	228	4,340	-	22,789	27,357
Net disposal	-	-	-	(538)	-	(258)	(796)
Depreciation expenses	-	(1,941)	(146)	(697)	(17)	(2,250)	(5,051)
Net exchange differences	-	-	-	(85)	-	(135)	(220)
December 31	$ 52,744	$ 72,005	$ 541	$ 4,549	$ 8	$ 22,188	$ 152,035
December 31							
Costs	$ 52,744	$ 99,026	$ 4,656	$ 6,903	$ 2,349	$ 28,724	$ 194,402
Accumulated depreciation	-	(27,021)	(4,115)	(2,354)	(2,341)	(6,536)	(42,367)
	$ 52,744	$ 72,005	$ 541	$ 4,549	$ 8	$ 22,188	$ 152,035

1. The significant components of the property, plant and equipment of the Group and their useful lives are as follows:

Item	Significant components	Useful life
Housing and Construction	Office	50 years
Computer and Communication Equipment	Computer Equipment	3-9 years
Office Equipment	Equipment for Conference, Office and Access Control Systems	2-12 years
Testing Equipment	Analyzer, oscilloscope and test fixtures	3-10 years
Other Equipment	Leasehold improvements	2-5 years

2. Please refer to Note VIII for information on guarantees provided with property, plant and equipment.

(IX) Lease Transactions - Lessee

1. The underlying assets leased by the Group include buildings and official vehicles, etc. The terms of the lease contracts usually range from 1 to 5 years. The lease contracts are negotiated individually and contain different terms and conditions, and no other restrictions are imposed except that the leased assets shall not be used as loan guarantees.
2. The lease terms of some dormitories, warehouses and official vehicles leased by the Group do not exceed 12 months.
3. The information on the carrying value of the right-of-use assets and the recognized depreciation expenses is as follows:

	December 31, 2022 Carrying amount	December 31, 2021 Carrying amount
Buildings	$ 3,923	$ 12,518
Transportation Equipment (Official Vehicle)	9,603	7,329
Production Equipment (Photocopier)	304	417
	$ 13,830	$ 20,264

	2022 Depreciation expenses	2021 Depreciation expenses
Buildings	$ 8,902	$ 11,934
Transportation Equipment (Official Vehicle)	4,874	4,074
Production Equipment (Photocopier)	114	166
	$ 13,890	$ 16,174

4. The increases in the Group's right-of-use assets in 2022 and 2021 were $7,984 and $20,149, respectively.
5. Information on the items of gains or losses related to the lease contracts is as follows:

	2022	2021
Items affecting profit or loss for the period		
Interest expense on lease liabilities	$ 195	$ 383
Expense relating to short-term leases	11,214	3,335
Expense relating to leases of low-value assets	1,194	736
Expense relating to variable lease payment	19,087	13,844
Gains on lease modifications	7	-

6. The Group's total lease cash outflows in 2022 and 2021 were $45,841 and $33,838, respectively.
7. Impacts of variable lease payments on lease liabilities

   The subject matters of the Group's lease contracts with variable lease payment terms are linked to the usage of housings and buildings. This type of lease object is based on the variably priced payment terms, and is mainly related to the land use for housings and buildings. The variable lease payments related to changes in land use for housings and buildings are recognized as an expense in the period in which these related payment terms are triggered.
8. Option to extend lease

   (1) The Group's lease agreements for housing and construction, including an option for the Group to exercise for extension, which are entered into in the lease contracts to enhance the flexible management of the Group's operations.

   (2) In determining the lease term, the Group takes into account all facts and circumstances that would give rise to economic incentives to exercise the extension option or not exercise the termination option. The lease term is re-estimated when a significant event occurs that assesses the exercise of the extension option or the non-exercise of the termination option.

(X) Intangible Assets

	2022		
	Computer Software	Others	Total
January 1			
Costs	$ 48,237	$ 5,081	$ 53,318
Accumulated amortization	(22,255)	(86)	(22,341)
	$ 25,982	$ 4,995	$ 30,977
January 1	$ 25,982	$ 4,995	$ 30,977
Addition - from separate acquisition	8,054	-	8,054
Amortization expenses	(7,259)	(104)	(7,363)
Net exchange differences	17	22	39
December 31	$ 26,794	$ 4,913	$ 31,707
December 31			
Costs	$ 56,341	$ 5,102	$ 61,443
Accumulated amortization	(29,547)	(189)	(29,736)
	$ 26,794	$ 4,913	$ 31,707

	2021				
	Computer Software	Royalties	Goodwill	Others	Total
January 1					
Costs	$ 40,753	$ 91,239	$ 46,288	$ 64,321	$ 242,601
Accumulated amortization	(12,016)	(76,383)	-	(46,466)	(134,865)
Accumulated impairment	-	(14,856)	(46,288)	(13,055)	(74,199)
	$ 28,737	$ -	$ -	$ 4,800	$ 33,537
January 1	$ 28,737	$ -	$ -	$ 4,800	$ 33,537
Addition - from separate acquisition	3,234	-	-	290	3,524
Amortization expenses	(5,979)	-	-	(86)	(6,065)
Net exchange differences	(10)	-	-	(9)	(19)
December 31	$ 25,982	$ -	$ -	$ 4,995	$ 30,977
December 31					
Costs	$ 48,237	$ -	$ -	$ 5,081	$ 53,318
Accumulated amortization	(22,255)	-	-	(86)	(22,341)
	$ 25,982	$ -	$ -	$ 4,995	$ 30,977

1. The details of amortization of intangible assets are as follows:

	2022	2021
Selling and Marketing Expenses	$ 3,386	$ 3,198
General and Administrative Expenses	3,977	2,867
	$ 7,363	$ 6,065

2. Intangible assets - royalties

CoAsia Hong Kong signed a customer acceptance and service contract with the agent Heluyuan Electronics (Hong Kong) Co., Ltd. (Heluyuan) in May 2012, which provided that CoAsia Hong Kong should inherit the product sales right of some customers from Heluyuan for a royalty of US$3,000 thousand, and the amortization period of the relevant royalty is 10 years.

3. Intangible assets - others

(1) The online teaching courses acquired by Studybank from Midas Dreams Co., Ltd. are amortized over the contracted broadcasting period of 8 years on an individual course basis with cost rerecognized.

(2) Taiwan Interactive's other intangible assets are the authorization of electronic file of course handouts, which are accounted for on the basis of the original acquisition cost, amortized on a straight-line basis for 10 years based on individual courses according to the contract. In addition, Taiwan Interactive has been liquidated on June 24, 2022.

(XI) Short-term Loans

	December 31, 2022	December 31, 2021
Loans for material purchase (Note 1)	$ 1,954,520	$ 3,174,409
Secured loans (Note 2)	640,518	753,328
Working capital loans	411,640	280,000
	$ 3,006,678	$ 4,207,737
Interest rate	1.65%～7.02%	1.13%～2.17%

Note 1: Part of the loan is secured by land and housing.

Note 2: Loans secured by accounts receivable.

1. Please refer to Note III for details of the collaterals provided by the Group as of December 31, 2022 and 2021. In addition, the Corporation's endorsement and guarantee for the subsidiaries as of December 31, 2022 is detailed in the attached Table 2.

2. In March, 2022, the Corporation entered into a three-year syndicated credit agreement with the bank consortium including Taiwan Shin Kong Bank with a total credit line of

$650,000. The credit term is three years starting from the date of first use (March 29, 2022), but the use period is limited to three months. In addition, the Corporation undertakes to maintain the following financial ratios (calculated on the basis of annual and semi-annual consolidated financial statements) during the term of the agreement:

(1) The current ratio shall be maintained above 100% (inclusive);

(2) The financial debt ratio shall not be higher than 180% (the debt ratio refers to the total financial liabilities divided by tangible net worth, which refers to shareholders' equity less intangible assets);

(3) The interest coverage ratio shall be maintained at 1.5 times (inclusive) or above, which refers to the aggregate of pre-tax net profit plus interest expense, depreciation and amortization expense divided by interest expense);

(4) Tangible net worth shall not be less than $2,000,000.

The Corporation calculated its financial ratios in 2022 according to the above provisions, with part of them does not satisfy the provisions. The Corporation will discuss the improvement plan with the bank consortium.

As of December 31, 2022, the Group has issued guaranteed notes amounting to $650,000 against the above syndicated loan, in addition to the collateral described in Note VIII.

(XII) Other Payables

	December 31, 2022	December 31, 2021
Sales discounts and allowances payable	$ 473,309	$ 467,055
Salaries payable	30,143	114,712
Remunerations of employees and directors payable	16,630	23,083
Interest payable	10,905	3,537
Others	38,122	29,534
	$ 569,109	$ 637,921

(XIII) Pensions

1. Since July 1, 2005, the Corporation, Studybank and Taiwan Interactive have formulated a retirement method with defined contributions in accordance with the "Labor Pension Act", which is applicable to employees in Taiwan. Where the Corporation, Studybank or Taiwan Interactive chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Act", the labor pension shall be paid at 6% of the salary to the employee's personal account at the Labor Insurance Bureau.The employee's pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the amount of accumulated income.

2. According to the endowment insurance system stipulated by the government of the People's Republic of China, CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen contribute the pension insurance monthly according to a certain percentage of the total

salary of the local employees at the rate of 15%~16%. The pension of each employee is managed and arranged by the government as a whole. CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen have no further obligations other than monthly contribution.

3. According to the insurance system stipulated by the local government, CoAsia Korea contributes national annuity as a certain percentage of the total salary of the local employees every month at the contribution rate of 9%. The monthly pension of employees is managed and arranged by the government as a whole, and CoAsia Korea has no further obligations other than monthly contribution.
4. CoAsia Hong Kong has a pension scheme with a defined contribution obligation, and pays the MPF monthly as a retirement welfare for eligible employees.
5. According to the insurance system stipulated by the local government, CoAsia Singapore contributes the provident fund based on the total salary of the local employees every month at the rate of 17%. The monthly pension of employees is managed and arranged by the government as a whole, and CoAsia Singapore has no further obligations other than monthly contribution.
6. CoAsia and CoAsia US are not required to set aside pension costs as they have no employees.
7. According to the insurance system stipulated by the local government, CoAsia India does not need to set aside pension cost as it employs less than 10 employees.
8. In 2022 and 2021, the Group's pension costs recognized by the above-mentioned pension method were $21,500 and $17,709 respectively.

(XIV) Capital Stock

On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848 thousand new shares. The capital increase base date was September 28, 2021.

On June 24, 2022, the shareholders' meeting approved the conversion of surplus to capital to issue 3,632 thousand new shares. The capital increase base date was August 23, 2022.

As of December 31, 2022, the authorized and paid-in capital under the Corporation's Articles of Incorporation were $2,000,000 and $1,488,964, respectively, with a par value of NT$10 per share, divided into 148,896 thousand shares, and all the issued shares of the Corporation have been paid up.

(XV) Capital Surplus

In accordance with the provisions of the Company Act, in addition to being used to make up for losses, the surplus from the issuance of shares in excess of the par value and the capital reserves received from them can be issued with new shares or cash in proportion to the shareholders' existing shares when the Corporation has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to increase the capital, the total increased amount shall not exceed 10% of the paid-in capital each year. The Corporation may not supplement its capital reserve unless surplus reserve is insufficient to cover its capital loss.

(XVI) Retained Earnings

1. According to the Corporation's Articles of Incorporation, if there is any pre-tax net profit for the current period before deducting the remunerations of employees and directors, no less than 10% shall be contributed as employee remuneration and no more than 5% as director remuneration; however, if the Corporation still has accumulated losses, it should reserve the amount in advance to make up for them.

   Employee compensation can be paid in stock or in cash. The recipients include employees of controlled or affiliated companies meeting the conditions set by the Board of Directors. Director remuneration can only be paid in cash.

2. If there is a surplus in the annual final accounts of the Corporation, after paying taxes in accordance with the law and making up for previous losses, 10% shall be contributed as statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of the Corporation. The special surplus reserve is contributed or reversed in accordance with the regulations of the competent authority. If there is still surplus and accumulated undistributed surplus at the beginning of the same period, the Board of Directors shall formulate a distribution proposal; when it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and distribution; in the case of cash, it shall be subject to a resolution of the Board of Directors.

3. The Corporation's dividend policy is determined by the Board of Directors based on the Corporation's capital and financial structure, operating conditions, capital budget and changes in internal and external environments. The Corporation is currently in the stage of operating growth, and must use the surplus to meet the needs of operating growth and investment funds. At this stage, a residual dividend policy is adopted. The principles of surplus distribution are as follows: Allocate no less than 20% of the distributable surplus of the year, determine the ratios of stock dividend and cash dividend according to the Corporation's capital needs, provided that the ratio of cash dividend shall not be less than 50%.

4. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Corporation's paid-in capital.

5. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

6.(1) On July 27, 2021, the Corporation passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2020 was as follows:

	2020	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 10,108	
Special reserve	31,814	
Stock dividends	28,483	$ 0.20
Cash dividends	28,483	0.20
	$ 98,888	

(2) On June 24, 2022, the shareholders' meeting of the Corporation passed the resolution to approve the earnings distribution plan. The earnings distribution plan for the year 2021 was as follows:

	2021	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 16,432	
Special reserve	56,008	
Stock dividends	36,316	$ 0.25
Cash dividends	36,316	0.25
	$ 145,072	

7. As of February 16, 2023, the earnings distribution plan for 2022 has not been proposed by the Board of Directors.

(XVII) Operating Revenue

	2022	2021
Net sales revenue	$ 23,417,746	$ 29,202,777
Other operating revenue	-	936
	$ 23,417,746	$ 29,203,713

1. The Group's revenue is derived from goods transferred at a certain point in time, and its main product lines are key components for mobile communication products, wafers and thin film liquid crystal displays.

	2022	2021
Key components for mobile communication products (Mobile)	$ 16,020,662	$ 19,983,520
Wafers (Foundry)	6,211,841	4,507,842
Thin film liquid crystal displays (SDC)	880,002	4,243,455
Others	305,241	468,896
	$ 23,417,746	$ 29,203,713

2. Contract Liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by the Group are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract Liabilities:			
Contract Liabilities - Advance Payment	$ 139,062	$ 555,772	$ 49,518

3. The income recognized from contract liabilities for the current period is as follows:

	2022	2021
Net sales revenue	$ 543,862	$ 46,073

(XVIII) Other gains or losses

	2022	2021
Net foreign exchange gain (loss)	$ 120,457	($ 24,487)
Income from disposal of assets	-	1,032
Gains on lease modifications	7	-
Losses on disposal of property, plant, and equipment	(47)	(410)
Net loss gain (loss) on financial assets at fair value through profit or loss	5,234	(3,942)
Others	(610)	(1,911)
	$ 125,041	($ 29,718)

(XIX) Additional Information on the Nature of Fees

	2022		2021	
Employee Benefits Expenses	$	283,830	$	434,420
Depreciation Expenses for Right-of-use Assets		13,890		16,174
Amortization Expenses for Intangible Assets		7,363		6,065
Depreciation Expenses for Property, Plant, and Equipment		6,695		5,051
	$	311,778	$	461,710

(XX) Employee Benefits Expenses

	2022		2021	
Salary Expenses	$	236,565	$	388,324
Pension Expenses		21,500		17,709
Expenses for Labor and Health Insurance		10,439		10,413
Personnel Service Expenses		15,326		17,974
	$	283,830	$	434,420

1. According to the Corporation's Articles of Incorporation, the Corporation shall contribute no less than 10% as the remuneration of employees and no more than 5% as the remuneration of directors if there is any balance after deducting the accumulated gains or losses according to the profit status of the current year.
2. The estimated amounts of employee remuneration of the Corporation in 2022 and 2021 were $1,869 and $20,797, respectively. The estimated amounts of director remuneration were $187 and 2,286, respectively, and the aforementioned amounts were charged to the remuneration expenses.

   The estimation in 2022 was done according to the profit status as of the year based on the percentage stipulated in the Articles of Incorporation. The remunerations of employees and directors for 2022 as resolved by the Board of Directors were $1,869 and $187 respectively, of which the employee remuneration will be paid in cash.

   The Board of Directors of the Corporation decided on March 8, 2022 to pay the actual remunerations of employees and directors for 2021 in cash at $20,797 and $2,286, respectively, which were consistent with the amounts recognized in the 2021 Financial Statements, of which the employee remuneration will be paid in cash.
3. Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation is available at the Market Observation Post System.

(XXI) Income Tax

1. Income tax expenses

Components of income tax expenses:

	2022	2021
Current Income Tax:		
Income tax incurred in current period	$ 2,712	$ 24,227
Surtax on Unappropriated Earnings	962	110
Prior Years' Income Tax Adjustments	9	12
Total Current Income Tax	3,683	24,349
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	535	26,342
Income tax expenses	$ 4,218	$ 50,691

2. The relationship between income tax expense and accounting profit

	2022	2021
Income Tax Calculated at Statutory Rate	$ 1,088	$ 55,747
Deferred Income Tax Assets Not Recognized for Taxable Losses	6,351	5,549
Impact of Items Not Recognized by Statutory Regulations	44,510	(25,053)
Change in Realizability Assessment of Deferred Income Tax Assets	(13,571)	31,540
Surtax on Unappropriated Earnings	962	110
Prior Years' Income Tax Adjustments	9	12
Income Tax Effect of Loss Carryforwards	(35,131)	(17,214)
Income Tax Expenses	$ 4,218	$ 50,691

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2022			
	January 1	Recognized in profit or loss	Exchange Differences	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized slow moving inventories and write-down	$ 3,259	$ 5,903	$ -	$ 9,162
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,617	(73)	-	2,544
Unrealized Losses on Exchange	12,328	(11,060)		1,268
Loss Carryforwards	13,122	12,221	910	26,253
Others	5,536	(2,410)	-	3,126
	36,862	4,581	910	42,353
- Deferred Income Tax Liabilities:				
Unrealized Gains on Financial Assets, etc.	(497)	(5,116)	-	(5,613)
	$ 36,365	($ 535)	$ 910	$ 36,740

	2021			
	January 1	Recognized in profit or loss	Exchange Differences	December 31
Temporary differences:				
- Deferred Income Tax Assets:				
Unrealized Slow Moving Inventories and Write-down	$ 4,664	($ 1,405)	$ -	$ 3,259
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,690	(73)	-	2,617
Unrealized Losses on Exchange	8,703	3,625		12,328
Loss Carryforwards	43,202	(30,075)	(5)	13,122
Others	4,874	662	-	5,536
	64,133	(27,266)	(5)	36,862
- Deferred Income Tax Liabilities:				
Unrealized Gains on Financial Assets, etc.	(1,421)	924	-	(497)
	$ 62,712	($ 26,342)	($ 5)	$ 36,365

4. The effective periods of the Group's unused tax losses and the relevant amounts of unrecognized deferred tax assets are as follows:

December 31, 2022				
Year	Amount Filed/Authorized	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2013	Amount Authorized	$ 41,176	$ 41,176	2023
2014	Amount Authorized	87,654	87,654	2024
2015	Amount Authorized	81,312	81,312	2025
2016	Amount Authorized	79,617	79,617	2026
2017	Amount Authorized	51,498	51,498	2027
2018	Amount Authorized	341,452	288,535	2028
2019	Amount Authorized	13,274	13,274	2029
2020	Amount Authorized	73,777	59,074	2030
		$ 769,760	$ 702,140	

December 31, 2021				
Year	Amount Filed/Authorized	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2012	Amount Authorized	$ 6,872	$ 6,872	2022
2013	Amount Authorized	41,176	41,176	2023
2014	Amount Authorized	87,654	87,654	2024
2015	Amount Authorized	81,312	81,312	2025
2016	Amount Authorized	79,617	79,617	2026
2017	Amount Authorized	201,637	201,636	2027
2018	Amount Authorized	355,757	288,535	2028
2019	Amount Authorized	13,274	13,274	2029
2020	Amount Filed	73,777	59,074	2030
		$ 941,076	$ 859,150	

5. Deductible temporary differences not recognized as deferred tax assets:

	December 31, 2022	December 31, 2021
Deductible Temporary Difference	$ 191,145	$ 179,609

6. The Corporation's profit-seeking business income tax settlement declaration was audited by the tax authority until 2020.

(XXII) Earnings per Share

1. Basic and diluted earnings per share

	2022		
	After-tax Amount	Number of Outstanding Shares (thousand shares)	Earnings per Share (NT$)
Basic Earnings Per Share			
Profit Attributable to Common Shareholders of the Parent	$ 1,113	148,896	$ 0.01
Diluted Earnings Per Share			
Profit Attributable to Common Shareholders of the Parent	$ 1,113	148,896	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		445	
Profit Attributable to Common Shareholders of the Parent plus Effect of Potential Common Shares	$ 1,113	149,341	$ 0.01

	2021		
	After-tax Amount	Number of Outstanding Shares (thousand shares)	Earnings per Share (NT$)
Basic Earnings per Share			
Profit Attributable to Common Shareholders of the Parent	$ 164,317	148,896	$ 1.10
Diluted Earnings per Share			
Profit Attributable to Common Shareholders of the Parent	$ 164,317	148,896	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		1,486	
Profit Attributable to Common Shareholders of the Parent plus Effect of Potential Common Shares	$ 164,317	150,382	$ 1.09

The above-mentioned retrospective adjustment of the number of outstanding shares in 2021 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2021.

(XXIII) Supplementary Cash Flow Information

Investing activities with only partial cash payments:

	2022	2021
Acquisition of property, plant, and equipment	$ 49,102	$ 27,357
Add: Equipment payable at beginning of period	230	-
Less: Equipment payable at end of period	-	(230)
Cash paid for the period	$ 49,332	$ 27,127

(XXIV) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

	2022			
	Short-term Loans	Short-term Notes and Bills Payable	Lease Liabilities	Total Liabilities Arising from Financing Activities
January 1	$ 4,207,737	$ 100,000	$ 20,674	$ 4,328,411
Change in Cash Flows from Financing Activities	(1,366,323)	(60,000)	(14,151)	(1,440,474)
Other non-cash changes	-	-	7,977	7,977
Effect of exchange rate changes	165,264	-	(523)	164,741
December 31	$ 3,006,678	$ 40,000	$ 13,977	$ 3,060,655

	2021			
	Short-term Loans	Short-term Notes and Bills Payable	Lease Liabilities	Total Liabilities Arising from Financing Activities
January 1	$ 3,380,857	$ -	$ 16,315	$ 3,397,172
Change in Cash Flows from Financing Activities	899,478	100,000	(15,540)	983,938
Other non-cash changes	-	-	20,149	20,149
Effect of exchange rate changes	(72,598)	-	(250)	(72,848)
December 31	$ 4,207,737	$ 100,000	$ 20,674	$ 4,328,411

VII. Related Party Transactions

(I) Names and relations of related parties

Related Party	Relationship with the Group
Lee, Hee-Jun	Chairman of the Group
CoAsia Corporation	Individuals who Have a Significant Influence on the Group
Samsung Electronics Taiwan Co., Ltd. (Samsung Taiwan)	Other related party
Samsung Semiconductor (Xi'an) Co.) Ltd.	Other related party
Shanghai Samsung Semiconductor Co., Ltd. (Shanghai Samsung)	Other related party
Samsung Display Co., Ltd. (Samsung Display)	Other related party
Samsung Asia Pte. Ltd. and its subsidiaries (Samsung Asia)(Note)	Other related party
Samsung Semiconductor Inc.	Other related party
Samsung Electronics Co., Ltd. (SEC)	Other related party
BSE Co., Ltd.	Other related party
Insignal Co., Ltd.	Other related party
Samsung India Electronics Pvt Ltd. (SIEL)	Other related party
CoAsia CM Co., Ltd.	Other related party
CoAsia SEMI Ltd. (CoAsia SEMI)	Other related party
Coasia Semi Taiwan Limited	Other related party
CoAsia Nexell Co., Ltd. (CoAsia Nexell)	Other related party
CoAsia Semi Vietnam Co., Ltd.	Other related party
CoA Silicon Inc.	Other related party

Note: Including Samsung Electronics Singapore Pte. Ltd.

(II) Significant transactions with related party

1. Operating revenue

	2022	2021
-Other related party	$ 1,206,803	$ 1,082,893
-Individuals who Have a Significant Influence	1,186,853	-
	$ 2,393,656	$ 1,082,893

The Group's collection conditions for the above-mentioned related parties are by monthly settlement in 30 to 90 days and advance payment. The sales price is not significantly different from that of ordinary customers.

2. Purchase of goods

	2022	2021
-Other related party		
Samsung Shanghai	$ 12,557,974	$ 16,349,807
Samsung Asia	2,426,518	2,880,852
Samsung Taiwan	2,185,806	5,634,487
SIEL	1,587,135	3,082,236
Others	812,979	303,109
	$ 19,570,412	$ 28,250,491

The purchase price is based on the regional agency price of other related parties, and the payment is made in 30~75 days per month, OA1~OA60 days and prepayment.

3. Receivables from related parties, net

	December 31, 2022	December 31, 2021
- Other related party		
CoAsia SEMI	$ 547,760	$ 111,696
Others	-	105,827
- Individuals who Have a Significant Influence	96,843	-
	644,603	217,523
Less: Loss allowances	(89,831)	-
	$ 554,772	$ 217,523

Receivables from related parties are mainly from sales transactions, which will be mainly due after the monthly settlement in 30 to 90 days. The accounts receivable are unsecured and interest-free..

4. Other receivables, net

	December 31, 2022	December 31, 2021
- Other related party	$ 156	$ 348

Mainly the purchase allowances to be collected from other related parties.

5. Research and development expenses

	2022	2021
Product development cost		
－Other related party		
CoAsia SEMI	$ -	$ 17,927

The Corporation signed a product development contract with CoAsia SEMI in the third quarter of 2020. After the development was completed, the relevant patent rights belonged to the Corporation. The total contract price was US$1,580 thousand and paid in five installments. From the third quarter of 2020 to the end of the second quarter of 2021, the Corporation had paid US$1,580 thousand (approximately NT$45,940 thousand) in five installments.

CoAsia SEMI had completed related product development work at the end of the second quarter of 2021.

6. Prepayments

	December 31, 2022	December 31, 2021
－Other related party		
Samsung Shanghai	$ 47,011	$ 122,468
CoAsia Nexell	29,482	-
Others	5,687	16,284
	$ 82,180	$ 138,752

Mainly the prepayments for goods.

7. Payables to related parties

		December 31, 2022		December 31, 2021
Accounts payable:				
—Other related party				
SEC	$	48,471	$	23,540
Others		9,328		20,019
		57,799		43,559
Others payables:				
—Other related party		1,313		1,184
—Individuals who Have a Significant Influence		400		389
		1,713		1,573
Other current liabilities:				
—Other related party				
Samsung Display		-		49,759
	$	59,512	$	94,891

8. Guarantee

As of December 31, 2022 and 2021, the Chairman of the Corporation provided joint guarantees for part of the Group's short-term loans. Please refer to Note VI (III) for the promissory notes issued for the transferred financial assets derecognized as a whole. In addition, please refer to Table 2 for the details of the guarantees provided by the Corporation to its subsidiaries as of December 31, 2022.

(III) Information on Remuneration to the Management

		2022		2021
Short-term employee benefits	$	104,697	$	127,888
Termination benefits		6,343		-
Retirement benefits		891		557
	$	111,931	$	128,445

VIII.Pledged Assets

The details of the guarantee provided for the assets of the Group are as follows:

	Book value		
Assets	December 31, 2022	December 31, 2021	Purpose of guarantee
Bank deposits (Recognized as financial assets at amortized cost)	$ 544,835	$ 474,334	Short-term loan facilities
Land and housing	122,806	124,749	Short-term loan facilities
Assigned accounts receivable	430,935	529,508	Short-term loan facilities
	$ 1,098,576	$ 1,128,591	

IX.Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2022 and 2021, the Group's major commitments and contingent liabilities are as follows:

1. The letters of guarantee issued by the Corporation to banks for the import of goods are all counted as $2,000.
2. Please refer to Note VI (XI) for details of the guaranteed notes issued by the Corporation for syndicated loans.
3. Please refer to Note VI (III) for the promissory notes issued by the Corporation and the Chairman for the transferred financial assets derecognized as a whole .

X.Significant Disaster Loss

None.

XI.Significant Events after the Balance Sheet Date

None.

XII.Others

(I) Capital Management

The Group's capital management objectives are to ensure that the Group can continue to operate as a going concern, maintain an optimal capital structure to reduce capital costs, and provide remunerations to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors its capital using the debt-to-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' (excluding non-controlling interests) reported in the consolidated balance sheet plus net debt.

The Group's strategy in 2022 was the same as in 2021. As of December 31, 2022 and 2021, the Group's debt-to-equity ratios were as follows:

	December 31, 2022	December 31, 2021
Total loans	$ 3,046,678	$ 4,307,737
Less: cash and cash equivalents	(718,472)	(519,580)
Net debt	2,328,206	3,788,157
Total equity	2,568,961	2,483,801
Total capital	$ 4,897,167	$ 6,271,958
Debt-to-equity ratio	47.54%	60.40%

(II) Financial Instruments

1. Category of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial Assets at Fair Value through Profit or Loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 26,807	$ 26,419
Financial assets at fair value through other comprehensive income (Note 1)	573,091	257,633
Financial assets at amortized cost (Note 2)	3,550,720	4,856,310
	$ 4,150,618	$ 5,140,362

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 3,715,053	$ 5,146,036
Lease liabilities	13,977	20,674
	$ 3,729,030	$ 5,166,710

Note 1: Accounts receivable that are expected to be factored in the future.

Note 2: Financial assets measured at amortized cost include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties) that are not expected to be factored in the future, other receivables (including related parties) and refundable deposits; financial liabilities measured at amortized cost include short-term borrowings, short-term bills payable, accounts payable (including related parties) and other payables (including related parties).

3. Risk management policies

(1) The risk control undertaken by the Group is influenced by the needs of the customer-oriented consumer electronics industry and the supply of products by suppliers. In order to meet the above requirements, the Group adopts a comprehensive risk management and control system to identify all risks of the Group (including market risk, credit risk and operational risk) and measure various risks, so that the Group's management can effectively control and measure market risk, credit risk and operational risk.

(2) Risk management is carried out by the Finance Department of the Corporation in accordance with the policies approved by the Board of Directors. The Corporation's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Corporation's operating units. The Board of Directors has established written principles for overall risk management and written policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus working capital.

3. The natures and extents of material financial risks

(1) Market risks

Foreign Exchange Risk

A The Group's business involves certain non-functional currencies (the functional currency of the Corporation and some subsidiaries is New Taiwan dollar, and the functional currency of some subsidiaries is Hong Kong dollar and Singapore dollar). Information on foreign currency assets and liabilities affected by exchange rate fluctuations is as follows:

	December 31, 2022		
	Foreign currency (NT$ thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
US$:NT$	$ 86,605	30.71	$ 2,659,640
US$:HK$	82,581	7.80	2,536,063
US$:SG$	19,763	1.34	606,922
Financial liabilities			
Monetary items			
US$:NT$	41,543	30.71	1,275,786
US$:HK$	90,500	7.80	2,779,255
US$:SG$	8,292	1.34	254,647

	December 31, 2021		
	Foreign currency (NT$ thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
US$:NT$	$ 131,236	27.68	$ 3,632,612
US$:HK$	110,439	7.80	3,056,952
US$:SG$	37,656	1.35	1,042,318
Financial liabilities			
Monetary items			
US$:NT$	87,832	27.68	2,431,190
US$:HK$	118,292	7.80	3,274,323
US$:SG$	28,303	1.35	783,427

B. The total exchange gains (losses) realized and unrealized of the Group's monetary items due to fluctuations in exchange rates in 2022 and 2021 were aggregated to $120,457 and ($24,487), respectively.

C. The foreign currency market risk analysis of the Group as affected by significant exchange rate fluctuations is as follows:

	2022		
	Range of change	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
US$:NT$	1%	$ 26,596	$ -
US$:HK$	1%	25,361	-
US$:SG$	1%	6,069	-
Financial liabilities			
Monetary items			
US$:NT$	1%	12,758	-
US$:HK$	1%	27,793	-
US$:SG$	1%	2,546	-

	2021		
	Range of change	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
US$:NT$	1%	$ 36,326	$ -
US$:HK$	1%	30,570	-
US$:SG$	1%	10,423	-
Financial liabilities			
Monetary items			
US$:NT$	1%	24,312	-
US$:HK$	1%	32,743	-
US$:SG$	1%	7,834	-

Price Risk

Equity commodities invested by the Group are affected by changes in market prices, but the positions held by the Group are not significant, and a stop loss point has been set, so no significant market risk is expected.

Cash Flow and Fair Value Interest Rate Risk

In 2022 and 2021, some of the Group's short-term borrowings were debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term borrowings to fluctuate, which will cause fluctuations in future cash flows. When the market interest rate increases by 1%, the Group's cash outflows will increase by $30,067 and $42,077, respectively.

(2) Credit risk

A. The Group's credit risk is the risk of financial loss to the Group due to the failure of the customer or counterparty to a financial instrument to perform its contractual obligations, mainly arising from the counterparty's inability to pay off the accounts receivable based on collection terms and financial assets classified as measured at amortized cost.

B. The Group establishes credit risk management from a Corporation perspective. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction counterparties. According to the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis for every new customer before setting the terms and conditions for payment and delivery. Internal risk control is to assess the credit quality of customers by taking into account their financial status, past experience and other factors. Individual risk limits are set by the Board of

Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. The Group adopts the following premises as the bases for judging whether the credit risk of financial instruments has increased significantly since original recognition:
When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the original recognition.

D. The Group is deemed to have breached the contract when the payment is overdue for more than 90 days according to the agreed payment terms.

E. The Group uses a simplified approach to estimate expected credit losses on the basis of an allowance matrix for accounts receivable from customers based on the characteristics of the type of customers.

F. The parent company and subsidiaries of the Group adjust the loss rate established according to historical and current information in a specific period by taking into account the business indicators for future forward-looking as specified in the prosperity observation report of the Taiwan Institute of Economic Research and the National Development Commission, respectively, to estimate the allowance losses of accounts receivable (including related parties), and the reserve matrices as of December 31, 2022 and 2021 were as follows:

	Group					Individual (Note)	Total
	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	More than 90 days		
December 31, 2022							
Expected loss rate	0.01%~0.03%	0.07%~8.33%	-	-	-		
Total book value	$ 2,243,342	$ 69,959	$ -	$ -	$ -	$ 547,760	$ 2,861,061
Loss allowances	319	2,836	-	-	-	89,831	92,986

	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	More than 90 days	Total
December 31, 2021						
Expected loss rate	0.03%	0.03%~0.07%	0.77%~8.33%	-	100.00%	
Total book value	$ 4,063,020	$ 14,929	$ 42	$ -	$ 29,814	$ 4,107,805
Loss allowances	1,087	10	-	-	29,814	30,911

Note: Related party - CoAsia SEMI

G. The aging analysis of the Group's accounts receivable is as follows:

	December 31, 2022 Accounts Receivable	December 31, 2021 Accounts Receivable
Not Past Due	$ 2,243,342	$ 4,063,020
Up to 30 days past due	69,959	14,929
31-60 days	11,439	42
60-90 days	49,254	-
More than 90 days	485,720	29,814
	$ 2,861,061	$ 4,107,805

The above aging schedule was based on the number of days past due from the end of the credit term.

H. The Table of Changes in Allowance Losses of Accounts Receivable (Including Related Parties) that the Group adopts a simplified practice is as follows:

	2022 Accounts Receivable
January 1	$ 30,911
Provision for impairment losses	85,834
Write-off for unrecovered amount	(28,491)
Effect of exchange rate changes	4,732
December 31	$ 92,986

	2021 Accounts Receivable
January 1	$ 28,403
Provision for impairment losses	3,771
Effect of exchange rate changes	(1,263)
December 31	$ 30,911

I. The Group's financial assets and other receivables (including related parties) measured at amortized cost are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured at the 12-month expected credit loss amount. There are no circumstances where significant allowance losses are provided.

(3) Liquidity risk

A. Cash flow forecasting is performed by each operating entity of the Group and compiled by the Group's Finance Department. The Group's Finance Department monitors rolling forecasts of the Group's working capital requirements to ensure it has sufficient cash to meet operational needs, so as to prevent the Group from breaching the relevant borrowing limits or terms. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with financial ratios targets in the internal balance sheets.

B. When the remaining cash held by the Group exceeds the need for the management of working capital, the Group's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, and the instruments selected have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels.

C. The following table shows the Group's non-derivative financial liabilities, grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2022	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
Non-derivative financial liabilities:				
Lease liabilities	$ 10,193	$ 4,023	$ 541	$ -

December 31, 2021	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
Non-derivative financial liabilities:				
Lease liabilities	$ 12,944	$ 6,737	$ 1,202	$ 95

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

The Group does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

(III) Information on Fair Value

1. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Direct or indirect observable inputs for assets or liabilities other than those included in quoted prices in Level 1.

Level 3: An unobservable input for an asset or liability.

2. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, net accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes payable, accounts payable (including related parties) and other payables (including related parties) are reasonable approximations of fair value.

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

	December 31, 2022		
		Fair value	
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	$ -	$ -	$ 26,807
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts Receivable from Expected Factoring	-	573,091	-
	$ -	$ 573,091	$ 26,807

	December 31, 2021		
		Fair value	
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	$ 4,734	$ -	$ 21,685
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts Receivable from Expected Factoring	-	257,633	-
	$ 4,734	$ 257,633	$ 21,685

4. The methods and assumptions used by the Group to measure fair value are described below:

(1) The fair value of financial instruments is obtained by evaluation techniques or by reference to counterparty's quotations. The fair value obtained through valuation techniques may be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash

flow method or other evaluation techniques, including the use of models based on market information available on the consolidated balance sheet date.

(2) The Group incorporates credit risk assessment adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect counterparty's credit risk and the Group's credit quality, respectively.

5. In 2022 and 2021, there was no transfer between Level 1 and Level 2.

6. Changes in Level 3 in 2022 and 2021:

	2022 Non-derivative financial instruments
January 1	$ 21,685
Increase in the current period	610
Profits recognized in profit or loss accounted for operating revenue	4,512
December 31	$ 26,807

	2021 Non-derivative financial instruments
January 1	$ 25,481
Losses recognized in profit or loss accounted for operating expenses	(3,796)
December 31	$ 21,685

7. There was no transfer in or out from Level 3 in 2022 and 2021.

8. The quantitative information about the significant unobservable input value of the evaluation model used in Level 3 fair value measurement item and the sensitivity analysis of the change in the significant unobservable input value are explained as follows:

	Fair value on December 31, 2022	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments:				
Shares from unlisted companies	$ 26,807	Comparable listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	The higher the multiplier, the higher the fair value

	Fair value on December 31, 2021	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments:				
Shares from unlisted companies	$ 21,685	Comparable listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	The higher the multiplier, the higher the fair value

9. The Group selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets and financial liabilities classified as Level 3, if the evaluation parameters change, the impacts on the current profit or loss or other comprehensive income are as follows:

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	$ 268	($ 268)	$ -	$ -

			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	$ 217	($ 217)	$ -	$ -

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the relevant matters related to the Group's major transactions in 2022 are as follows. In addition, the information to be disclosed by the investee companies is prepared based on the financial statements of the companies that have been audited by the CPAs, and the following transactions with subsidiaries have been written off when preparing the consolidated financial statements. The following disclosure information is for reference.

1. Loans provided for others: Please refer to Table 1 for details.

2. Endorsements/guarantees provided for others: Please refer Table 2 for details.

3. Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3 for details.

4. Accumulated purchase or sale of the same securities amounting to NT$300 million or 20% of paid-in capital or more: None.

5. Acquisition of property amounting to NT$300 million or 20% of the paid-in capital or more: None.

6. Disposal of property amounting to NT$300 million or 20% of the paid-in capital or more: None.

7. Purchases or sales with related parties amounting to NT$100 million or 20% of the paid-in capital or more: Please refer to Table 4 for details.

8. Receivables from related parties amounting to NT$100 million or 20% of the paid-in capital or more: Please refer to Table 5 for details.

9. Derivatives transactions: None.

10. Relationships and significant transactions between the parent company and subsidiaries and their amounts: Please refer to Table 6 for details.

(II) Information on Investee Companies

Information on the name, region and others of the investee companies (excluding investee companies in mainland China): Please refer to Table 7 for details.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Table 8 for details.

2. Significant transactions directly or indirectly through third-region businesses and investee companies that have reinvested in mainland China: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 9 for details.

XIV. Division Information

(I) General Information

The Group is mainly engaged in the industry of mobile communication products, and the Chairman of the Group evaluates the performance and allocates resources of the Group's businesses as a whole, and three reporting divisions are identified in the Group. The management of the Group has identified the reporting divisions based on the reporting information used by the Chairman to make decisions, and has been operating the business from the perspective of business entities.

There has been no material change in the basis of the Group's division of corporate components and the measurement basis of the division information during the current period.

(II) Division Information

The Chairman of the Group evaluates the performance of the operating division based on net profit after tax.

(III) Information on Divisional Gains or Losses, Assets and Liabilities and Reconciliation

Reportable division information provided to the chief operating decision maker is as follows:

2022:

	Mobile communications products (CoAsia Taiwan)	Mobile communications products (CoAsia Hong Kong Group)	Mobile communications products (CoAsia Singapore Group)	Others	Adjustments and write-off	Total
Divisional revenue						
External revenue	$ 4,305,935	$ 14,317,189	$ 3,262,464	$ 1,532,158	$ -	$ 23,417,746
Internal revenue	5,283,577	203,146	1,391,931	21,344	(6,899,998)	-
Divisional revenue	$ 9,589,512	$ 14,520,335	$ 4,654,395	$ 1,553,502	($ 6,899,998)	$ 23,417,746
Divisional gains or losses	$ 16,634	($ 111,412)	($ 99,414)	($ 13,983)	$ 213,605	$ 5,430
Divisional gains or losses include:						
Depreciation and amortization expenses	($ 16,862)	($ 9,465)	($ 1,084)	($ 537)	$ -	($ 27,948)
Interest income	$ 8,459	$ 2,586	$ 1,619	$ 762	($ 7,909)	$ 5,517
Interest expenses	($ 73,047)	($ 84,278)	($ 38,242)	($ 4,982)	$ 36,070	($ 164,479)
Income tax (expenses) benefits	($ 15,521)	$ 10,728	$ 575	$ -	$ -	($ 4,218)
Share of profit or loss of subsidiaries accounted for using the equity method	($ 215,639)	$ -	$ -	$ -	$ 215,639	$ -
Segment assets	-	-	-	-	-	
Total assets	$ 4,683,657	$ 3,978,229	$ 797,274	$ 369,771	($ 3,365,844)	$ 6,463,087
Segment assets include:						
Investments accounted for using the equity method (including other non-current liabilities rerecognized)	$ 1,172,835	$ -	$ -	$ -	($ 1,178,230)	($ 5,395)
Segment liabilities	-	-	-	-	-	
Total liabilities	$ 2,114,696	$ 3,376,997	$ 280,031	$ 310,385	($ 2,183,397)	$ 3,898,712

2021:

	Mobile communications products (CoAsia Taiwan)	Mobile communications products (CoAsia Hong Kong Group)	Mobile communications products (CoAsia Singapore Group)	Others	Adjustments and write-off	Total
Divisional revenue						
External revenue	$ 8,324,856	$ 15,935,978	$ 3,805,345	$ 1,137,534	$ -	$ 29,203,713
Internal revenue	6,239,519	314,920	2,581,261	14,877	(9,150,577)	-
Divisional revenue	$ 14,564,375	$ 16,250,898	$ 6,386,606	$ 1,152,411	($ 9,150,577)	$ 29,203,713
Divisional gains or losses	$ 184,887	$ 98,384	$ 79,710	($ 28,388)	($ 119,523)	$ 215,070
Divisional gains or losses include:						
Depreciation and amortization expenses	($ 13,361)	($ 11,548)	($ 1,901)	($ 480)	$ -	($ 27,290)
Interest income	$ 1,176	$ 833	$ 82	$ 568	($ 1,262)	$ 1,397
Interest expenses	($ 36,960)	($ 24,691)	($ 29,071)	($ 1,926)	$ 23,578	($ 69,070)
Income tax expenses	($ 20,570)	($ 16,665)	($ 13,456)	$ -	$ -	($ 50,691)
Share of profit or loss of subsidiaries accounted for using the equity method	$ 129,251	($ 7,078)	$ -	$ -	($ 122,173)	$ -
Segment assets						
Total assets	$ 5,348,824	$ 4,952,147	$ 1,371,379	$ 405,861	($ 3,795,069)	$ 8,283,142
Segment assets include:						
Investments accounted for using the equity method (including other non-current liabilities rerecognized)	$ 1,254,451	$ -	$ -	$ -	($ 1,259,846)	($ 5,395)
Segment liabilities						
Total liabilities	$ 2,865,023	$ 4,312,198	$ 815,154	$ 334,639	($ 2,522,988)	$ 5,804,026

(IV) Product Category and Service Category Information

The detailed composition of the Group's income balances in 2022 and 2021 are as follows:

	2022	2021
Key components for mobile communication products (Mobile)	$ 16,020,662	$ 19,983,520
Wafers (Foundry)	6,211,841	4,507,842
Thin film liquid crystal displays (SDC)	880,002	4,243,455
Others	305,241	468,896
	$ 23,417,746	$ 29,203,713

(V) Regional Information

The regional information of the Group in 2022 and 2021 is as follows:

	2022		2021	
Region	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 2,437,835	$ 231,090	$ 5,962,745	$ 186,229
Asia	20,931,057	42,457	23,107,426	28,102
America	48,854	-	110,737	-
Europe	-	-	22,805	-
	$ 23,417,746	$ 273,547	$ 29,203,713	$ 214,331

Note: Revenue is classified based on the country of the customer; Asia refers to Asia region excluding Taiwan.

(VI) Important Customer Information

Information on the Group's important customers in 2022 and 2021 is as follows:

	2022		2021	
	Sales Amount	Division	Sales Amount	Division
Customer A	$ 2,998,979	CoAsia Hong Kong Group	$ 2,861,512	CoAsia Hong Kong Group
Customer B	2,414,644	CoAsia Hong Kong Group	119,472	CoAsia Hong Kong Group
Customer C	453,035	CoAsia Taiwan Group	3,739,038	CoAsia Taiwan Group

CoAsia Electronics Corp. and Its Subsidiaries

Loans Provided for Others

For the Year Ended December 31, 2022

Table 1

Unit: NT$ thousand
(Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum outstanding balance for the period	Ending balance	Actual Amount Drawn	Interest Rate	Nature for Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral Name	Collateral Value	Limit on Loans Provided to a Single Party (Note 3)	Total Limit on Loans Provided (Note 3)	Remark
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	$ 225,505	$ 214,970	$ 61,420	To comply with the contract	2	$ -	Operating capital	$ -	-	$ -	$ 256,896	$ 1,027,584	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	225,505	214,970	-	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	193,290	184,260	92,130	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	-	-	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.	Other receivables - related party	Yes	322,150	307,100	-	To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	161,075	153,550	-	To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079	
1	CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	35,437	-	-	To comply with the contract	1	152,331	Business transaction	-	-	-	152,331	601,079	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Other receivables - related party	Yes	161,075	153,550	-	To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	161,075	153,550	92,130	To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	74,888	-	-	To comply with the contract	1	1,696,951	Business transaction	-	-	-	517,244	517,244	

Note 1: The numbers filled are described as follows:

(1). For the issuer, fill in 0.

(2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The nature of the loans provided are explained as follows:

(1). Fill in 1 for those who has business relationship.

(2). Fill in 2 for those who needs short-term financing.

Note 3: (1). The Corporation's aggregate amount of loans to others is limited to 40% of the net worth, and that to an individual enterprise shall not exceed 10% of the net worth. Net worth amounted to 2,568,961 as of December 31, 2022.

(2). The aggregate amount of loans to others of CoAsia Electronics Corporation (Hong Kong) Limited to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

(3). The aggregate amount of loans to others of CoAsia Electronics Corp. (Singapore) Pte. Ltd. to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

CoAsia Electronics Corp. and Its Subsidiaries

Endorsements/Guarantees Provided for Others

For the Year Ended December 31, 2022

Table 2

Unit: NT$ thousand
(Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Name of Company	Endorsee/Guarantee Relationship (Note 2)	Limit on Endorsements/Guarantees Provided for Single Entity	Maximum Endorsement/Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/Guarantees to Net Worth per Latest Financial Statements	Endorsement/Guarantee Ceiling (Note 3)	Endorsements/Guarantees Provided by Parent for Subsidiary	Endorsements/Guarantees Provided by Subsidiary for Parent	Endorsements/Guarantees Provided for Subsidiary in Mainland China	Remark
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1.3	$ 2,568,961	$ 1,508,633	$ 1,455,205	$ 1,455,205	$ -	56.65%	$ 3,853,442	Y	N	N	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte. Ltd.	1.2	2,568,961	1,812,713	1,428,015	1,428,015	-	55.59%	3,853,442	Y	N	N	

Note 1: The numbers filled are described as follows:

(1). For the issuer, fill in 0.

(2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 6 types. Please specify the type:

(1). Companies with which the company conducts business.

(2). Subsidiaries in which the Group directly holds more than 50% of their common stocks.

(3). Investee companies in which the company and its subsidiaries collectively hold more than 50% of their common stocks.

(4). The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common stocks.

(5). Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.

(6). Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.

Note 3: The Corporation's aggregate amount of limit of endorsement/guarantee for external entities is limited to 150% of the net worth, and the amount of limit of endorsement/guarantee for an individual enterprise shall not exceed 10% of the net worth while that for an individual affiliate shall not exceed 100% of the net worth.

Note 4: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corporation (Hong Kong) Limited for the above-mentioned endorsement/guarantee amounted to $12,554 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to $3,668.

Note 5: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corp.(Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to $15,608 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to $3,599.

CoAsia Electronics Corp. and Its Subsidiaries

Securities Held at end of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2022

Table 3

Unit: NT$ thousand

(Unless Stated Otherwise)

				End of the Period				
Company Holding Securities	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Number of shares	Carrying amount	Shareholding Ratio	Fair value	Remark
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	16,020	$ 26,807	17.5%	$ 26,807	
CoAsia Korea Co. Ltd.	Stocks of Bobbintel Inc.	-	Financial assets at fair value through profit or loss - non-current	425,000	-	14%	-	

CoAsia Electronics Corp. and Its Subsidiaries

Purchases or Sales with Related Parties Amounting to NT$100 Million or 20% of Paid-in Capital or More

For the Year Ended December 31, 2022

Table 4

Unit: NT$ thousand
(Unless Stated Otherwise)

			Transaction Situation				Unusual Transaction Terms and Reasons (Note 1)		Notes and Accounts Receivable (Payable)		
Purchasing (Selling) Company	Counterparty	Relationship	Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	Remarks (Note 2)
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	$ 5,792,021	63%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	$ -	-	
CoAsia Electronics Corp.	Samsung Electronics Taiwan Co., Ltd.	Other related party	Purchase of goods	2,185,806	24%	OA 1 day; prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	-	-	
CoAsia Electronics Corporation (Hong Kong) Limited	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	6,765,953	49%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Samsung Electronics Singapore Pte. Ltd.	Other related party	Purchase of goods	2,426,518	55%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	1,587,135	36%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	(9,328)	(35%)	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	737,247	49%	75 days from end of month	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor	(48,471)	(43%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	(261,339)	17%	30 days from end of month	-	-	-	-	
CoAsia Korea Co., Ltd	CoAsia Corporation	Related party in substance	Sales	(1,186,853)	77%	30 days from end of month	-	-	96,843	100%	
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	(942,388)	7%	90 days from end of month	-	-	547,760	25%	
CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Sister company of the same group	Sales	(112,145)	1%	60 days from end of month	-	-	10,592	0%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	Sales	(558,710)	12%	60 days from end of month	-	-	126,525	47%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp.	Parent company	Sales	(138,406)	3%	60 days from end of month	-	-	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	Sister company of the same group	Sales	(693,365)	15%	40 days from end of month	-	-	63,841	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	Sales	(4,067,816)	42%	60 days from end of month	-	-	1,715,046	76%	

Note 1: If the related party transaction terms are different from the normal transaction terms, the differences and reasons shall be stated in the column of unit price and credit period.

Note 2: For those who have advance receipt (prepayment), the reason, contract terms, amount and the difference from the normal transaction type shall be stated in the remarks column.

Note 3: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 4: The transactions between the Corporation and its subsidiaries are disclosed as assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Receivables from Related Parties Amounting to NT$100 million or 20% of the Paid-in Capital or More

December 31, 2022

Table 5

Unit: NT$ thousand

(Unless Stated Otherwise)

Company recorded under account receivables	Counterparty	Relationship	Receivables from related parties (Note 1)	Turnover rate	Overdue receivables from related parties		Receivables from related parties (Note 3)	Allowance for bad debts
					Amount	Action taken		
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	$ 547,760	2.86	$ 546,413	-	$ 3,091	$ 89,831
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	1,715,046	2.52	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	126,525	1.60	-	-	-	-

Note 1: Please fill in separately according to related party's accounts receivable , notes receivable, other receivables, etc.
Note 2: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.
Note 3: It refers to the amount repatriated after the period as of January 31, 2023.

CoAsia Electronics Corp. and Its Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries and Their Amounts

For the Year Ended December 31, 2022

Table 6

Unit: NT$ thousand

(Unless Stated Otherwise)

No.(Note 1)	Name of Trader	Counterparty	Relationship with the Trader (Note 2)	Description of Transactions: Ledger Account	Amount	Transaction Term	Percentage in Consolidated Total Revenue or Total Assets (Note 3)
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Sales revenue (cost)	$ 4,067,816	Same as normal transactions	17%
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Accounts receivable	1,715,046	Same as normal transactions	27%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Sales revenue (cost)	558,710	Same as normal transactions	2%
2	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	693,365	Same as normal transactions	3%

Note 1: The information of business transactions between the parent company and subsidiaries shall be indicated in the number column respectively. The number shall be filled in as follows:

(1). For the parent company, fill in 0.

(2). Subsidiaries are numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: There are three types of relationship between traders, and fill in the type is acceptable (if the transaction between the parent company and subsidiaries is the same as that between subsidiaries, it is not necessary to disclose again. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, the part of the subsidiary is not required to be disclosed again;

For a transaction between two subsidiaries, if it has been disclosed by one subsidiary, it is not required to be disclosed again by the other subsidiary):

(1). Parent company's transaction with subsidiary.

(2). Subsidiary's transaction with the parent company.

(3). Transaction between two subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets shall be calculated as the ratio of ending balance to consolidated total assets for those belongs to balance sheet item, or as the ratio of mid-term cumulative balance to consolidated total revenue for those belongs to items on the income statement.

Note 4: It is up to the Corporation to decide whether the important transactions in this table should be listed or not based on the principle of materiality.

Note 5: Individual transactions not exceeding NT$300 million will not be disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Names, Locations and Relevant Information of Investee Companies (Excluding Investee Companies in Mainland China)

For the Year Ended December 31, 2022

Table 7

Unit: NT$ thousand

(Unless Stated Otherwise)

Name of Investor	Name of Investee（Note 1, 2）	Location	Primary Business Activities	Initial Investment Amount: End of Period	Initial Investment Amount: End of Last Year	Held at End of Period: Number of Shares	Held at End of Period: Ratio	Held at End of Period: Carrying Amount	Profit (Loss) of Investee for the Period（Note 2(2)）	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remark
CoAsia Electronics Corp.	CoAsia International Corp.	Mauritius	Professional investment company	$ 432,977	$ 432,977	1,329,612	100.00%	$ 596,994	($ 100,684)	($ 100,684)	
CoAsia Electronics Corp.	Pointchips Co.,Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	(5,395)	(1,994)	-	
CoAsia Electronics Corp.	CoAsia Korea Co.,Ltd.	South Korea	Manufacturing and trading of peripheral products for semiconductors and development of software and hardware technologies, etc.	171,902	171,902	1,320,000	100.00%	49,166	(14,362)	(14,362)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic devices, data processing business, online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,881	908	809	
CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Singapore	International trade, entrepot trade	30,202	30,202	1,000,000	100.00%	517,264	(98,839)	(100,874)	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, entrepot trade	1,400	1,400	250,000	100.00%	925	(528)	(528)	
CoAsia International Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	601,079	(100,566)	(100,566)	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	-	50,000	-	-	-	(868)	(868)	Note 4
CoAsia Electronics Corp.(Singapore) Pte.Ltd	CoAsia Electronics Corp.LLP	India	International trade, entrepot trade	4,623	4,623	-	100.00%	2,530	4,371	4,371	Note 3

Note 1: A public offering company that has a foreign holding company and uses consolidated financial statements as its main financial statements in accordance with local laws and regulations may only disclose relevant information on the holding company when disclosing information about the foreign invested company.

Note 2: According to the following rules, fill in for those who are not in the situation described in Note 1:

(1) Fill in "Name of Investee", "Location", "Primary business" and "Original Investment Amount" and "Shareholding at the end of the period", etc. in order according to the reinvestment situation of the company (public offering) and the reinvestment situation of each directly or indirectly controlled investee company, and indicate the relationship between each investee company and the company (public offering) (if it is a subsidiary or a second-tier subsidiary) in the remarks column.

(2) In the column of "Profit (Loss) of Investee for the Period", the profit (loss) for the period of each investee company shall be filled in.

(3) The column of "Investment Profit (Loss) Recognized for the Period" only needs to be filled with the profit and loss amount of each subsidiary recognized by the company (public offering) for direct reinvestment and each investee company accounted for using the equity method, and the rest is not required to be filled. When filling in "Profit (Loss) of Recognition of Each Subsidiary for Direct Reinvestment for the Period", it shall be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that shall be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp.LLP is a limited partnership without any stocks issued.

Note 4: Taiwan Interactive Education Co., Ltd. applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

CoAsia Electronics Corp. and Its Subsidiaries

Information on Investments in Mainland China - Basic Data

For the Year Ended December 31, 2022

Table 8

Unit: NT$ thousand

(Unless Stated Otherwise)

Investee Company	Primary Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period: Remitted	Amount of Investments Remitted or Repatriated for the Period: Repatriated	Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	Shareholding Ratio of the Corporation's Direct or Indirect Investment	Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remark
CoAsia Electronics Corporation(Shanghai) Limited	International trade, entrepot trade, and commercial simple processing in the bonded area	$ 155,520	2	$ 151,004	$ -	$ -	$ 151,004	$ 8,241	100.00%	$ 8,241	$ 41,462	$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and entrepot trade	31,291	2	20,082	-	-	20,082	15,007	100.00%	15,007	21,713	-	2.1

Name of Company	Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period	Amount of Investments Authorized by Investment Commission, M.O.E.A.	Ceiling on Amount of Investments Authorized by Investment Commission, M.O.E.A.
CoAsia Electronics Corp.	$ 171,086	$ 171,086	$ 1,541,377

Note 1: Investments are divided into the following three types:

(1). Direct investment in mainland China

(2). Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region)

2.1 Reinvest in the companies in Mainland China through CoAsia Electronics Corporation (Hong Kong) Limited established in third regions

(3). Others

Note 2: Investment profit (loss) recognized for the period:

(1) Indicate if no investment profit (loss) is recognized as an investee is under preparation

(2) Indicate if investment profit (loss) is recognized on the following three types of basis

A. Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China.

B. Financial statements audited and certified by the parent company's certified public accountant in Taiwan.

C. Others.

Note 3: Figures in this table shall be listed in New Taiwan Dollars.

CoAsia Electronics Corp. and Its Subsidiaries

Information on Major Shareholders

December 31, 2022

Table 9

Name of Major Shareholders	Shareholding: Number of Shares Held	Shareholding: Shareholding Ratio
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	18,182,503	12.21%
CoAsia Corporation of Korea Company	11,965,493	8.03%