

GIANTPLUS TECHNOLOGY CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

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

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Independent Auditors' Report

To the Board of Directors of Giantplus Technology Co., Ltd.:

Opinion

We have audited the financial statements of Giantplus Technology Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

Please refer to Note 4(n) "Revenue" for accounting policies and Note 6(p) "Revenue from contracts with customers" for revenue disclosures.

Description of key audit matter:

Revenue of the Company is generated in accordance with the sellers and buyers' trading terms, and it is recognized when the control is transferred to buyers. The revenue can be fluctuated during different season since the panel industry changes rapidly which will increase the risk of inappropriate revenue recognition timing, therefore, we identified revenue recognition as one of our key audit matters.

How the matter was addressed in our audit:

As mentioned above, our principal audit procedures included understanding the internal control of revenue cycle and testing the effectiveness of related controls, selecting samples within a certain period before or after the balance sheet date and verifying relevant documents to ensure the recognition timing of revenue is accurate.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Siou- Yi Lin.

KPMG
Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Balance Sheets December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021			
		Amount	%	Amount	%			Amount	%	Amount	%		
Assets													
Current assets:													
1100	Cash and cash equivalents (note 6(b))	\$ 2,504,159	16	2,075,973	14	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	\$ 34	-	-	-		
1110	Current financial assets at fair value through profit or loss	-	-	383	-	2170	Accounts payable	1,392,487	9	1,793,019	12		
1136	Current financial assets at amortized cost	-	-	981	-	2180	Accounts payable to related parties (note 7)	951,794	6	773,490	5		
1170	Accounts receivable, net (note 6(c) &(p))	1,444,311	10	1,449,249	10	2200	Other payables	886,737	6	837,846	6		
1181	Accounts receivable-related parties (note 6(c) (p) &7)	155,687	1	99,968	1	2220	Other payables- related parties (note 7)	2,448,144	16	2,165,398	15		
1200	Other receivables (note 6(d)&7)	72,082	-	75,456	-	2230	Current tax liabilities	4,232	-	-	-		
1310	Inventories (note 6(e))	1,649,510	11	1,759,898	12	2280	Current lease liabilities (note 6(i))	1,023	-	2,237	-		
1470	Other current assets (note 7&8)	255,316	2	230,073	2	2322	Long-term borrowings, current portion (note 6(h))	275,968	2	110,968	1		
Total current assets		6,081,065	40	5,691,981	39	2399	Other current liabilities (notes 6(k)(p)&7)	224,511	1	170,924	1		
Non-current assets:													
1550	Investments accounted for using equity method (note 6(f))	3,826,524	25	3,433,352	23	Non-Current liabilities:							
1600	Property, plant and equipment (notes 6(g),7&8)	5,173,336	34	5,399,625	37	2540	Long-term borrowings (note 6(h))	1,213,387	8	1,489,355	10		
1755	Right-of-use assets	2,477	-	4,685	-	2550	Non-current provisions (note 6(k))	95,238	1	95,238	1		
1780	Intangible assets	5,041	-	6,537	-	2580	Non-current lease liabilities (note 6(i))	1,477	-	2,481	-		
1900	Other non-current assets (note 6(m) & 8)	203,149	1	104,932	1	2600	Other non-current liabilities (note 6(l)&(m))	15,367	-	51,767	-		
Total non-current assets		9,210,527	60	8,949,131	61	Total non-current liabilities		1,325,469	9	1,638,841	11		

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Giantplus Technology Co., Ltd.
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p)&7)	\$ 10,292,144	100	\$ 10,056,832	100
5000	Operating costs (notes 6(e)&7)	9,332,574	91	9,176,296	91
	Gross profit	959,570	9	880,536	9
5910	Add: Unrealized profit from sales	245	-	289	-
5920	Realized losses from sales	(289)	-	(18,833)	-
	Gross profit, net	959,526	9	861,992	9
	Operating expenses (note 7):				
6100	Selling expenses	307,291	3	359,382	4
6200	Administrative expenses	260,136	3	219,459	2
6300	Research and development expenses	184,255	2	196,986	2
6450	Expected credit reversal gains (note 6(c))	(1,717)	-	(1,932)	-
	Total operating expenses	749,965	8	773,895	8
	Net operating income	209,561	1	88,097	1
	Non-operating income and expenses: (note 6(r) &7)				
7100	Interest income	10,111	-	1,174	-
7010	Other income	212,771	2	237,998	2
7020	Other losses	(149,070)	(1)	(91,213)	(1)
7050	Finance costs	(52,123)	(1)	(45,831)	-
7070	Share of gain (loss) of subsidiaries, associates and joint ventures accounted for using equity method	383,841	4	(122,989)	(1)
	Total non-operating income and expenses	405,530	4	(20,861)	-
	Profit before tax	615,091	5	67,236	1
7950	Less: tax expense (benefit) (note 6(m))	1,417	-	(25,432)	-
	Profit	613,674	5	92,668	1
	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	9,833	-	2,183	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	9,833	-	2,183	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	9,297	-	84,728	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	9,297	-	84,728	1
	Other comprehensive income	19,130	-	86,911	1
8500	Comprehensive income	\$ 632,804	5	\$ 179,579	2
	Earnings per share (note 6(o))				
9750	Basic earnings per share (NT dollars)	\$ 1.39		\$ 0.21	
9850	Diluted earnings per share (NT dollars)	\$ 1.38		\$ 0.21	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>Share capital</u>		<u>Retained earnings</u>			<u>Exchange differences on translation of foreign financial statements</u>	<u>Other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</u>	<u>Total equity</u>
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>			
Balance at January 1, 2021	\$ 4,415,449	2,618,982	177,220	188,540	(257,251)	(128,094)	(46,036)	6,968,810
Profit for the year	-	-	-	-	92,668	-	-	92,668
Other comprehensive income	-	-	-	-	2,183	84,728	-	86,911
Comprehensive income	-	-	-	-	94,851	84,728	-	179,579
Appropriation and distribution of retained earnings:								
Legal reserve used to offset accumulated deficits	-	-	(177,220)	-	177,220	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(65,621)	65,621	-	-	-
Reversal of special reserve	-	-	-	(14,410)	14,410	-	-	-
Balance at December 31, 2021	4,415,449	2,618,982	-	108,509	94,851	(43,366)	(46,036)	7,148,389
Profit for the year	-	-	-	-	613,674	-	-	613,674
Other comprehensive income	-	-	-	-	9,833	9,297	-	19,130
Comprehensive income	-	-	-	-	623,507	9,297	-	623,804
Appropriation and distribution of retained earnings:								
Legal reserve appropriation	-	-	9,485	-	(9,485)	-	-	-
Reversal of special reserve	-	-	-	(19,108)	19,108	-	-	-
Balance at December 31, 2022	\$ 4,415,449	2,618,982	9,485	89,401	727,981	(34,069)	(46,036)	7,781,193

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 615,091	\$ 67,236
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	330,464	361,866
Amortization expense	4,497	5,356
Expected credit reversal gains	(1,717)	(1,932)
Interest expense	52,123	45,831
Interest income	(10,111)	(1,174)
Share of loss (gain) of subsidiaries, associates and joint ventures accounted for using equity method	(383,841)	122,989
Gain on disposal of property, plant and equipment	(78)	(78)
Total adjustments to reconcile profit	(8,663)	532,858
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	383	(383)
Accounts receivable	6,655	(266,561)
Accounts receivable due from related parties	(55,719)	(40,784)
Other receivables	2,730	15,013
Inventories	110,388	(703,389)
Other current assets	(23,105)	4,485
Total changes in operating assets	41,332	(991,619)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	34	(423)
Accounts payable	(400,532)	538,892
Accounts payable to related parties	178,304	(6,172)
Other payables	34,494	215,691
Other payables to related parties	1,282	(13,393)
Other current liabilities	53,587	(38,709)
Net defined benefit liability	(1,669)	(1,506)
Total changes in operating liabilities	(134,500)	694,380
Total changes in operating assets and liabilities	(93,168)	(297,239)
Total adjustments	(101,831)	235,619
Cash inflow generated from operations	513,260	302,855
Interest received	10,111	1,174
Interest paid	(47,097)	(43,491)
Income taxes refund	3,459	9,473
Net cash flows from operating activities	479,733	270,011
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	-	(1,849)
Proceeds from disposal of financial assets at amortized cost	981	2,727
Acquisition of property, plant and equipment	(89,054)	(173,597)
Proceeds from disposal of property, plant and equipment	-	675
Acquisition of intangible assets	(3,001)	(1,675)
Other non-current assets	(127,157)	(72,240)
Net cash flows used in investing activities	(218,231)	(245,959)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	-	(990,000)
Increase in long-term borrowings	-	990,000
Repayments of long-term borrowings	(110,968)	(110,967)
Other payables to related parties	282,527	283,834
Repayments of lease liabilities	(2,218)	(3,627)
Other non-current liabilities	(2,657)	246
Net cash flows from financing activities	166,684	169,486
Net increase in cash and cash equivalents	428,186	193,538
Cash and cash equivalents at beginning of period	2,075,973	1,882,435
Cash and cash equivalents at end of period	\$ 2,504,159	\$ 2,075,973

See accompanying notes to parent company only financial statements.

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

GIANTPLUS TECHNOLOGY CO., LTD. (the “Company”) was incorporated on December 15, 1997, as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office address is located at 15 Industrial Rd., Toufen, Miao-Li, Taiwan. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on December 27, 2006. The primary business activities of the Company includes the research, development, production and sale of thin film transistor liquid crystal displays (“TFT-LCDs”).

Toppan Inc. (“TOPPAN”) is the parent company and the ultimate controlling party.

(2) Approval date and procedures of the financial statements

These financial statements were authorized for issue by the Board of Directors on March 15, 2023.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

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

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendment to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The new amendments have removed the requirement for a right to be unconditional and instead requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments, new IAS 1 amendments clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

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

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(4) Summary of significant accounting policies

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

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

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

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(o).

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Foreign operations

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

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

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

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

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

- (i) It is expected to be settled in the normal operating cycle, or intended to be sold or consumed;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

(e) Cash and cash equivalents

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

(f) Financial instruments

Account receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; investments in equity instruments at fair value through other comprehensive income (FVOCI)-equity investment; or financial assets at fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of investments in equity instruments that are not held for trading, the Company may make an irrevocable election to present subsequent changes in fair value of the investments in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income is recognized in profit or loss unless the dividend clearly represents the recovery of part of the investment cost. Other net gains or losses are recognized in other comprehensive income and will not be reclassified to profit or loss.

Dividend income from equity investments is recognized on the date that the Company is eligible to receive the dividends (usually the ex-dividend date).

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Account receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'account receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized costs, accounts receivable, other receivables, guarantee deposits paid and other financial assets).

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

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

Loss allowance for account receivables always measured at an amount equal to lifetime ECL

GIANTPLUS TECHNOLOGY CO., LTD.**Notes to the Financial Statements**

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or being more than 180 days past due;
- the lender for economic or contractual reasons relating to the borrower's financial difficulty granting the borrower a concession that would not otherwise be considered;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial assets because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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Notes to the Financial Statements

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

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

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

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or canceled, or has expired. The Company also derecognizes a financial liability when its terms are amended and the cash flows of the amended liability are substantially different, in which case a new financial liability based on the amended terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

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

(g) Inventories

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

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

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of the parent in the consolidated financial statements.

Changes in the Company's ownership interests in subsidiaries do not result in loss of control of subsidiaries are equity transactions with owners.

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

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

1) buildings	3 ~ 36 years
2) machinery and equipment	1 ~ 12 years
3) other equipment	2 ~ 11 years

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

(j) Lease

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

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be paid under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

When the lease liability is remeasured due to the aforementioned changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory and office equipment and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(k) Intangible assets

(i) Recognition and measurement

The intangible assets acquired by the company with a useful life are computer software, which is measured by the amount after deducting the accumulated amortization and accumulated impairment losses from the cost.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Computer software 1~ 10 years

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

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GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(l) Impairment of non-financial assets

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

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

The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

(i) Site restoration

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense is recognized when the land is contaminated.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

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

(p) Income taxes

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

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

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

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

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

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

(r) Operating segments

The Company has provided the operating segments disclosure in the consolidated financial statements. Therefore, the Company does not disclose segment information in these financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these financial statements management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

The judgements made in the process of applying the Company's accounting policies have no the most significant effect on the amounts recognized in the financial statements.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment and has reflected the impact on COVID-19 within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal waste, obsolescence and unmarketable items at the reporting day and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(e) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 127	\$ 40
Cash in banks		
Checking accounts and saving accounts	2,504,032	2,075,065
Time deposits	-	868
	\$ 2,504,159	\$ 2,075,973

For interest rate risk and sensitivity analysis of financial assets, please refer to Note 6(s).

Cash and cash equivalents of the Company were not pledged as collateral.

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

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ -	\$ 383
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 34	\$ -

(i) Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Company is exposed to, arising from its operating, financing and investing activities.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for- trading financial liabilities as of December 31, 2022 and 2021:

Forward exchange contracts:

December 31,2022			
	Contract amount (in thousands)	Currency	Maturity dates
Forward exchange sold	\$ 1,500	USD	2023.02.03

December 31,2021			
	Contract amount (in thousands)	Currency	Maturity dates
Forward exchange sold	\$ 3,000	USD	2022.03.04

(c) Accounts receivable

	December 31, 2022	December 31, 2021
Account receivables - measured as amortized cost (including related parties)	\$ 1,710,042	\$ 1,653,479
Account receivables - fair value through profit or loss	16,496	23,995
Less: loss allowance	(126,540)	(128,257)
Total	\$ 1,599,998	\$ 1,549,217

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

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

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,502,245	0.00%	\$ -
Within 30 days past due	67,123	0.00%	-
31 to 60 days past due	13,907	0.00%	-
61 to 90 days past due	163	0.00%	-
91 to 180 days past due	74	13.51%	10
	\$ 1,583,512		\$ 10

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,514,670	0.00%	\$ -
Within 30 days past due	2,435	1.64%	40
31 to 60 days past due	9,780	17.07%	1,669
91 to 180 days past due	64	28.13%	18
	\$ 1,526,949		\$ 1,727

In addition, the Company recognized the allowance for losses of \$126,530 thousands for accounts receivable that could not reasonably be expected to be recoverable on December 31, 2022 and 2021.

The movement in the allowance for accounts receivable was as follows:

	2022	2021
Balance at January 1	\$ 128,257	\$ 130,189
Impairment losses recognized (reversed)	(1,717)	(1,932)
Balance at December 31	\$ 126,540	\$ 128,257

Account receivables of the Company were not pledged as collateral.

(Continued)

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Notes to the Financial Statements

The Company entered into separate non-recourse factoring agreements with different financial institutions to sell its account receivables. Under the agreements, the Company does not have the responsibility to assume the default risks of the transferred account receivables but is liable for the losses incurred on any business dispute. The Company derecognized the above account receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The account receivables from the financial institutions were recognized as "other receivables" upon the derecognition of those account receivables.

As of December 31, 2022 and 2021, the Company sold its` account receivables without recourse as follows:

Unit: thousand dollars

December 31, 2022					
<u>Purchaser</u>	<u>Derecognition Amount</u>	<u>Factoring Line</u>	<u>Advanced Amount</u>	<u>Range of Interest Rate</u>	<u>Collateral</u>
Financial institution	USD <u>714</u>	USD <u>5,800</u>	TWD <u>-</u>	-	None

December 31, 2021					
<u>Purchaser</u>	<u>Derecognition Amount</u>	<u>Factoring Line</u>	<u>Advanced Amount</u>	<u>Range of Interest Rate</u>	<u>Collateral</u>
Financial institution	USD <u>885</u>	USD <u>5,800</u>	TWD <u>-</u>	-	None

As of December 31, 2022 and 2021, the Company sold the account receivables without recourse of \$21,942 and \$24,502 thousands and recognized as other receivables.

(d) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable factoring	\$ 21,942	\$ 24,502
Tax refund	19,907	25,259
Others	30,233	25,695
	<u>\$ 72,082</u>	<u>\$ 75,456</u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(e) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 829,828	\$ 956,794
Work in progress	283,789	363,329
Finished goods	535,893	439,775
	\$ 1,649,510	\$ 1,759,898

The details of the cost of sales were as follows:

	2022	2021
Cost of sales	\$ 9,175,130	\$ 9,080,642
Loss on inventory valuation	8,424	42,926
Unallocated manufacturing overheads	84,911	24,391
Inventory scrapped loss	31,619	28,337
Others	32,490	-
Total	\$ 9,332,574	\$ 9,176,296

Inventories of the Company were not pledged as collateral.

(f) Investments accounted for using equity method

	December 31, 2022	December 31, 2021
Subsidiary of the Company	\$ 3,826,524	\$ 3,433,352

(i) Subsidiary of the Company

Please refer to the consolidated financial statements.

(ii) Guarantee

As of December 31, 2022 and 2021, investments accounted for using equity method of the Company were not pledged as collateral.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(g) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and Equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost or deemed cost:						
Balance on January 1, 2022	\$ 4,133,511	3,589,449	6,970,174	678,522	76,839	15,448,495
Additions	-	760	49,714	28,359	18,529	97,362
Disposal	-	(3,214)	(6,387)	(21,221)	-	(30,822)
Transfer (out) in	-	-	22,104	-	(17,499)	4,605
Balance on December 31, 2022	<u>\$ 4,133,511</u>	<u>3,586,995</u>	<u>7,035,605</u>	<u>685,660</u>	<u>77,869</u>	<u>15,519,640</u>
Balance on January 1, 2021	\$ 4,133,511	3,589,449	6,763,068	690,812	197,061	15,373,901
Additions	-	-	67,400	15,112	23,210	105,722
Disposal	-	-	(27,397)	(28,004)	-	(55,401)
Transfer (out) in	-	-	167,103	602	(143,432)	24,273
Balance on December 31, 2021	<u>\$ 4,133,511</u>	<u>3,589,449</u>	<u>6,970,174</u>	<u>678,522</u>	<u>76,839</u>	<u>15,448,495</u>
Depreciation and impairments loss:						
Balance on January 1, 2022	\$ -	2,822,988	6,571,503	654,379	-	10,048,870
Depreciation	-	169,857	136,697	21,702	-	382,256
Disposal	-	(3,214)	(6,387)	(21,221)	-	(30,822)
Balance on December 31, 2022	<u>\$ -</u>	<u>2,989,631</u>	<u>6,701,813</u>	<u>654,860</u>	<u>-</u>	<u>10,346,304</u>
Balance on January 1, 2021	\$ -	2,645,435	6,480,400	619,997	-	9,745,832
Depreciation	-	177,553	127,407	53,279	-	358,239
Impairment loss	-	-	(9,107)	9,107	-	-
Disposal	-	-	(27,197)	(28,004)	-	(55,201)
Balance on December 31, 2021	<u>\$ -</u>	<u>2,822,988</u>	<u>6,571,503</u>	<u>654,379</u>	<u>-</u>	<u>10,048,870</u>
Carrying amounts:						
Balance on December 31, 2022	<u>\$ 4,133,511</u>	<u>597,364</u>	<u>333,792</u>	<u>30,800</u>	<u>77,869</u>	<u>5,173,336</u>
Balance on January 1, 2021	<u>\$ 4,133,511</u>	<u>944,014</u>	<u>282,668</u>	<u>70,815</u>	<u>197,061</u>	<u>5,628,069</u>
Balance on December 31, 2021	<u>\$ 4,133,511</u>	<u>766,461</u>	<u>398,671</u>	<u>24,143</u>	<u>76,839</u>	<u>5,399,625</u>

The property, plant and equipment of the Company had been pledged as collateral for long-term borrowings, please refer to Note 8.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(h) Long-term borrowings

December 31, 2022				
	Currency	Rate	Maturity day	Amount
Secured bank loans	TWD	1.68%~1.78%	2026.4.15~ 2027.4.10	\$ 1,489,355
Less: current portion				(275,968)
Total				\$ 1,213,387
Unused long-term credit lines				\$ 510,000

December 31, 2021				
	Currency	Rate	Maturity day	Amount
Secured bank loans	TWD	1.05%~1.15%	2026.4.15~ 2027.4.10	\$ 1,600,323
Less: current portion				(110,968)
Total				\$ 1,489,355
Unused long-term credit lines				\$ 510,000

For the collateral for bank loan, please refer to Note 8.

Please refer to Note 6(s) for interest rate analysis and risk of liquidity of the Company.

(i) Lease liabilities

The amounts of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	\$ 1,023	\$ 2,237
Non-current	\$ 1,477	\$ 2,481

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

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ 28	\$ 46
Variable lease payments not included in the measurement of lease liabilities	\$ -	\$ (7)
Expenses relating to short-term leases	\$ 8,070	\$ 3,771
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 198	\$ 275

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

	2022	2021
Total cash outflow for leases	\$ 10,514	\$ 7,712

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(i) Real estate leases

The Company leases lands and buildings for its office space, plants and staff dormitory. The leases of office space, plants and staff dormitory typically run for a period of one to seven years.

(ii) Other leases

The Company leases vehicles and other equipment, with lease terms of two to five years.

The Company also leases part of the staff dormitory, office equipment and other equipment with lease terms of one to two years. These leases are short-term or leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(j) Operating lease

The Company leases out its real estate, due to it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets, it is classified as operating lease.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2022	December 31, 2021
Less than one year	\$ 47,778	\$ 41,195
One to two years	45,859	40,332
Two to three years	39,913	35,301
Three to four years	22,902	30,422
Four to five years	22,902	22,557
More than five years	56,022	77,709
Total undiscounted lease payments	\$ 235,376	\$ 247,516

(k) Provisions

	December 31, 2022	December 31, 2021
Provision for capacity reservation agreements (recorded in current liabilities)	\$ 32,490	\$ -
Site restoration	95,238	95,238
	\$ 127,728	\$ 95,238

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(i) Provision for capacity reservation agreements

Provisions for capacity reservation agreements were made based on agreed price and required quantity in agreements signed with the suppliers. The provision for the aforementioned agreements is recognized when the expected benefits are lower than the unavoidable cost about fulfilling agreed obligations.

(ii) Site restoration

In April 2017, the Company bought the land. And it has obligation to restore the land. Due to the nature of the provision long-term liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Company has assumed that the site will be restored using technology and materials that are available currently. The Company has been provided with a range of reasonably possible outcomes of the total cost. The rehabilitation is expected to occur in the future.

(l) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	\$ 78,019	\$ 81,932
Fair value of plan assets	(77,256)	(69,667)
Net defined benefit liabilities	\$ 763	\$ 12,265

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$77,256 thousand at the reporting day. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

	<u>2022</u>	<u>2021</u>
Defined benefit obligations at January 1	\$ 81,932	\$ 92,270
Current service costs and interest cost	530	563
Remeasurement on the net defined benefit liabilities		
— Experience adjustments arising on the actuarial gains or losses	1,348	482
— Actuarial (gain) losses arising from:		
- Demographic assumptions	(8)	763
- Financial assumptions	(5,276)	(2,387)
Benefits paid	(507)	(9,759)
Defined benefit obligations at December 31	<u><u>\$ 78,019</u></u>	<u><u>\$ 81,932</u></u>

3) Movements of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

	<u>2022</u>	<u>2021</u>
Fair value of plan assets at January 1	\$ (69,667)	\$ (76,316)
Interest income	(456)	(306)
Remeasurement on the net defined benefit liabilities		
— Return of plan assets excluding interest income	(5,897)	(1,041)
Contribution made	(1,743)	(1,763)
Benefits paid	507	9,759
Fair value of plan assets at December 31	<u><u>\$ (77,256)</u></u>	<u><u>\$ (69,667)</u></u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	2022	2021
Current service costs	\$ -	\$ 197
Net interest of net liabilities for defined benefit obligations	74	60
	\$ 74	\$ 257
Operating costs	\$ 19	\$ 67
Operating expenses	55	190
	\$ 74	\$ 257

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2022	2021
Discount rate	1.25 %	0.65 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$1,793 thousand.

The weighted average lifetime of the defined benefits plans is 10 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2022:		
Discount rate	\$ (2,062)	\$ 2,140
Future salary growth	2,119	(2,052)
December 31, 2021:		
Discount rate	(2,341)	2,435
Future salary growth	\$ 2,396	\$ (2,316)

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

The method and assumptions used in the preparation of the sensitivity analysis was the same as the previous period.

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$56,642 thousand and \$53,437 thousand for the years ended December 31, 2022 and 2021, respectively. Payment was made to the Bureau of Labor Insurance.

(m) Income taxes

(i) Tax expense (benefit)

The components of expense (benefit) for years 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current tax expense (benefit)		
Current-year tax	\$ 112,006	\$ 7,195
Tax incentives	(3,806)	-
	<u>108,200</u>	<u>7,195</u>
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	-	(25,432)
Recognition of previously unrecognized tax losses	(106,783)	(7,195)
	<u>(106,783)</u>	<u>(32,627)</u>
Tax expense (benefit)	<u><u>\$ 1,417</u></u>	<u><u>\$ (25,432)</u></u>

No income tax recognized directly in equity or other comprehensive income for years 2022 and 2021.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Reconciliation of tax expense (benefit) and profit before tax for 2022 and 2021 is as follows:

	2022	2021
Profit excluding income tax	\$ 615,091	\$ 67,236
Income tax using the Company's domestic tax rate	\$ 123,018	\$ 13,447
Non-deductible expenses	(335)	(284)
Recognition of previously unrecognized tax losses	(106,783)	(7,195)
Change in unrecognized temporary differences	(38,142)	(9,110)
Tax incentives	(3,806)	-
Additional income tax on unappropriated earnings	5,224	-
Others	22,241	(22,290)
Tax (benefit) expense	\$ 1,417	\$ (25,432)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

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

	December 31, 2022	December 31, 2021
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 2,447,930	\$ 2,102,314
Unrecognized deferred tax liabilities	\$ 489,586	\$ 420,463

2) Unrecognized deferred tax assets

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

	December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	\$ 300,136	\$ 271,881
The carry forward of unused tax losses	123,934	202,542
	\$ 424,070	\$ 474,423

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over 10 years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2022, the Company's unused tax losses for which no deferred tax assets were recognized were as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry year</u>
2020	\$ 619,916	2030

3) Recognized deferred tax assets and liabilities

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

	<u>Unrealized Gain of exchange</u>	<u>Others</u>	<u>Total</u>
Deferred tax liabilities:			
Balance at January 1, 2022	\$ 22,232	\$ 58	\$ 22,290
Recognized in profit or loss	(22,232)	(9)	(22,241)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 49</u>
Balance at January 1, 2021	\$ 21,666	\$ 3,766	\$ 25,432
Recognized in profit or loss	566	(3,708)	(3,142)
Balance at December 31, 2021	<u>\$ 22,232</u>	<u>\$ 58</u>	<u>\$ 22,290</u>
			<u>Tax losses</u>
Deferred tax assets:			
Balance at January 1, 2022			\$ 22,290
Recognized in profit or loss			(22,241)
Balance at December 31, 2022			<u>\$ 49</u>
Balance at January 1, 2021			\$ -
Recognized in profit or loss			22,290
Balance at December 31, 2021			<u>\$ 22,290</u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(iii) Assessment of tax

The Company's tax returns for the years through 2020 were assessed by Tax Bureau.

(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, the Company's authorized capital was 6,500,000 thousand with the par value of NT\$10 per share, of which 441,545 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

	December 31,	December 31,
	2022	2021
Share premium	\$ 2,308,555	\$ 2,308,555
Buyback of convertible bonds	286,921	286,921
Lapsed employee share options	17,253	17,253
Change in equity of associates accounted for under equity method	5,832	5,832
Treasury share transactions	421	421
	\$ 2,618,982	\$ 2,618,982

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, can be transferred to common stock as stock dividends or distributed by cash based on the original shareholding percentage. Realized capital surplus includes the additional paid-in capital derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in each year shall not exceed 10% of the share capital.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting tax and accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of share capital. In addition, a special reserve shall be set aside or reversed in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years and adjustments form retained earnings in the current year, can be distributed as dividends to stockholders after the shareholders' meeting approves the distribution plan submitted by the Board of Directors.

According to the R.O.C. Company Act No 240(5), the Company authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

The Company's industrial development is at a growth stage, in order to consider its future business development and shareholders' expectation of cash, the principle of cash distribution of dividend should contain 10 % of the entire dividends.

1) Legal reserve

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

2) Special reserve

Before distributing earnings, a portion of current-period earnings plus other current earnings and undistributed prior-period earnings shall be reclassified as special reserve for an amount equal to the net debit balance of other equity in the current period. The net debit balance of other equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. When the amount of the net debit balance of other equity is reversed subsequently, the reversed amount can be included in the distributable earnings.

3) Earnings distribution

The proposal of earning distribution for the year 2021 was resolved that that no distribution was granted at the shareholders' meeting to be held on June 23, 2022.

The Company's shareholders resolved the deficit compensation for the year of 2020 at the shareholders' meeting to be held on August 20, 2021. The legal reserve of \$177,220 and special reserve of \$65,621 for the year ended December 31, 2020 were used to offset accumulated deficit.

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2022	\$ (43,366)	\$ (46,036)	\$ (89,402)
Exchange differences on foreign operations	9,297	-	9,297
Balance at December 31, 2022	<u>\$ (34,069)</u>	<u>\$ (46,036)</u>	<u>\$ (80,105)</u>
Balance at January 1, 2021	\$ (128,094)	\$ (46,036)	\$ (174,130)
Exchange differences on foreign operations	87,728	-	84,728
Balance at December 31, 2021	<u>\$ (43,366)</u>	<u>\$ (46,036)</u>	<u>\$ (89,402)</u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(o) Earnings per share

The calculations of basic earnings per share and diluted earnings per share for years 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 613,674</u>	<u>\$ 92,668</u>
Weighted average number of ordinary shares (in thousands of shares)	<u>441,545</u>	<u>441,545</u>
Basic earnings per share (NT dollars)	<u>\$ 1.39</u>	<u>\$ 0.21</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 613,674</u>	<u>\$ 92,668</u>
Weighted average number of ordinary shares (in thousands of shares)	441,545	441,545
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	<u>2,694</u>	<u>49</u>
Weighted average number of ordinary shares (in thousands of shares) (After adjustment for dilutive potential common share impact)	<u>444,239</u>	<u>441,594</u>
Diluted earnings per share (NT dollars)	<u>\$ 1.38</u>	<u>\$ 0.21</u>

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>	<u>2021</u>
Primary geographical markets:		
Taiwan	\$ 2,636,751	\$ 2,630,104
China, Hong Kong and Macao	2,294,592	2,565,423
Japan	1,802,462	1,681,776
Europe	868,451	945,902
America	673,022	589,777
Other	<u>2,016,866</u>	<u>1,643,850</u>
	<u>\$ 10,292,144</u>	<u>\$ 10,056,832</u>
Major products:		
LCD panel and module	<u>\$ 10,292,144</u>	<u>\$ 10,056,832</u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable	\$ 1,726,538	\$ 1,677,474	\$ 1,370,129
Less: allowance for impairment	(126,540)	(128,257)	(130,189)
	<u>\$ 1,599,998</u>	<u>\$ 1,549,217</u>	<u>\$ 1,239,940</u>
Contract liabilities (recorded in other current liabilities)	<u>\$ 146,729</u>	<u>\$ 137,702</u>	<u>\$ 194,796</u>

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

The amount of revenue recognized for years 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$109,756 thousand and \$177,981 thousand, respectively.

(q) Employee compensation and directors' remuneration

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1% will be distributed as employee remuneration, and a maximum of 1.5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's affiliated companies who meet certain specific requirements.

For the years ended December 31, 2022 and 2021, remuneration of employees of \$32,718 thousand and \$686 thousand, respectively, and remuneration of directors of \$6,544 thousand and \$686 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating costs or operating expenses for years 2022 and 2021.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

The amounts, as stated in the financial statements, are identical to those of the actual distributions made by the Board of Directors for years 2022 and 2021. Related information is available on the website of the Market Observation Post System.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(r) Non-operating income and expenses

(i) Interest income

The details of interest income was as follows:

	2022	2021
Interest income from bank deposits	\$ 10,082	\$ 1,174
Others	29	-
	\$ 10,111	\$ 1,174

(ii) Other income

The details of other income were as follows:

	2022	2021
Rental income	\$ 46,727	\$ 40,290
Others	166,044	197,708
	\$ 212,771	\$ 237,998

(iii) Other gains and losses

The details of other gains and losses were as follows:

	2022	2021
Gains on disposals of property, plant and equipment	\$ 78	\$ 78
Foreign exchange gains or losses	(19,832)	69,278
Gains on financial assets at fair value through profit or loss	(5,577)	1,059
Others	(123,739)	(161,628)
	\$ (149,070)	\$ (91,213)

(iv) Finance costs

The detail of finance costs was as follows:

	2022	2021
Interest expense	\$ 52,123	\$ 45,831

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The major customers of the Company are centralized in producing panel. In order to minimize the credit risk of accounts receivable, the Company periodically evaluates the financial position of customers, assessing the possibility of receivables recovery, and providing allowance for bad debts regularly. The impairment is always within the management's expectations. As of December 31, 2022 and 2021, the concentration rates from top 10 customers were 50% and 47%, respectively. The concentration of credit risk of other receivables is relatively insignificant.

3) Receivables securities

For credit risk exposure of accounts receivable, please refer to Note 6(c).

Other financial assets at amortized cost include other receivables and time deposits, etc.

All of these financial assets are considered to have low credit risk, and thus, the impairment allowance recognized during the period was subjected to 12-months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(f).

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2- 5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$ 1,489,355	1,542,238	68,181	231,862	457,937	784,258	-
Accounts payable	1,392,487	1,392,487	1,392,487	-	-	-	-
Accounts payable-related party	951,794	951,794	951,794	-	-	-	-
Other payables	886,737	886,737	886,737	-	-	-	-
Other payables-related party	2,448,144	2,448,144	2,448,144	-	-	-	-
Lease liabilities	2,500	2,536	564	464	527	981	-
Guarantee deposits received (recorded in other non-current liabilities)	14,555	14,555	14,555	-	-	-	-
Derivative financial liabilities							
Other forward exchange contracts							
Outflow	34	45,928	45,928	-	-	-	-
Inflow	-	(45,894)	(45,894)	-	-	-	-
	\$ 7,185,606	7,238,525	5,762,496	232,326	458,464	785,239	-
December 31, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$ 1,600,323	1,651,359	64,211	63,919	291,411	1,176,213	55,605
Accounts payable	1,793,019	1,793,019	1,793,019	-	-	-	-
Accounts payable-related party	773,490	773,490	773,490	-	-	-	-
Other payables	837,846	837,846	837,846	-	-	-	-
Other payables-related party	2,165,398	2,165,398	2,165,398	-	-	-	-
Lease liabilities	4,718	4,781	1,362	883	1,028	1,333	175
Guarantee deposits received (recorded in other non-current liabilities)	17,212	17,212	17,212	-	-	-	-
Derivative financial liabilities							
Other forward exchange contracts							
Outflow	(383)	83,074	83,074	-	-	-	-
Inflow	-	(83,457)	(83,457)	-	-	-	-
	\$ 7,191,623	7,242,722	5,652,155	64,802	292,439	1,177,546	55,780

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

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

		December 31, 2022			December 31, 2021		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	\$	93,735	30.710	2,878,602	114,249	27.680	3,162,412
JPY		1,353,119	0.232	313,924	539,777	0.241	130,086
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD	\$	130,765	30.710	4,015,793	143,345	27.680	3,967,790
JPY		1,319,006	0.232	306,009	1,524,074	0.241	367,302

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets measured at amortized cost, accounts and other receivables, accounts and other payables and lease liabilities that are denominated in foreign currency. The analysis is performed on the same basis for the two periods.

A weakening or strengthening of 1% of the TWD against the USD for years 2022 and 2021 would have decreased or increased the net profit before tax by \$11,372 and \$8,054 thousand, respectively. The analysis assumes that all other variables remain constant.

A weakening or strengthening of 1% of the TWD against the JPY for years 2022 and 2021 would have decreased or increased the net profit before tax by \$79 thousand and \$2,372 thousand, respectively. The analysis assumes that all other variables remain constant.

3) Foreign exchange gains or losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(19,832) thousand and \$69,278 thousand, respectively.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased / decreased by 10 basis points, the Company's net profit (loss) would have increased or decreased by \$812 thousand and \$380 thousand for years 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the variable rates of the Company's bank deposits and borrowing.

(v) Information of fair value

1) Type and fair value of financial instruments

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; except financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		December 31, 2022			
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,504,159	-	-	-	-
Accounts receivable	1,444,311	-	-	-	-
Accounts receivable-related party	155,687	-	-	-	-
Other receivables	72,082	-	-	-	-
Other financial assets (recorded in other current assets)	2,138	-	-	-	-
Guaranteed deposits paid (recorded in other non-current assets)	197,648	-	-	-	-
Total	<u>\$ 4,376,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 34	-	34	-	34
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,489,355	-	-	-	-
Accounts payable	1,392,487	-	-	-	-
Accounts payable-related party	951,794	-	-	-	-
Other payables	886,737	-	-	-	-
Other payables-related party	2,448,144	-	-	-	-
Lease liabilities	2,500	-	-	-	-
Guarantee deposits received (recorded in other non-current liabilities)	14,555	-	-	-	-
Subtotal	<u>7,185,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,185,606</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>34</u>

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

		December 31, 2021				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Derivative financial assets	\$	383	-	383	-	383
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	2,075,973	-	-	-	-
Financial assets measured at amortized cost		981	-	-	-	-
Accounts receivable		1,449,249	-	-	-	-
Accounts receivable-related party		99,968	-	-	-	-
Other receivables		75,456	-	-	-	-
Other financial assets (recorded in other current assets and non-current assets)		3,043	-	-	-	-
Guaranteed deposits paid (recorded in other non-current assets)		74,933				
Subtotal		3,779,603	-	-	-	-
Total	\$	3,779,986	-	383	-	383
Financial liabilities measured at amortized cost						
Bank loans	\$	1,600,323	-	-	-	-
Accounts payable		1,793,019	-	-	-	-
Accounts payable-related party		773,490	-	-	-	-
Other payables		837,846	-	-	-	-
Other payables-related party		2,165,398	-	-	-	-
Lease liabilities		4,718	-	-	-	-
Guarantee deposits received (recorded in other non-current liabilities)		17,212	-	-	-	-
Total	\$	7,192,006	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted price in the active market. The market prices announced by major exchanges or over-the-counter market are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments that are publicly quoted in the active market.

b) Derivative financial instruments

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

4) Transfers between Level 1 and Level 2: None

(t) Financial risk management

(i) Overview

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

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The aforementioned risk exposure information, the objectives, policies, and procedures for measuring and managing risks of the Company, are described in this note. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The objective of the financial risk management from the Company is to manage market risk, credit risk and liquidity risk. The policies and risks preference were established by the Company to recognize, measure, and manage the risks mentioned above.

The Company established adequacy policies, procedures and internal control system for the financial risk management. The Board of Directors and Audit Committee monitors and reviews the major financial activities in accordance with procedures required by relevant regulations and internal controls. During the execution of financial management activities, the Company has to actually abide by the relevant regulations on financial risk management.

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

(iii) Credit risk

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

1) Accounts and other receivables

Each business unit manages customer credit risk by following the policies, procedures and controls of the customer's credit risk of the Company. The credit risk assessment of all customers is based on factors such as the financial status of the customer, the evaluation of the credit rating agency, past historical trading experience, current economic environment and internal company evaluation criteria. The Company also uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to reduce the credit risk of specific customers.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, financial institutions, government agencies, and corporate organizations with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees for transactions involving equity investment that is more than 50% directly or indirectly owned. As of December 31, 2022 and 2021, no other guarantees were outstanding.

(iv) Liquidity risk

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

As of December 31, 2022 and 2021, the Company's unused credit line were \$2,811,343 thousand and \$2,809,537 thousand, respectively.

(v) Market risk

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

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GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

1) Currency risk

The Company is exposed to currency risk on sales, expenditures, and net investment in a foreign operation that are denominated in a currency other than the respective functional currencies of the Company.

Part of the Company's receivables and payables are the same currency. Meanwhile, a considerable portion will have a natural hedging effect. For some foreign currency payments, forward exchange agreements are used to manage currency risk based on the aforementioned natural hedging. Thus the Company does not comply hedge accounting. Otherwise, the net investment in a foreign operation is considered strategic investment, so the Company has not hedged against this.

2) Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The interest rate risk of the Company is mainly derived from floating rate investments classified as loans and receivables and floating rate borrowings.

3) Other market price risk

The Company holds unlisted equity securities. The price of such equity securities is affected by the uncertainty of the future value of these investment targets. The unlisted equity securities held by the Company are all available for sale. The Company manages the market price risk of equity securities by diversifying investments and setting limits on single and overall equity securities investments. The portfolio information of equity securities is required to be regularly provided to the senior management of the Company, and the board of directors must review and approve the policy of equity securities investments.

(u) Capital management

The Company's capital management policy is to manage its capital to safeguard the capacity to continue as a going concern, to continue to provide a returns for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

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

The Company monitors capital using a ratio of 'net debt' to 'adjusted equity'. This ratio is the total net debt divided by the adjusted capital. Net debt is calculated as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity (capital, share premium, retained earnings and other equity) and net debt.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company's net debt to adjusted equity ratio at the end of the reporting period, was as follows:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 7,510,399	\$ 7,492,723
Less: cash and cash equivalents	(2,504,159)	(2,075,973)
Net debt	5,006,240	5,416,750
Total equity	7,781,193	7,148,389
Adjusted equity	\$ 12,787,433	\$ 12,565,139
Ratio of net debt to adjusted equity	39.15 %	43.11 %

(v) Financing activities not affecting current cash flow

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

	January 1, 2022	Cash flows	Non-cash changes Foreign exchange and other movement	December 31, 2022
Long-term borrowings (includes current portion)	\$ 1,600,323	\$ (110,968)	\$ -	\$ 1,489,355
Lease liabilities	4,718	(2,218)	-	2,500
Total liabilities from financing activities	\$ 1,605,041	\$ (113,186)	\$ -	\$ 1,491,855

	January 1, 2021	Cash flows	Non-cash change Foreign exchange and other movement	December 31, 2021
Long-term borrowings (includes current portion)	\$ 721,290	\$ 879,033	\$ -	\$ 1,600,323
Short-term borrowings	990,000	(990,000)	-	-
Lease liabilities	6,735	(3,627)	1,610	4,718
Total liabilities from financing activities	\$ 1,718,025	\$ (114,594)	\$ 1,610	\$ 1,605,041

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(7) Related-party transactions

(a) Parent company and ultimate controlling company

Toppan Inc. is the parent company and the ultimate controlling party.

(b) Names and relationship with the Company

The followings are related parties that had transactions with the Company during the periods covered in the financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Toppan Inc. (TOPPAN)	The parent company
Toppan Chunghwa Electronics Co., Ltd. (TCE)	Other related party
Toppan Electronics Taiwan Inc (TET)	Other related party
Giantplus (Samoa) Holding Co., Ltd. (Samoa)	Subsidiary of the Company
Giantplus Holding L.L.C.	Subsidiary of the Company Kunshan
Giantplus Optronics Display Technology Co., Ltd. (KGO)	Subsidiary of the Company
Shenzhen Giantplus Optoelectronics Display Co., Ltd. (SGO)	Subsidiary of the Company (Note)

Note: It has been liquidated in January 2021.

(c) Significant transactions with related parties

(i) Sales

The amounts of sales by the Company to related parties were as follows:

	<u>2022</u>	<u>2021</u>
Parent company	\$ 547,411	\$ 357,064
Subsidiaries	43,542	79,747
	<u><u>\$ 590,953</u></u>	<u><u>\$ 436,811</u></u>

The transaction price between the Company and the above-mentioned related parties was not comparable to that of other customers, and no significant differences between the terms of transactions with related parties and other customers. The trading terms for related parties were ranged from 45 to 60 days, while the terms for routine sales were ranged from T/T in advanced to 90 days.

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Purchases

The amounts of purchases by the Company from related parties were as follows:

	2022	2021
Parent company	\$ 31,425	\$ 25,670
Other related party	2,345	2,111
	\$ 33,770	\$ 27,781

The prices and payment terms of the Company's purchases from the above related parties were not significantly different from those of its regular suppliers. The payment terms for related parties' transaction were ranged from 45 days to 90 days, while the terms for routine purchases were ranged from T/T in advance to 120 days.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Accounts receivable	Parent company	\$ 155,687	\$ 99,968
Other receivables	Subsidiaries	4,737	4,369
Other receivables	Other related party-TCE	14,079	10,167
Other current assets	Parent company	47,594	54,084
Other current assets	Other related party	6,843	3,508
		\$ 228,940	\$ 172,096

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Accounts payable	Parent company	\$ 182,418	\$ 208,056
Accounts payable	Subsidiary-KGO	768,539	564,460
Accounts payable	Other related party	837	974
Other payables	Parent company	20,409	18,852
Other payables	Subsidiary	-	474
Other payables	Other related party	2,116	2,980
Other current liabilities	Parent company	18,019	13,644
Other current liabilities	Other related party	3,900	-
		\$ 996,238	\$ 809,440

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(v) Property transactions

1) Purchases of property, plant and equipment

The prices of property, plant and equipment purchased from related parties are summarized as follows:

	2022	2021
Parent company	\$ 4,417	\$ 922
Subsidiary	-	282
Other related party	1,444	1,841
	\$ 5,861	\$ 3,045

(vi) Others

	2022	2021
Outsourced manufacturing		
Subsidiary	\$ 1,243,157	\$ 1,240,959

	2022	2021
Production overheads		
Parent company	\$ 309,894	\$ 422,236
Subsidiary	85	1,393
Other related party	24	-
	\$ 310,003	\$ 423,629

	2022	2021
Operating expenses		
Parent company	\$ 1,457	\$ 7,244
Subsidiary	57	16
	\$ 1,514	\$ 7,260

	2022	2021
Other income		
Parent company	\$ 41,879	\$ 59,769
Subsidiary	17,421	15,270
Other related party	6,972	6,844
	\$ 66,272	\$ 81,883

(Continued)

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

	Other expenses	
	2022	2021
Parent company	\$ 43,569	\$ 76,361
Other related party	2,757	1,649
	\$ 46,326	\$ 78,010

(vii) Borrowings from related parties

The borrowings from related parties (included interest payable) were as follows:

	December 31, 2022	December 31, 2021
Subsidiary — Samoa	\$ 1,770,811	\$ 1,554,819
Subsidiary — Giantplus Holding L.L.C.	654,808	588,273
	\$ 2,425,619	\$ 2,143,092

The interest charged to the Company is calculated based on the average interest rate imposed on related parties' borrowings by external financial institutions. The interest-bearing borrowings provided from related parties are unsecured. The interest paid was as follows:

	Interest expense	
	2022	2021
Subsidiary — Samoa	\$ 21,759	\$ 22,737
Subsidiary — Giantplus Holding L.L.C.	8,717	5,157
	\$ 30,476	\$ 27,894

(d) Key management personnel compensation

	2022	2021
Short-term employee benefits	\$ 45,893	\$ 20,060

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(8) Pledged assets

The carrying value of pledged assets were as follows:

Assets	Pledged to secure	December 31, 2022	December 31, 2021
Property, plant and equipment	Bank loan credit lines	\$ 3,983,662	\$ 3,834,076
Guarantee deposits paid (recorded in non-current assets)	Capacity reservation deposit, litigation bond and dormitory deposit	197,648	74,933
Other non-current financial assets (recorded in other current assets and other non-current assets)	Supplier purchase deposit	2,138	2,138
		<u>\$ 4,183,448</u>	<u>\$ 3,911,147</u>

(9) Significant contingent liabilities and unrecognized contract commitments

The Company entered into capacity reservation agreements with the supplier, and the company needs to purchase wafers from the supplier at certain prices and quantities.

(10) Significant losses due to major disasters: None

(11) Significant subsequent events: None

(12) Other

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

By item	By function	2022			2021		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		1,082,663	300,331	1,382,994	1,009,282	253,324	1,262,606
Labor and health insurance		99,450	24,868	124,318	96,158	24,290	120,448
Pension		43,670	13,046	56,716	41,179	12,515	53,694
Remuneration of directors (Note)		-	7,534	7,534	-	1,851	1,851
Others		38,032	11,692	49,724	36,118	11,360	47,478
Depreciation		299,256	31,208	330,464	298,585	63,281	361,866
Amortization		153	4,344	4,497	166	5,190	5,356

Note: including income from professional practice, duty pay, and bonuses.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

For years 2022 and 2021, the Company's number of employees and employee benefit expenses were as follows:

	2022	2021
Number of employees	1,678	1,646
Number of non-employee directors	5	6
Average employee benefit expense	\$ 965	\$ 905
Average employee salary expense	\$ 827	\$ 770
The adjustment on average employee salary expense	7.40 %	11.43 %
Supervisor's remuneration	\$ -	\$ -

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

(i) Remunerations to directors and managers

- (1) The remuneration to directors and managers complies with the related laws and regulations set by the government, and is able to attract talents.
- (2) The remuneration to directors and managers is determined by reference to the Company's overall operating performance, future risks, development trends of the industry, and achievement of the Company's short-term and long-term goal, as well as the individual's position, performance achievement rate, contribution to the Company.
- (3) Directors' salaries include the remuneration regulated by the Company's articles of incorporation, director's remuneration, and traveling expense.
- (4) Managers' salaries include salary, holiday bonus, performance bonus, employee remuneration (according to the Company's articles), stock option, retirement pension, and other benefits.

(ii) Employee remuneration

- (1) The wages of the employees of the Company are paid based on the grade table set according to the complexity of their work, the degree of responsibilities, and the professional skills required and Company's overall operating performance. In addition, the wage will be based on the salary given to similar industry, economics, as well as related laws and regulations.
- (2) Employees salary and remuneration are based on their academic experience, professional knowledge, experience and personal performance, but are not differed by their age, gender, race, beliefs, politics, marriage or union.
- (3) Employee remuneration is distributed according to the Company's performance and employee's performance.
- (4) Non-experience and foreign workers' salaries are in compliance with the related government laws and regulations.

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

- (5) Employee salaries include salary, holiday bonus, performance bonus, employee remuneration (according to the Company's articles), stock option, and retirement pension.

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers":

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 4)	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Giantplus (Samoa) Holding Co., Ltd.	Kunshan Giantplus Optronics Display Tech Co., Ltd.	Other receivables	Yes	1,077,840	921,300	737,040	2.29% - 7.00%	2	-	Operating activities	-	None	-	3,808,898	3,808,898
1	Giantplus (Samoa) Holding Co., Ltd.	The Company	Other receivables	Yes	2,038,523	1,750,470	1,750,470	0.64% - 4.73%	2	-	Operating activities	-	None	-	3,808,898	3,808,898
2	Giantplus Holding L.L.C.	The Company	Other receivables	Yes	1,019,370	1,013,430	644,910	0.71% - 2.68%	2	-	Operating activities	-	None	-	1,157,243	1,157,243

Note 1: For those companies with short-term financing needs, fill out 2.

Note 2: Financing limit for individual: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value, Giantplus Holding L.L.C. 90% of its net asset value.

Note 3: Total financing limit: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value, Giantplus Holding L.L.C. 90% of its net asset value.

Note 4: Highest balance of financing to other party during the period.

Note 5: If the public company submits fund financing based on each transaction for a resolution by the Board of Directors in accordance with Article 14(1) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, although the funds have not been allocated, the amount approved by the board shall be included in the ending balance of loans of funds in the announcement to reflect the risk that the company has under taken. However, if the loans of funds are repaid, the balance of the repayment shall be disclosed to reflect the adjustment of risk. If the public company authorizes the chairman of the board to allocate the loans of funds within particular amounts (authorized limits) and repaid over several installments in a year according to the resolution of the board of directors in accordance with Articles 14(2) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company shall still disclose the amount approved by the board of directors. Although the funds will be repaid afterwards, in the consideration of the possibilities of re-loan, the company shall still disclose the amount approved by the board of directors.

Note 6: The amount is based on foreign currency, please refer the spot exchange rate on financial statement date.

(ii) Guarantees and endorsements for other parties: None

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Chenfeng Optronics Corporation	None	FVOCI	2,141,452	-	2.28 %	-	Note

Note: No public offer.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20% of the capital: None
- (v) Acquisition of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

- (vi) Disposal of individual real estate with amount exceeding NT\$300 million or 20% of the capital:
None
- (vii) Related-party transactions for purchases and sales with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Kunshan Giantplus Optronics Display Tech Co., Ltd.	The Company	The parent company	(Sale)	(1,243,157)	(88) %	60 Days	-		768,539	100%	
The Company	TOPPAN	The company's parent company	(Sale)	(547,411)	(5) %	45 Days	-		155,687	9%	

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover Rate (Note 4)	Overdue		Amounts received in subsequent period	Loss allowance for bad debts
					Amount	Action taken		
The Company (Note 2)	TOPPAN	The company's parent company	155,687	4.58	-		74,517	
Kunshan Giantplus Optronics Display Tech Co., Ltd. (Note 2)	The Company	The parent company	768,539	1.87	-		768,539	-
Giantplus (Samoa) Holding Co., Ltd. (Note 3)	Kunshan Giantplus Optronics Display Tech Co., Ltd.	Subsidiary	750,684	-	-		-	-
Giantplus (Samoa) Holding Co., Ltd. (Note 3)	The Company	The parent company	1,770,811	-	-		-	-
Giantplus Holding L.L.C. (Note 3)	The Company	The parent company	654,807	-	-		-	-

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Account receivables.

Note 3: Other account receivables

Note 4: Other accounts receivable was excluded from calculation of turnover rate.

- (ix) Trading in derivative instruments: Please refer to Note 6(b).
- (b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for year 2022:

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
The Company	Giantplus (Samoa) Holding Co., Ltd.	Samoa	Investment activities	1,397,086	1,397,086	44,000,000	100.00 %	3,826,524	344,716	383,841	Subsidiary (Note 1)
Giantplus (Samoa) Holding Co., Ltd.	Giantplus Holding L.L.C.	U.S.A	Investment activities	1,397,086	1,397,086	-	100.00 %	1,285,826	79,444	79,444	Subsidiary

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

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(c) Information on investment in mainland China

(i) The information on investment in Mainland China

(In Thousands of New Taiwan Dollars)

Name of investee in Mainland China	Major operations	Issued capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of at the beginning	Investment flows		Accumulated outflow of investment from Taiwan as of at The end	Net income of the investee	Direct/indirect shareholding (%) by the Company	Investment income (Note 2(3))	Carrying value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kunshan Giantplus Optonics Display Tech Co., Ltd. (Note 6)	The assembly of liquid crystal displays and the production and sales of touch panel	890,590	(2)	890,590	-	-	890,590	6,888	100.00%	6,888	612,625	-

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China at the end of the period (Note 8)	Investment amounts approved by Investment Commission, MOEA (Note 8)	Upper limit on investment (Note 3)
2,180,410	2,180,410	4,668,715

Note 1: Investments in Mainland China are differentiated by the following three methods:

1. Direct investment in Mainland China
2. Investment in Mainland China through a third region company
3. Other methods

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

1. If the corporation is in the set-up phase, no investment gain or loss recognition should be indicated.
2. Recognition basis of investment gains or losses is determined by the following three types:
 - (1) Financial statements of the investee company were audited and certified by an R.O.C. accounting firm which has cooperation with an international firm.
 - (2) Financial statements of the investee company were audited and certified by the CPA of the parent company
 - (3) Others-financial statement reviewed by the CPA of parent company or complied by the parent company.

Note 3: The upper limit on investment was 60% of the total net worth based on "Principle of investment or Technical Cooperation in Mainland China".

Note 4: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate at the reporting day.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 6: Kunshan Giantplus Optonics Display Tech Co., Ltd. is the indirect investee of the Company.

Note 7: "Accumulated investment in Mainland China at the end of the period" and the "Investment amounts approved by Investment Commission, MOEA" included the original remittance of USD 30,000 thousand and USD 12,000 thousand, respectively. In April 2019 and January 2021, the Company disposed its investment, respectively. As of December 31, 2022, a total amount was USD42,000 in the equity of Kunshan Giantplus Optoelectronics Tech Co., Ltd. and Shenzhen Giantplus Optoelec. Display Co., Ltd., which has not yet been remitted back to the Company.

(iii) Significant transactions:

In 2022, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(d) Major shareholders:

Shareholders' Name	Shareholding	Shares	Percentage
Toppan Inc.		152,981,757	34.64 %
Yuanta Commercial Bank Entrusted Custody of Investment Account-Toppan Inc.		81,500,000	18.45 %

- (i) The information of major shareholders in this table was calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, based on the Company's common shares (including treasury stock) without physical registration for which the major shareholders own more than 5% of the total shares. The share capital in financial report may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.
- (ii) If a shareholder delivers its shares to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. As for the insider declaration for shareholding more than 10% of total shares in accordance with the Securities and Exchange Act, their shareholding shall include the shares held by themselves plus the shares that they have delivered to the trust and have the right to exercise decision-making power over the trust property. For more information, please refer to Market Observation Post System website.

(14) Segment information

Please refer to the consolidated financial statements.

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of cash and cash equivalents
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand		\$ 127	
Checks and saving accounts	Saving accounts	2,504,032	Note
	Foreign currency deposits		
	USD 41,211 thousand		
	JPY 1,229,903 thousand		
	HKD 11 thousand		
	RMB 711 thousand		
	EUR 24 thousand		
		\$ 2,504,159	

Note: Exchange rate,
December 31, 2022
USD1=TWD30.710
JPY1=TWD0.232
HKD1=TWD3.938
RMB1=TWD4.409
EUR1=TWD32.720

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of account receivables
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related parties:			
TOPPAN	Payment	\$ 155,687	
Non-related parties:			
JABIL VIETNAM Co., Ltd	"	171,798	
Garmin Corporation	"	142,098	
KYOCERA (Hong knog) Sules & Trading Ltd.	"	103,349	
Others	"	1,153,606	Note
Subtotal		1,570,851	
Less: allowance for impairment loss		(126,540)	
Net amount		1,444,311	
Total		<u><u>\$ 1,599,998</u></u>	

Note: The amount of individual client included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of other receivables
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related parties:			
Toppan Chunghwa Electronics Co., Ltd.	Advance payment	\$ 14,079	
Giantplus (Samoa) Holding Co., Ltd.	Service fee	4,737	
Subtotal		18,816	
Non-related parties			
Financial institutions	Others	21,942	
Henghao Technology Co., Ltd.	Advance payment	9,331	
Others		21,993	Note
Subtotal		53,266	
Total		\$ 72,082	

Note: The amount of individual client included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of inventories
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Raw materials	\$ 939,560	\$ 824,094	
Work in process	334,903	407,273	
Finished goods	566,908	562,583	
Total	1,841,371	\$ 1,793,950	
Less: allowance for inventory valuation and obsolescence losses	(191,861)		
Net value	\$ 1,649,510		

Statement of other current assets

Item	Description	Amount	Note
Temporary payments	Molding equipment	\$ 121,001	
Prepaid expenses	Prepaid royalty and others etc.	66,588	
Supplies	Hardware parts etc.	65,426	
Others		2,301	Note
		\$ 255,316	

Note: The amount of each item included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of changes in investments accounted for using the equity method

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Name of Company</u>	<u>Balance, January 1, 2022</u>		<u>Additions</u>		<u>Decrease</u>		<u>Balance, December 31, 2022</u>			<u>Market price or net asset (Note)</u>		<u>Collateral</u>	<u>Note</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>%</u>	<u>Amount</u>	<u>Unit price</u>	<u>Total amount</u>		
Equity Method													
Giantplus (Samoa) Holding Co.,Ltd.	44,000,000	<u>\$ 3,433,352</u>	-	<u>\$ 393,172</u>	-	<u>\$ -</u>	44,000,000	100.00 %	<u>\$ 3,826,524</u>	87	<u>\$ 3,808,899</u>	None	

Note: When there is no open market price, the market price is determined by the net assets.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other non-current assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Guarantee deposits paid	Capacity reservation deposit and dormitory deposit	\$ 197,648	
Others		5,501	Note
		\$ 203,149	

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of accounts payables

Name of Client	Description	Amount	Note
Related parties:			
KGO	Payment	\$ 768,539	
TOPPAN	"	182,418	
Others	"	837	Note
Subtotal		951,794	
Non-related parties:			
Shian Yih Electronic Industry Co., Ltd.	"	141,933	
WAICHI OPTO TECHNOLOGY LIMITED	"	133,529	
Others	"	1,117,025	Note
Subtotal		1,392,487	
Total		\$ 2,344,281	

Note: The amount of each vendor included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other payables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related parties:			
Giantplus (Samoa) Holding Co., Ltd.	Loans	\$ 1,770,811	
Giantplus Holding L.L.C.	"	654,808	
Others	Purchase of masks and service fees	22,525	
Subtotal		2,448,144	
Non-related parties:			
Other accrued expenses	Purchase of supplies and royalty	474,756	
Salaries payable	Salaries and bonuses	286,804	
Others		125,177	Note
Subtotal		886,737	
Total		<u><u>\$ 3,334,881</u></u>	

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of other current liabilities

Item	Description	Amount	Note
Advance sales receipts		\$ 146,729	
Provision for capacity reservation agreements		32,490	
Refund liabilities		19,171	
Other advance receipts		14,312	
Receipts under custody		11,809	
		<u><u>\$ 224,511</u></u>	

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Amount	Term of contract	Rate	Collateral	Note
Chang Hwa Commercial Bank, Ltd.		\$ 1,489,355	2026.04.15~2027.04.10	1.68%~1.78%	Land and buildings	
Less: current portion		(275,968)				
Total		<u>\$ 1,213,387</u>				

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other non-current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Guarantee deposit received	Guarantee deposit	\$ 14,555	
Others		812	Note
		<u>\$ 15,367</u>	

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of operating revenue For the year ended

December 31, 2022

<u>Item</u>	<u>Quantity(thousand square foot)</u>	<u>Amount</u>	<u>Note</u>
Display	Note	<u>\$ 10,292,144</u>	

Note: Due to the diversity of products, it is difficult to categorize.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of operating costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Raw material, January 1	\$ 1,040,106	
Add: purchase	4,467,898	
Less: transferred to other expenses	(36,562)	
Sales of raw material	(183,802)	
Scrapped	(9,527)	
Raw material, December 31	(939,560)	
Direct material		\$ 4,338,553
Direct labor		778,606
Manufacturing overhead		3,973,235
Cost of manufacturing		9,090,394
Work in process, January 1		411,270
Less: sales of work in process		(1,438,469)
Transferred to other expenses		(7,394)
Scrapped		(13,712)
Work in process, December 31		(334,903)
Cost of finished goods		7,707,186
Finished goods, January 1		491,959
Less: transferred to other expenses		13,913
Scrapped		(8,380)
Finished goods, December 31		(566,908)
Cost of sales		7,637,770
Add: Sales of raw material		183,802
Sales of work in process		1,438,469
Inventory scrapped loss		31,619
Loss on inventory valuation		8,424
Others		32,490
Total operating costs	\$	<u><u>9,332,574</u></u>

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of selling expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Royalty expense		\$ 138,955	
Salary expense		74,015	
Freight fee		41,044	
Commission expense		34,504	
Others		18,773	Note
		\$ 307,291	

Note: The amount of each item included in others does not exceed 5% of the account.

Statement of administrative expenses

Item	Description	Amount	Note
Salary expenses		\$ 134,708	
Taxes		14,079	
Depreciation expense		13,506	
Others		97,843	Note
		\$ 260,136	

Note: The amount of each item included in others does not exceed 5% of the account.

GIANTPLUS TECHNOLOGY CO., LTD.

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary expenses		\$ 104,654	
Molding expense		27,256	
Depreciation expense		17,268	
Other expenses - material requisition		9,873	
Others		25,204	
		\$ 184,255	

Statement of changes in property, plant and equipment refer to Note 6(g).

Statement of changes in depreciation of property, plant and equipment refer to Note 6(g).

Statement of other income, other gains and losses and finance costs refer to Note 6(r).