

**GIANTPLUS TECHNOLOGY CO., LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report**

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

Address: 15 Industrial Rd., Toufen, Miao-Li, Taiwan

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The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the combined financial statements of Giantplus Technology Co., Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Giantplus Technology Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Giantplus Technology Co., Ltd.

Chairman: Takayuki Tamura

Date: March 15, 2023



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

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

### Opinion

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

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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 for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters 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(q) "Revenue from contracts with customers" for revenue disclosures.

Description of key audit matter:

Revenue of the Group 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 consolidate balance sheet date and verifying relevant documents to ensure the recognition timing of revenue is accurate.

### **Other Matter**

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

## Consolidated 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						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 2,704,928	22	2,454,989	20	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 (note 6(b))	-	-	383	-	2170	Accounts payable	1,574,840	13	2,025,142	16
1136	Current financial assets at amortized cost (note 6(c))	84,568	1	98,883	1	2180	Accounts payable to related parties (note 7)	183,255	1	209,030	2
1170	Accounts receivable, net (note 6(d) &(q))	1,446,207	12	1,460,812	12	2200	Other payables (note 7)	1,045,110	8	1,020,088	8
1181	Accounts receivable due from related parties (note 6(d) ,(q) &7)	155,687	1	99,968	1	2230	Current tax liabilities	12,254	-	6,030	-
1200	Other receivables (note 6(e)&7)	70,089	-	74,148	-	2280	Current lease liabilities (note 6(j))	1,023	-	2,237	-
1310	Inventories (note 6(f))	1,737,234	14	1,880,028	15	2322	Long-term borrowings, current portion (note 6(i))	275,968	2	110,968	1
1470	Other current assets (note 7&8)	263,558	2	241,910	2	2399	Other current liabilities (notes 6(l),(q)&7)	230,927	2	184,752	2
Total current assets		6,462,271	52	6,311,121	51	Total current liabilities		3,323,411	26	3,558,247	29
Non-current assets:						Non-Current liabilities:					
1600	Property, plant and equipment (notes 6(h), 7&8)	5,699,334	46	5,879,152	48	2540	Long-term borrowings (note 6(i))	1,213,387	10	1,489,355	12
1755	Right-of-use assets	39,864	-	42,469	-	2550	Non-current provisions (note 6(l))	95,238	1	95,238	1
1780	Intangible assets	5,515	-	7,482	-	2580	Non-current lease liabilities (note 6(j))	1,477	-	2,481	-
1900	Other non-current assets (note6(n) &8)	231,432	2	111,452	1	2600	Other non-current liabilities (notes 6(m)&(n))	23,710	-	57,966	-
Total non-current assets		5,976,145	48	6,040,555	49	Total non-current liabilities		1,333,812	11	1,645,040	13
						Total liabilities		4,657,223	37	5,203,287	42
Equity attributable to owners of parent (note 6(t)):											
						3110	Ordinary shares	4,415,449	36	4,415,449	35
						3200	Capital surplus	2,618,982	21	2,618,982	21
							Retained earnings:				
						3310	Legal reserve	9,485	-	-	-
						3320	Special reserve	89,401	1	108,509	1
						3350	Unappropriated retained earnings	727,981	6	94,851	1
							Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	(34,069)	-	(43,366)	-
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(46,036)	(1)	(46,036)	-
Total assets		\$ 12,438,416	100	12,351,676	100	Total equity		7,781,193	63	7,148,389	58
						Total liabilities and equity		\$ 12,438,416	100	12,351,676	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(q)&amp;7)</b>	\$ 10,414,370	100	\$ 10,269,304	100
5000	<b>Operating costs (notes 6(f)&amp;7)</b>	9,275,405	89	9,313,816	91
	<b>Gross profit from operations</b>	1,138,965	11	955,488	9
	<b>Operating expenses: (notes 7)</b>				
6100	Selling expenses	310,639	3	361,761	3
6200	Administrative expenses	323,321	3	271,999	3
6300	Research and development expenses	184,199	2	196,969	2
6450	Expected credit reversal gains (note6(d))	(1,717)	-	(1,932)	-
	<b>Total operating expenses</b>	816,442	8	828,797	8
	<b>Net operating income</b>	322,523	3	126,691	1
	<b>Non-operating income and expenses (note 6(s) &amp;7):</b>				
7100	Interest income	14,742	-	8,296	-
7010	Other income	196,582	2	230,342	2
7020	Other gains and losses	111,460	1	(259,151)	(2)
7050	Finance costs	(21,712)	-	(18,241)	-
	<b>Total non-operating income and expenses</b>	301,072	3	(38,754)	-
	<b>Profit before tax</b>	623,595	6	87,937	1
7950	<b>Less: tax expense (benefit) (note 6(n))</b>	9,921	-	(4,731)	-
	<b>Profit</b>	613,674	6	92,668	1
	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains 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	-	-	-	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	9,833	-	2,183	-
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
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	-	-	-	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	9,297	-	84,728	1
	<b>Other comprehensive income</b>	19,130	-	86,911	1
8500	<b>Comprehensive income</b>	\$ <b>632,804</b>	<b>6</b>	\$ <b>179,579</b>	<b>2</b>
	<b>Earnings per share (note 6(p))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	\$ <b>1.39</b>		\$ <b>0.21</b>	
9850	<b>Diluted earnings per share (NT dollars)</b>	\$ <b>1.38</b>		\$ <b>0.21</b>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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

	Equity attributable to owners of parent					Total other equity interest		Total equity
	Share capital	Capital surplus	Legal reserve	Retained earnings	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on Financial assets measured at fair value through other comprehensive income	
	Ordinary shares			Special reserve				
<b>Balance at January 1, 2021</b>	<b>\$ 4,415,449</b>	<b>2,618,982</b>	<b>177,220</b>	<b>188,540</b>	<b>(257,251)</b>	<b>(128,094)</b>	<b>(46,036)</b>	<b>6,968,810</b>
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	-	-	-
<b>Balance at December 31, 2021</b>	<b>4,415,449</b>	<b>2,618,982</b>	<b>-</b>	<b>108,509</b>	<b>94,851</b>	<b>(43,366)</b>	<b>(46,036)</b>	<b>7,148,389</b>
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	-	-	-
<b>Balance at December 31, 2022</b>	<b>\$ 4,415,449</b>	<b>2,618,982</b>	<b>9,485</b>	<b>89,401</b>	<b>727,981</b>	<b>(34,069)</b>	<b>(46,036)</b>	<b>7,781,193</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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

	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 623,595	\$ 87,937
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	385,291	430,192
Amortization expense	6,244	6,858
Expected credit reversal gains	(1,717)	(1,932)
Interest expense	21,712	18,241
Interest income	(14,742)	(8,296)
Loss (gain) on disposal of property, plant and equipment	563	(22)
Loss on control of subsidiary	-	86,308
Total adjustments to reconcile profit (loss)	397,351	531,349
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Financial assets at fair value through profit or loss	383	(383)
Accounts receivable	16,322	(267,404)
Accounts receivable due from related parties	(55,719)	(40,784)
Other receivables	3,415	24,259
Inventories	142,210	(712,804)
Other current assets	(19,510)	6,646
Total changes in operating assets	87,101	(990,470)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	34	(423)
Accounts payable	(450,302)	586,003
Accounts payable to related parties	(25,775)	42,527
Other payables	30,536	198,536
Other current liabilities	46,175	(29,525)
Net defined benefit liability	(1,669)	(1,506)
Total changes in operating liabilities	(401,001)	795,612
Total changes in operating assets and liabilities	(313,900)	(194,858)
Total adjustments	83,451	336,491
Cash inflow (outflow) generated from operations	707,046	424,428
Interest received	14,742	8,296
Interest paid	(21,352)	(19,176)
Income taxes refund (paid)	(3,053)	(10,651)
Net cash flows from operating activities	697,383	402,897
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(185,365)	(99,873)
Proceeds from disposal of financial assets at amortized cost	202,578	245,817
Acquisition of property, plant and equipment	(205,325)	(294,294)
Proceeds from disposal of property, plant and equipment	25	223
Acquisition of intangible assets	(3,001)	(2,036)
Other non-current assets	(141,346)	(94,390)
Net cash flows used in investing activities	(332,434)	(224,553)
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	-	(990,000)
Increase in long-term borrowings	-	990,000
Repayment of long-term borrowings	(110,968)	(110,967)
Payment of lease liabilities	(2,218)	(11,007)
Other non-current liabilities	(513)	6,445
Net cash flows (used in) from financing activities	(113,699)	(115,529)
Effect of exchange rate changes on cash and cash equivalents	(1,311)	1,480
Net increase in cash and cash equivalents	249,939	44,295
Cash and cash equivalents at beginning of period	2,454,989	2,410,694
Cash and cash equivalents at end of period	\$ 2,704,928	\$ 2,454,989

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated 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 scope of the Company and its subsidiaries (together referred to as the Group) 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 Company.

**(2) Approval date and procedures of the consolidated financial statements**

These consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group 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 consolidated financial statements:

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

(Continued)

## Notes to the Consolidated 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 Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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 IAS1 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 Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group 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 consolidated 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”

(Continued)

**Notes to the Consolidated Financial Statements****(4) Summary of significant accounting policies**

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

**(a) Statement of compliance**

These consolidated 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”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

**(b) Basis of preparation****(i) Basis of measurement**

Except for the following significant accounts, the consolidated 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 each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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) Basis of consolidation****(i) Principles of preparation of the consolidated financial statements**

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(Continued)

## Notes to the Consolidated Financial Statements

Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

## (ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2022	December 31, 2021	
The Company	Giantplus (Samoa) Holding Co., Ltd.	General investing	100 %	100 %	
Giantplus (Samoa) Holding Co., Ltd.	Giantplus Holding L.L.C.	General investing	100 %	100 %	
Giantplus Holding L.L.C.	Shenzhen Giantplus Optoelec. Display Co., Ltd.	The assembly of liquidcrystal displays.	- %	- %	Note
Giantplus Holding L.L.C.	Kunshan Giantplus Optronics Display Tech Co., Ltd.	The assembly of liquidcrystal displays and the production and sale business of touch panel.	100 %	100 %	

Note: Completed liquidation in January 2021.

## (iii) Subsidiaries excluded from the consolidated financial statements: None.

(Continued)

**Notes to the Consolidated Financial Statements****(d) Foreign currencies****(i) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group entities 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 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.

Foreign currency differences are generally recognized in profit or loss.

**(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, joint control, or significant influence 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 interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. 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.

**(e) 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.

(Continued)

**Notes to the Consolidated Financial Statements**

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 Group 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.

(f) 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.

(g) Financial instruments

Account receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group 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:

**Notes to the Consolidated Financial Statements**

- 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.

2) Fair value through other comprehensive income (FVOCI )

On initial recognition of investments in equity instruments that are not held for trading, the Group 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 Group 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 Group 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 Group 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 Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, account receivables, other receivables, guarantee deposit paid and other financial assets).

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

(Continued)

**Notes to the Consolidated Financial Statements**

- 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 is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group 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 Group'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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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

- 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 lenders 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;
- the disappearance of an active market for the financial asset because of financial difficulties.

(Continued)

**Notes to the Consolidated Financial Statements**

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group 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 Group 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 Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group 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 the Group after deducting all of its liabilities. Equity instruments issued by the Group 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.

(Continued)

**Notes to the Consolidated Financial Statements**

## 4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified 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 Group 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 Group 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.

## (h) 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.

## (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.

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## Notes to the Consolidated Financial Statements

## (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 Group.

## (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.

Land is not depreciated.

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 Group 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.

## (i) As a lessee

The Group 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 Group's incremental borrowing rate. Generally, the Group 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;

(Continued)

**Notes to the Consolidated Financial Statements**

- 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 Group'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.

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 Group accounts for the remeasurement 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(Continued)

## Notes to the Consolidated Financial Statements

## (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.

## (l) Impairment of non-financial assets

At each reporting date, the Group 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 a 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 Group 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.

(Continued)

**Notes to the Consolidated Financial Statements****(i) Site restoration**

In accordance with the Group'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 economic benefits to be derived by the Group 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 Group recognizes any impairment loss on the assets associated with that contract.

**(n) Revenue**

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

**(i) Sale of goods**

The Group manufactures and sells TFT-LCD panels and modules. The Group 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 Group 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 Group has a right to an amount of consideration that is unconditional.

**(ii) Financing components**

The Group 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 Group 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.

(Continued)

**Notes to the Consolidated Financial Statements****(ii) Defined benefit plans**

The Group'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 Group, 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.

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 Group 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 Group 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 Group 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 Group 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.

(Continued)

**Notes to the Consolidated Financial Statements**

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 Group 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.

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 Group 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.

**Notes to the Consolidated Financial Statements****(q) Earnings per share**

The Group 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**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated 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 Group's accounting policies have no the most significant effect on the amounts recognized in 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 Group 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(f) for further description of the valuation of inventories.

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**Notes to the Consolidated Financial Statements**

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**(6) Explanation of significant accounts**

**(a) Cash and cash equivalents**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash on hand	\$ 127	\$ 40
Cash in banks		
Checking accounts and saving accounts	2,682,754	2,403,285
Time deposits	22,047	51,664
	<b>\$ 2,704,928</b>	<b>\$ 2,454,989</b>

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

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

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

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

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

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Forward exchange contracts:

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

  

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

(c) Financial assets measured at amortized cost

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Time deposits	\$ <b>84,568</b>	\$ <b>98,883</b>

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

None of financial assets of the Group measured at amortized costs was pledged as collateral.

For credit risk of financial assets, please refer to Note 6(t).

(d) Accounts receivable

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Account receivables - measured as amortized cost (including related parties)	\$ 1,711,938	\$ 1,665,042
Account receivables - fair value through profit or loss	16,496	23,995
Less: loss allowance	(126,540)	(128,257)
Total	<b>\$ 1,601,894</b>	<b>\$ 1,560,780</b>

The Group 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.

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# GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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## Notes to the Consolidated Financial Statements

The loss allowance provision was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,504,141	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
	<b>\$ 1,585,408</b>		<b>\$ 10</b>

  

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,526,233	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
	<b>\$ 1,538,512</b>		<b>\$ 1,727</b>

In addition, the Group 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 account receivables 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	<b>\$ 126,540</b>	<b>\$ 128,257</b>

Account receivables of the Group were not pledged as collateral.

The Group entered into separate non-recourse factoring agreements with different financial institutions to sell its account receivables. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred account receivables but is liable for the losses incurred on any business dispute. The Group 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 amount receivables from the financial institutions were recognized as “other receivables” upon the derecognition of those account receivables.

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# GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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## Notes to the Consolidated Financial Statements

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

Unit: thousand dollars

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

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

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

### (e) Other receivables

	December 31, 2022	December 31, 2021
Accounts receivable factoring	\$ 21,942	\$ 24,502
Tax refund	19,907	25,259
Others	28,240	24,387
	<u>\$ 70,089</u>	<u>\$ 74,148</u>

Other receivables of the Group were not pledged as collateral.

### (f) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 581,580	\$ 719,288
Work in progress	489,206	564,356
Finished goods	666,448	596,384
	<u>\$ 1,737,234</u>	<u>\$ 1,880,028</u>

The details of the cost of sales were as follows:

	2022	2021
Cost of sales	\$ 9,107,966	\$ 9,193,223
Loss on inventory valuation	8,572	61,219
Unallocated manufacturing overheads	94,758	31,037
Inventory scrapped loss	31,619	28,337
Others	32,490	-
Total	<u>\$ 9,275,405</u>	<u>\$ 9,313,816</u>

Inventories of the Group were not pledged as collateral.

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# GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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## Notes to the Consolidated Financial Statements

### (g) Loss control of subsidiaries

Shenzhen Giantplus Optoelec. Display Co., Ltd. has completed the statutory liquidation procedure on January 21, 2021.

### (h) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and equipment	Other facilities	Lease improvement	Construction in progress and equipment awaiting inspection	Total
Cost or deemed cost:							
Balance on January 1, 2022	\$ 4,133,511	3,902,749	7,578,131	724,438	990	232,915	16,572,734
Additions	-	760	64,343	29,510	-	104,838	199,451
Disposal	-	(4,521)	(6,509)	(22,522)	-	-	(33,552)
Transfer (out) in	-	-	23,679	-	-	(27,950)	(4,271)
Effect of movements in exchange rates	-	4,911	8,075	677	15	2,020	15,698
Balance on December 31, 2022	<b>\$ 4,133,511</b>	<b>3,903,899</b>	<b>7,667,719</b>	<b>732,103</b>	<b>1,005</b>	<b>311,823</b>	<b>16,750,060</b>
Balance on January 1, 2021	\$ 4,133,511	3,904,434	7,341,493	734,957	995	216,131	16,331,521
Additions	-	-	71,198	17,674	-	186,878	275,750
Disposal	-	-	(26,807)	(28,574)	-	-	(55,381)
Transfer (out) in	-	-	194,877	602	-	(170,004)	25,475
Effect of movements in exchange rates	-	(1,685)	(2,630)	(221)	(5)	(90)	(4,631)
Balance on December 31, 2021	<b>\$ 4,133,511</b>	<b>3,902,749</b>	<b>7,578,131</b>	<b>724,438</b>	<b>990</b>	<b>232,915</b>	<b>16,572,734</b>
Depreciation and impairments loss:							
Balance on January 1, 2022	\$ -	2,959,106	7,036,184	697,302	990	-	10,693,582
Depreciation	-	184,654	174,296	23,139	-	-	382,089
Disposal	-	-	(6,509)	(22,522)	-	-	(32,964)
Effect of movements in exchange rates	-	2,051	5,341	612	15	-	8,019
Balance on December 31, 2022	<b>\$ -</b>	<b>3,141,878</b>	<b>7,209,312</b>	<b>698,531</b>	<b>1,005</b>	<b>-</b>	<b>11,050,726</b>
Balance on January 1, 2021	\$ -	2,768,229	6,903,134	661,480	995	-	10,333,838
Depreciation	-	192,200	170,417	55,495	-	-	418,112
Impairment loss	-	-	(9,107)	9,107	-	-	-
Disposal	-	-	(26,607)	(28,573)	-	-	(55,180)
Effect of movements in exchange rates	-	(1,323)	(1,653)	(207)	(5)	-	(3,188)
Balance on December 31, 2021	<b>\$ -</b>	<b>2,959,106</b>	<b>7,036,184</b>	<b>697,302</b>	<b>990</b>	<b>-</b>	<b>10,693,582</b>
Carrying amounts:							
Balance on December 31, 2022	<b>\$ 4,133,511</b>	<b>762,021</b>	<b>458,407</b>	<b>33,572</b>	<b>-</b>	<b>311,823</b>	<b>5,699,334</b>
Balance on January 1, 2021	<b>\$ 4,133,511</b>	<b>1,136,205</b>	<b>438,359</b>	<b>73,477</b>	<b>-</b>	<b>216,131</b>	<b>5,997,683</b>
Balance on December 31, 2021	<b>\$ 4,133,511</b>	<b>943,643</b>	<b>541,947</b>	<b>27,136</b>	<b>-</b>	<b>232,915</b>	<b>5,879,152</b>

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

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

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(i) Long-term borrowings

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

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

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

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

(j) Lease liabilities

The amounts of lease liabilities were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<u><u>\$ 1,023</u></u>	<u><u>\$ 2,237</u></u>
Non-current	<u><u>\$ 1,477</u></u>	<u><u>\$ 2,481</u></u>

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

The amounts recognized in profit or loss were as follows:

	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<u><u>\$ 28</u></u>	<u><u>\$ 274</u></u>
Variable lease payments not included in the measurement of lease liabilities	<u><u>\$ -</u></u>	<u><u>\$ 28</u></u>
Expenses relating to short-term leases	<u><u>\$ 12,183</u></u>	<u><u>\$ 4,935</u></u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u><u>\$ 465</u></u>	<u><u>\$ 495</u></u>

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

	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<u><u>\$ 14,894</u></u>	<u><u>\$ 16,739</u></u>

(Continued)

## Notes to the Consolidated Financial Statements

## (i) Real estate leases

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

The Group 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 Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

## (k) Operating lease

The Group 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	\$ 47,899	\$ 41,203
One to two years	45,980	40,332
Two to three years	39,933	35,301
Three to four years	22,902	30,422
Four to five years	22,902	22,557
More than five years	56,022	77,710
Total undiscounted lease payments	<u>\$ 235,638</u>	<u>\$ 247,525</u>

## (l) Provisions

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

(Continued)

## Notes to the Consolidated 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 Group 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 Group has assumed that the site will be restored using technology and materials that are available currently. The Group has been provided with a range of reasonably possible outcomes of the total cost. The rehabilitation is expected to occur in the future.

## (m) 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	<u>\$ 763</u>	<u>\$ 12,265</u>

The Group 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 Group 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 Group'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.

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## Notes to the Consolidated Financial Statements

## 2) Movements in present value of the defined benefit obligations

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

	<b>2022</b>	<b>2021</b>
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 and 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	<b>\$ 78,019</b>	<b>\$ 81,932</b>

## 3) Movements of defined benefit plan assets

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

	<b>2022</b>	<b>2021</b>
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	<b>\$ (77,256)</b>	<b>\$ (69,667)</b>

(Continued)

## Notes to the Consolidated Financial Statements

## 4) Expenses recognized in profit or loss

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

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

## 5) Actuarial assumptions

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

	<b>2022</b>	<b>2021</b>
Discount rate	1.25 %	0.65 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Group 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:

	<b>Influences of defined benefit obligations</b>	
	<b>Increased 0.25%</b>	<b>Decreased 0.25%</b>
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)

## Notes to the Consolidated 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 Group 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 Group 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.

The foreign consolidated entities' pension costs under the local regulations amounted to \$19,047 and \$15,678 for the years ended December 31, 2022 and 2021, respectively.

## (n) Income taxes

## (i) Tax expense (benefit)

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

	<b>2022</b>	<b>2021</b>
Current tax expense (benefit)		
Current period	\$ 121,371	\$ 31,374
Tax incentives	(3,806)	-
Adjustment for prior periods	(861)	-
	<b>116,704</b>	<b>31,374</b>
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	-	(25,432)
Recognition of previously unrecognized tax losses	(106,783)	(10,673)
	<b>(106,783)</b>	<b>(36,105)</b>
Tax expense (benefit)	<b>\$ 9,921</b>	<b>\$ (4,731)</b>

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

(Continued)

## Notes to the Consolidated Financial Statements

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

	<b>2022</b>	<b>2021</b>
Profit excluding income tax	<b>\$ 623,595</b>	<b>\$ 87,937</b>
Income tax using the Company's domestic tax rate	\$ 124,525	\$ 19,594
Non-deductible expenses	(1,843)	10,224
Recognition of previously unrecognized tax losses	(106,783)	(10,673)
Change in unrecognized temporary differences	(38,142)	(9,110)
Tax incentives	(3,806)	-
Adjustment for prior periods	(861)	-
Additional income tax on unappropriated earnings	5,224	-
Others	31,607	(14,766)
Tax (benefit) expense	<b>\$ 9,921</b>	<b>\$ (4,731)</b>

## (ii) Deferred tax assets and liabilities

## 1) Unrecognized deferred tax liabilities

The consolidated 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:

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

## 2) Unrecognized deferred tax assets

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

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

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## Notes to the Consolidated 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 Group's unused tax losses for which no deferred tax assets were recognized are as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry date</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>
<b>Deferred tax liabilities:</b>			
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><b>Tax losses</b></u>
<b>Deferred tax assets:</b>			
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>

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**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
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(iii) Assessment of income tax

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

(o) 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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Share premiums	\$ 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 underequity method	5,832	5,832
Treasury share transactions	421	421
	<b>\$ 2,618,982</b>	<b>\$ 2,618,982</b>

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)

**Notes to the Consolidated 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 at least 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 share 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 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.

## Notes to the Consolidated Financial Statements

## (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>

## (p) Earnings per share

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

	2022	2021
<b>Basic earnings per share</b>		
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>
<b>Diluted earnings per share</b>		
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>
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>

(Continued)

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

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>	<u>2021</u>
Primary geographical markets:		
Taiwan	\$ 2,636,751	\$ 2,630,224
China, Hong Kong and Macao	2,416,839	2,777,533
Japan	1,802,462	1,681,776
Europe	868,451	945,902
America	673,022	589,777
Other	2,016,845	1,644,092
	<u><b>\$ 10,414,370</b></u>	<u><b>\$ 10,269,304</b></u>
Major products:		
LCD panel and module	<u><b>\$ 10,414,370</b></u>	<u><b>\$ 10,269,304</b></u>

(ii) Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2022</u>
Accounts receivable	\$ 1,728,434	\$ 1,689,037	\$ 1,380,849
Less: allowance for impairment	(126,540)	(128,257)	(130,189)
	<u><b>\$ 1,601,894</b></u>	<u><b>\$ 1,560,780</b></u>	<u><b>\$ 1,250,660</b></u>
Contract liabilities (recorded in other current liabilities)	<u><b>\$ 153,145</b></u>	<u><b>\$ 151,530</b></u>	<u><b>\$ 199,440</b></u>

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

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 \$123,311 thousand and \$184,428 thousand, respectively.

(r) 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.

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## Notes to the Consolidated Financial Statements

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.

## (s) Non-operating income and expenses

## (i) Interest income

The details of interest income were as follows:

	<b>2022</b>	<b>2021</b>
Interest income from bank deposits	\$ 14,713	\$ 8,296
Others	29	-
	<b>\$ 14,742</b>	<b>\$ 8,296</b>

## (ii) Other income

The details of other income were as follows:

	<b>2022</b>	<b>2021</b>
Rental income	\$ 46,727	\$ 40,290
Others	149,855	190,052
	<b>\$ 196,582</b>	<b>\$ 230,342</b>

## (iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>2022</b>	<b>2021</b>
(Losses) gains on disposals of property, plant and equipment	\$ (563)	\$ 22
Foreign exchange gains or losses	241,456	(8,700)
Gains on financial assets at fair value through profit or Loss	(5,577)	1,059
Loss on disposal of subsidiaries	-	(86,308)
Others	(123,856)	(165,224)
	<b>\$ 111,460</b>	<b>\$ (259,151)</b>

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

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(iv) Finance costs

The detail of finance costs was as follows:

	<u>2022</u>	<u>2021</u>
Interest expense	<u>\$ 21,712</u>	<u>\$ 18,241</u>

(t) 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 Group are centralized in producing panel. In order to minimize the credit risk of accounts receivable, the Group 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 rate from top 10 customers were 50% and 46%, 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(d).

Other financial assets at amortized cost includes 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(g).

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

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(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
<b>December 31, 2022</b>							
Non-derivative financial liabilities							
Secured bank loans	\$ 1,489,355	1,542,238	68,181	231,862	457,937	784,258	-
Accounts payable	1,574,840	1,574,840	1,574,840	-	-	-	-
Accounts payable-related party	183,255	183,255	183,255	-	-	-	-
Other payables	1,045,110	1,045,110	1,045,110	-	-	-	-
Lease liabilities	2,500	2,536	564	464	527	981	-
Guarantee deposits received (recorded in other non-current liabilities)	22,898	22,898	22,898	-	-	-	-
Derivative financial liabilities							
Other forward exchange contracts							
Outflow	34	45,928	45,928	-	-	-	-
Inflow	-	(45,894)	(45,894)	-	-	-	-
	<b>\$ 4,317,992</b>	<b>4,370,911</b>	<b>2,894,882</b>	<b>232,326</b>	<b>458,464</b>	<b>785,239</b>	<b>-</b>
<b>December 31, 2021</b>							
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	2,025,142	2,025,142	2,025,142	-	-	-	-
Accounts payable-related party	209,030	209,030	209,030	-	-	-	-
Other payables	1,020,088	1,020,088	1,020,088	-	-	-	-
Lease liabilities	4,718	4,781	1,362	883	1,028	1,333	175
Guarantee deposits received (recorded in other non-current liabilities)	23,411	23,411	23,411	-	-	-	-
Derivative financial liabilities							
Other forward exchange contracts							
Outflow	(383)	83,074	83,074	-	-	-	-
Inflow	-	(83,457)	(83,457)	-	-	-	-
	<b>\$ 4,882,329</b>	<b>4,933,428</b>	<b>3,342,861</b>	<b>64,802</b>	<b>292,439</b>	<b>1,177,546</b>	<b>55,780</b>

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

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

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(iii) Currency risk

1) Exposure to foreign currency risk

The Group'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	\$	211,309	30.710	6,489,299	229,116	27.680	6,341,931
JPY		1,353,119	0.232	313,924	539,777	0.241	130,086
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD	\$	159,992	30.710	4,913,354	172,733	27.680	4,781,249
JPY		1,319,006	0.232	306,009	1,524,074	0.241	367,302

2) Sensitivity analysis

The Group'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, and accounts and other payables 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 increased or decreased the net profit before tax by \$15,759 thousand and \$15,607 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.

Since the Group 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 \$241,456 thousand and \$(8,700) thousand, respectively.

(Continued)

## Notes to the Consolidated Financial Statements

## (iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group'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 Group's net profit (loss) would have increased or decreased by \$972 thousand and \$684 thousand for years 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the variable rates on the Group's bank deposits and borrowings.

## (v) Information of fair value

## 1) Type and fair value of financial instruments

The carrying amount and fair value of the Group'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 amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 2,704,928	-	-	-	-
Financial assets measured at amortized cost	84,568	-	-	-	-
Accounts receivable	1,446,207	-	-	-	-
Accounts receivable-related party	155,687	-	-	-	-
Other receivables	70,089	-	-	-	-
Other financial assets (recorded in other current assets)	2,138	-	-	-	-
Guaranteed deposits paid (recorded in other non-current assets)	198,300	-	-	-	-
Total	<b>\$ 4,661,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
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		December 31, 2022			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	\$ 34	-	34	-	34
<b>Financial assets measured at amortized cost</b>					
Bank loans	\$ 1,489,355	-	-	-	-
Accounts payable	1,574,840	-	-	-	-
Accounts payable-related party	183,255	-	-	-	-
Other payables	1,045,110	-	-	-	-
Lease liabilities	2,500	-	-	-	-
Guarantee deposits received (recorded in other non-current liabilities)	22,898	-	-	-	-
Subtotal	4,317,958	-	-	-	-
Total	<u>\$ 4,317,992</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>34</u>
		December 31, 2021			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 383	-	383	-	383
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 2,454,989	-	-	-	-
Financial assets measured at amortized cost	98,883	-	-	-	-
Accounts receivable	1,460,812	-	-	-	-
Accounts receivable-related party	99,968	-	-	-	-
Other receivables	74,148	-	-	-	-
Other financial assets (recorded in other current assets and non-current assets)	3,043	-	-	-	-
Guaranteed deposits paid (recorded in other non-current assets)	77,681	-	-	-	-
Subtotal	4,269,524	-	-	-	-
Total	<u>\$ 4,269,907</u>	<u>-</u>	<u>383</u>	<u>-</u>	<u>383</u>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	\$ 1,600,323	-	-	-	-
Accounts payable	2,025,142	-	-	-	-
Accounts payable-related party	209,030	-	-	-	-
Other payables	1,020,088	-	-	-	-
Lease liabilities	4,718	-	-	-	-
Guarantee deposits received (recorded in other non-current liabilities)	23,411	-	-	-	-
Total	<u>\$ 4,882,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**Notes to the Consolidated Financial Statements**

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

The Group'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.

## 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

## (u) Financial risk management

## (i) Overview

The Group 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 Group, 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 consolidated financial statements.

(Continued)

**Notes to the Consolidated Financial Statements****(ii) Structure of risk management**

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

The Group 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 Group has to actually abide by the relevant regulations on financial risk management.

**(iii) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group. 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 Group 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 Group's finance department. The Group only deals with banks, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant creditrisk arising from these counterparties.

**3) Guarantees**

The Group'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.

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**Notes to the Consolidated Financial Statements****(iv) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group'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 Group's reputation.

As of December 31, 2022 and 2021, the Group had unused credit line in the amount of \$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 Group'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.

**1) Currency risk**

The Group 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 Group.

Part of the Group'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 Group does not comply hedge accounting. Otherwise, the net investment in a foreign operation is considered strategic investment, so the Group has not hedged against this.

**2) Interest rate risk**

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

**3) Other market price risk**

The Group 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 Group are all available for sale. The Group 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 Group, and the board of directors must review and approve the policy of equity securities investments.

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## Notes to the Consolidated Financial Statements

## (v) Capital management

The Group'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 Group 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 Group 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.

The Group's net debt to adjusted equity ratio at the reporting day, was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 4,657,223	\$ 5,203,287
Less: cash and cash equivalents	(2,704,928)	(2,454,989)
Net debt	1,952,295	2,748,298
Total equity	7,781,193	7,148,389
Adjusted equity	<b>\$ 9,733,488</b>	<b>\$ 9,896,687</b>
Ratio of net debt to adjusted equity	<b>20.06 %</b>	<b>27.77 %</b>

## (w) Financing activities not affecting current cash flow

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

	<b>January 1, 2022</b>	<b>Cash flows</b>	<b>Non-cash change Foreign exchange and other movement</b>	<b>December 31, 2022</b>
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	<b>\$ 1,605,041</b>	<b>\$ (113,186)</b>	<b>\$ -</b>	<b>\$ 1,491,855</b>

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**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
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	<b>January 1, 2021</b>	<b>Cash flows</b>	<b>Non-cash change Foreign exchange and other movement</b>	<b>December 31, 2021</b>
Long-term borrowings (includes current portion)	\$ 721,290	\$ 879,033	\$ -	\$ 1,600,323
Short-term borrowings	990,000	(990,000)	-	-
Lease liabilities	14,115	(11,007)	1,610	4,718
Total liabilities from financing activities	<b>\$ 1,725,405</b>	<b>\$ (121,974)</b>	<b>\$ 1,610</b>	<b>\$ 1,605,041</b>

**(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 have had transactions with the Company during the periods covered in the consolidated financial statements.

<b>Name of related party</b>	<b>Relationship with the Group</b>
Toppan Inc. (TOPPAN)	The parent company
Toppan Chunghwa Electronics Co., Ltd. (TCE)	Other related party
Toppan Electronics Taiwan Inc (TET)	Other related party

(c) Significant transactions with related parties

(i) Sales

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

	<b>2022</b>	<b>2021</b>
Parent company	<b>\$ 547,411</b>	<b>\$ 357,064</b>

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 payment terms for related parties were 45 days, while the terms for routine sales were ranged from T/T in advance to 90 days.

(ii) Purchases

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

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

(Continued)

## Notes to the Consolidated Financial Statements

The prices and payment terms of the Company's purchase 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:

<b>Account</b>	<b>Relationship</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Accounts receivable	Parent company	\$ 155,687	\$ 99,968
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
		<b>\$ 224,203</b>	<b>\$ 167,727</b>

## (iv) Payables to related parties

The payables to related parties were as follows:

<b>Account</b>	<b>Relationship</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Accounts payable	Parent company	\$ 182,418	\$ 208,056
Accounts payable	Other related party	837	974
Other payables	Parent company	20,409	18,852
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	-
		<b>\$ 227,699</b>	<b>\$ 244,506</b>

## (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:

	<b>2022</b>	<b>2021</b>
Parent company	\$ 4,417	\$ 922
Other related party	1,444	1,841
	<b>\$ 5,861</b>	<b>\$ 2,763</b>

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**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
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(vi) Others

	<b>Production overheads</b>	
	<b>2022</b>	<b>2021</b>
Parent company	\$ 309,894	\$ 422,236
Other related party	24	-
	<b>\$ 309,918</b>	<b>\$ 422,236</b>

	<b>Operating expenses</b>	
	<b>2022</b>	<b>2021</b>
Parent company	\$ 1,457	\$ 7,244

	<b>Other income</b>	
	<b>2022</b>	<b>2021</b>
Parent company	\$ 41,879	\$ 59,769
Other related party	6,972	6,844
	<b>\$ 48,851</b>	<b>\$ 66,613</b>

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

(d) Key management personnel compensation

	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<b>\$ 46,762</b>	<b>\$ 20,687</b>

(Continued)

**GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
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**(8) Pledged assets**

The carrying amounts 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	\$ 4,093,770
Guarantee deposits paid (recorded in non-current assets)	Capacity reservation deposit, litigation bond and dormitory deposit	198,300	77,681
Other financial assets (recorded in other current assets and other non-current assets)	Supplier purchase deposit	2,138	2,138
		<u><u>\$ 4,184,100</u></u>	<u><u>\$ 4,173,589</u></u>

**(9) Significant contingent liabilities and unrecognized contract commitments**

The Group entered into capacity reservation agreements with the supplier, and the Group 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	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,228,793	320,302	1,549,095	1,161,436	270,907	1,432,343
Labor and health insurance	108,406	25,949	134,355	104,129	25,400	129,529
Pension	60,679	15,084	75,763	54,923	14,449	69,372
Remuneration of directors (Note)	-	7,534	7,534	-	1,851	1,851
Others	57,475	17,203	74,678	55,094	16,554	71,648
Depreciation	351,425	33,866	385,291	363,848	66,344	430,192
Amortization	1,411	4,833	6,244	1,171	5,687	6,858

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

(Continued)

## Notes to the Consolidated Financial Statements

## (13) Other disclosures

## (a) Information on significant transactions

The following is the information on the Group'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 (Note 1)	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 receivable	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.

Note 2: Financing limit for individual limit: 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 undertaken. 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 exchange rate at the reporting day.

## (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				Highest amount during the year	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

## (vi) Disposal of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None

(Continued)

## Notes to the Consolidated Financial Statements

- (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 Note 2	Turnover rate	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	4.28			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 accounts receivable

Note 4: Calculation of turnover rate excluded other accounts receivable.

- (ix) Trading in derivative instruments: Please refer to Note 6(b).
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Kunshan Giantplus Optronics Display Tech Co., Ltd.	The Company	2	Sales	1,243,157	60 Days	11.94 %
1	Kunshan Giantplus Optronics Display Tech Co., Ltd.	The Company	2	Accounts receivable	768,539	60 Days	6.18 %

Note 1: The labeling method is as follows:

- Parent company labeled 0.
- Subsidiaries labeled in number sequence from 1

Note 2: Relationship is classified into three types:

- Parent company to subsidiary
- Subsidiary to parent company
- Subsidiary to subsidiary

Note 3: Transaction amounts less than \$100,000 thousand will not be disclosed; and they will be disclosed as assets or liabilities and income or expense, while the relative transactions will not be disclosed.

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# GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

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(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, 2022			Highest percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying amounts				
The Company	Giantplus (Samoa) Holding Co., Ltd.	Samoa	Investment activities	1,397,086	1,397,086	44,000,000	100.00 %	3,826,524	100.00 %	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	100.00 %	79,444	79,444	Subsidiary

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

(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 (losses) of the investee	Direct/ indirect shareholding (%) by the Company	Highest percentage of ownership	Investment income (losses) (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%	100.00%	6,888	612,625	-

(ii) Limitation on investment in Mainland China:

Company Name	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)
The Company	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 investee company.

Note 3: The upper limit on investment was 60% of the total net asset value 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 intercompany 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 through Giantplus Holding L.L.C..

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 emittance 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".

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## Notes to the Consolidated 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**

The Group's management believes that the Group has only a single segment, mainly engaged in research, development, production and sale of thin film transistor liquid crystal displays ("TFT-LCDs").

(a) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Geographic information	2022	2021
Revenue from external customers:		
Asia	\$ 8,872,016	\$ 8,733,625
Europe	868,451	945,902
America	673,022	589,777
Oceania	811	-
Total	<u>\$ 10,414,370</u>	<u>\$ 10,269,304</u>

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## Notes to the Consolidated Financial Statements

<b>Geographic information</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Non-current assets:		
Asia	<b>\$ 5,777,796</b>	<b>\$ 5,938,446</b>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, prepayments for facilities, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current assets).

## (b) Major customers

The details of major customers comprised more than 5% of sales revenue were as follows:

	<b>2022</b>	<b>2021</b>
Customer A	\$ 1,293,153	\$ 1,407,619
Customer B	760,933	926,098
Customer C	547,411	357,064
Total	<b>\$ 2,601,497</b>	<b>\$ 2,690,781</b>