Stock Code:	**8933**
Enquiry website:	**http://mops.twse.com.tw/mops/web/index**
Company website:	**http://www.idealbike.com.tw/**

Ideal Bike Corporation

2022 ANNUAL REPORT

April 30, 2023

I. Spokesperson of the Company, title and TEL:

Name: Ming-Mei Lai
Title: Vice President of Administration Division
TEL: (04) 2639-3242
E-mail: julialai@idealbike.com.tw

Acting spokesperson of the Company, title and TEL:

Name: Hui-Jun Huang
Title: Senior Manager of Sales Division
TEL: (04) 2639-3242
E-mail: vannahuang@idealbike.com.tw

II. Address and TEL of headquarters and plant:

Headquarters: No. 497, Sec. 1, Gangbu Rd., Wuqi Dist., Taichung City
Main plant: No. 497, Sec. 1, Gangbu Rd., Wuqi Dist., Taichung City
TEL: (04) 2639-3242

III. Name, address, website and TEL of the stock transfer agency:

Name: Ideal Bike Corporation, Stock Affairs Office
Address: 12F., No. 98, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
TEL: (02) 2705-1333
Website: http://www.idealbike.com.tw/

IV. Attesting CPA of the annual financial statements for the most recent year, CPA firm, address, website and TEL:

Name: CPA Su-li Fang, Dong-hui Ye
Name: Deloitte & Touche Taiwan
Address: 6F., No. 2, Zhanye 1st Rd., Hsinchu Science Park, Hsinchu City
TEL: (03) 578-0899
Website: http://www.deloitte.com.tw

V. The name of the exchanges where the Company's marketable securities are listed offshore and the method by which to access information on the offshore securities: None.

VI. Company website: http://www.idealbike.com.tw

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One. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen: Good day to you all!

The impacts of COVID-19 have existed since 2020. Even though several countries have relaxed their anti-epidemic policies in succession, European and American people attach great importance to engagement in sports, working out, and outdoor activities. Therefore, it is still popular to ride bicycles. In addition, to implement the green energy policies like net-zero carbon emissions, the governments of multiple European countries have persistently subsidized their people’s purchases of bicycles, constructed related infrastructure, and driven sales of the bicycle industry.

Through constant research and innovation, the bicycle industry has developed advanced bicycles, electric bicycles and other high value-added products, which is truly a future trend. In particular, the electric bicycle market arouses greater concerns in Europe. Apart from constant improvement of design/quality and continuous price raising of the bicycles currently available, electric bicycles are especially the major products developed by IDEAL. It is expected that export volume and value will gradually increase.

As the pressure from inflation remains high in the world and the Russia-Ukraine war has been in a deadlock, the prices of raw materials and energy have been kept high. As a consequence, the European and American people’s actual purchasing power has been weakened. However, considering that at present, the demand for advanced bicycles and electric bicycles still exceeds the supply and the average unit price of the products shipped is expected to be raised, to keep informative about the supply, demand and price changes of raw materials, integrate internal and external information and resources, and exactly execute the business plans are key objectives in 2023.

Now, a report is made to all of you regarding the 2022 business report and the 2023 business plan.

We would like to give you

our best regards for the future ahead.

Chairman: Yuan-Pin Chang

I. 2022 Business Report

1. Outcomes on 2022 business plan, financial revenues and expenditures

Item	2022		2021		Increase and decrease	
	NT$ thousand	%	NT$ thousand	%	NT$ thousand	%
Operating revenues	5,591,120	100.00	4,613,524	100.00	977,596	21.19
Operating costs	4,764,217	85.21	4,069,482	88.21	694,735	17.07
Operating gross profits	826,903	14.79	544,042	11.79	282,861	51.99
Operating expenses	469,296	8.39	416,273	9.02	53,023	12.74
Operating Profits	357,607	6.40	127,769	2.77	229,838	179.89
Net non-operating incomes and expenses	81,677	1.46	(7,729)	(0.17)	89,406	-1,156.76
Net profits after tax	334,358	5.98	82,591	1.79	251,767	304.84
Earnings per Share (after tax)	1.11		0.29		0.82	

2. Execution of 2022 budget: The Company didn't announce the budget in 2022.

3. Analysis of profitability in 2022:

Item		Year	2022	2021
Profitability	Return on assets (%)		6.43	2.29
	Return on Shareholders' Equity (%)		15.20	4.91
	Paid-up Capital Ratio (%)	Operating Profit	13.19	4.83
		Pre-tax net income	16.20	4.53
	EBIT Margin (%)		5.98	1.79
	EPS (NT$)		1.11	0.29

4. R&D status:

(1) Strengthen R&D and innovation capabilities.
In response to the trend, constant efforts have been made to develop the demand for electric vehicles for commuting and intensive use.
Functionally integrated products with high price/performance ratio are the major orientations.

(2) Enhance design capacity:
Offer greater support to help customers solve problems and share internal corporate technological resources with them.

II. Outline of this year's business plan

1. 2023 business plan

(1) With IDEAL (Taiwan) as the focus, enhance functions of the operations center.

(2) Actively develop the market of electric vehicles in different countries.

(3) Effectively possess and expand key sources and production capacity of electric vehicles.

(4) Share resources and internationally divide labor.

2. 2023 production and sales plans

(1) Understand supply and demand schedules as well as price changes of raw materials; improve production capacity and efficiency.

(2) In the development and design phases of new vehicles in a new year, take initiatives to offer proposals for increasing efficiency of vehicle assembly.

(3) Increase sales of the European market and electric bicycles.

III. Effects by external competitive, regulatory and overall operating environments

1. Global tariff barriers and wars are ordeals for bicycle manufacturers to deploy their production bases.
2. Electric bicycle combined with the strength of the technology industry will present a different look; integration of E-bike and electrical information industry is the trend.
3. Battery technology and charging facilities are becoming more mature, resulting in the rise of the E-bike market.
4. Because of global inflation pressure, prices of raw materials and energies remain high. As a result, consumers' actual purchasing power has been weakened.
5. The bicycle industry responds to the requirements for energy conservation and carbon emission reduction in consideration of engineering, design and environmental protection, which brings about industry changes and impacts.

Chairman: Yuan-Pin Chang　　Manager: Ching-Wang Chen　　CFO: Ming-Mei Lai

Two. Company Profile

I. Establishment date

September 16, 1980

II. Company History

1980	❑	Ideal Bike Corp. was established in Taiping Township, Taichung County, with a capital amount of NTD 12 million. The company took over the business of the Ideal Cycle Corp. and kept using its logo.
1982	❑	The Company increased the capital by NTD 8 million to buy 180,000 square feet of land lots for industrial use at Taichung Harbor Related Industrial Park in Wuci Township, Taichung County, for construction of factory facilities.
1983	❑	The Company was moved from Taiping Township to the new factory with a floor space of 61,200 square feet in Wuci Township.
1985	❑	The Company increased the capital by NTD 20 million.
1993	❑	The factory is not sufficient enough and an increase of capital to the amount of NTD 60 million was conducted to build new factory facilities in an area of 165,600 square feet.
1995	❑	The new factory was completed and launched.
	❑	The export performance was ranked the third among the export companies of the bicycle industry.
1997	❑	The Company increased the capital by NTD 269 million and applied for IPO.
	❑	An investment to the amount of USD 1.50 million was made through Ideal Bike (SGP) Co. Pte., Ltd. to establish Ideal (Dong Guan) Bike Co., Ltd. in Guangdong Province. The production began in August in the same year with an annual capacity of 360,000 sets.
	❑	A fire occurred to the factory and the loss was disastrous.
	❑	With a capital amount of NTD 1.196 billion, the Company was ranked by CommonWealth Magazine the 560th among Top 1000 manufacturers.
1998	❑	Reconstruction of the factory was completed to its full production capacity.
	❑	The Company invested NTD 5,7143,000 to acquired 19% shares of POLAND IDEAL EUROPE.
	❑	The capital was increased to NTD 513.70 million.
1999	❑	The capital was increased to NTD 616.44 million.
2000	❑	An investment of USD 1,500,000 was made in EANYWHERE, a

company engaging in manufacture and R&D of mobile phones, to acquire 3% of its shares.

- The capital was increased to NTD 678.08 million in July.
- The reference letter was submitted to OTC.
- The official OTC approval letter was acquired from the Securities & Futures Institute in November.

2001
- The Company started the OTC trading with NTD 13.5 per share on March 28.
- The capital was increased to NTD 732,331,000 in October.

2002
- The Dong Guan Factory in Mainland China received an order of more than 330 sets from Pacific in March.
- The capital was increased to NTD 754,301,000 in July.

2003
- The Company invested USD 800 thousand to acquire 30% shares of POLAND IDEAL EUROPE in January. The total shareholding was up to 49%. The total shareholding in POLAND IDEAL EUROPE was increased to 100%.
- An increase of capital in cash to the amount of NTD 200,000,000 was conducted in January. The stocks were issued at a premium of NTD 15 per share. The capital amount was up to NTD 954,000,000.
- The ground-breaking ceremony of the Liao Bu Factory in Mainland China was celebrated on March 14. An investment of USD 1 million in Mainland China was made through Singapore in July.

2004
- An investment in the American Advanced Sports, Inc. was made in December to acquire 17% of its shares. The right of distributing FUJI brand products in the Asian market was acquired.

2005
- The Liao Bu Factory was completed and launched in March with an annual production capacity up to 1 million sets. The additional capacity of the Liao Bu Factory could relieve the burden of the fully loaded capacity in Taiwan.
- The Company made an investment together with the American Advanced Sports Inc.to form a joint venture of Advanced Sports International-Asia Ltd. in July. The Company held 60% of its shares and developed the bicycle market in Asia with the FUJI brand.
- Kuei-I Chan, the Vice General Manager, took over the position of General Manager in August.

2006
- The Company invested in Karbon Kinetics Limited. in June to acquire 10% of its shares, and worked with it to develop electric bikes equipped with magnesium alloy frames.

2007
- The Company invested in Shou Yao (Dong Guan) Bike Co., Ltd. through Singapore with a capital amount of USD 1 million. The company was intended to development the domestic market in

Mainland China.

2008
- An increase of capital to the amount of NTD 22,420,000 from the capital reserve was made in October. The paid-in capital after the increase was NTD 1,143,406,000.
- The Company invested in Advanced Sports International-China Ltd. Dong Guan Branch through Advanced Sports International-Asia Ltd. in December with a capital amount of USD 400 thousand. The company was intended to develop the domestic market in Mainland China.

2009
- Yuan-Pin Chang, the Special Assistant of the Chairman, took over the position of General Manager in February.
- The Company took over the stock affairs in July.
- The Company issued the first 5-year domestic secured convertible corporate bonds of NTD 350 million in August.

2010
- The Company invested in CROWN ALLIANCE INTERNATIONAL CO., LTD. in March to acquire 100% of its shares and increased the capital amount of the invested Advanced Sports International-China Ltd. Dong Guan Branch to USD 3 million. The capital was increased in phases. The authorized capital stock of the Ideal (Dong Guan) Bike Co., Ltd. was increased to USD 16 million.
- The Company invested NTD 10 million in Win Hanverky International Company Limited in August.
- Yuan-Pin Chang, the General Manager, took over the position of Chairman in December.

2011
- The Company invested NTD 20 million in Win Hanverky International Company Limited in January, and the total investment amount was up to NTD 30 million.
- The Company invested NTD 5 million in Gamma Cycling Co., Ltd. in July.
- The Remuneration Committee was established in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” in December.

2012
- The capital of POLAND IDEAL EUROPE was increased by NTD 72,412,000.
- Chih-Wen Li, the COO, took over the position of General Manager in July.

2014
- The Company issued the second 5-year domestic secured convertible corporate bonds of NTD 200 million in February.
- The Company issued the third 5-year domestic unsecured

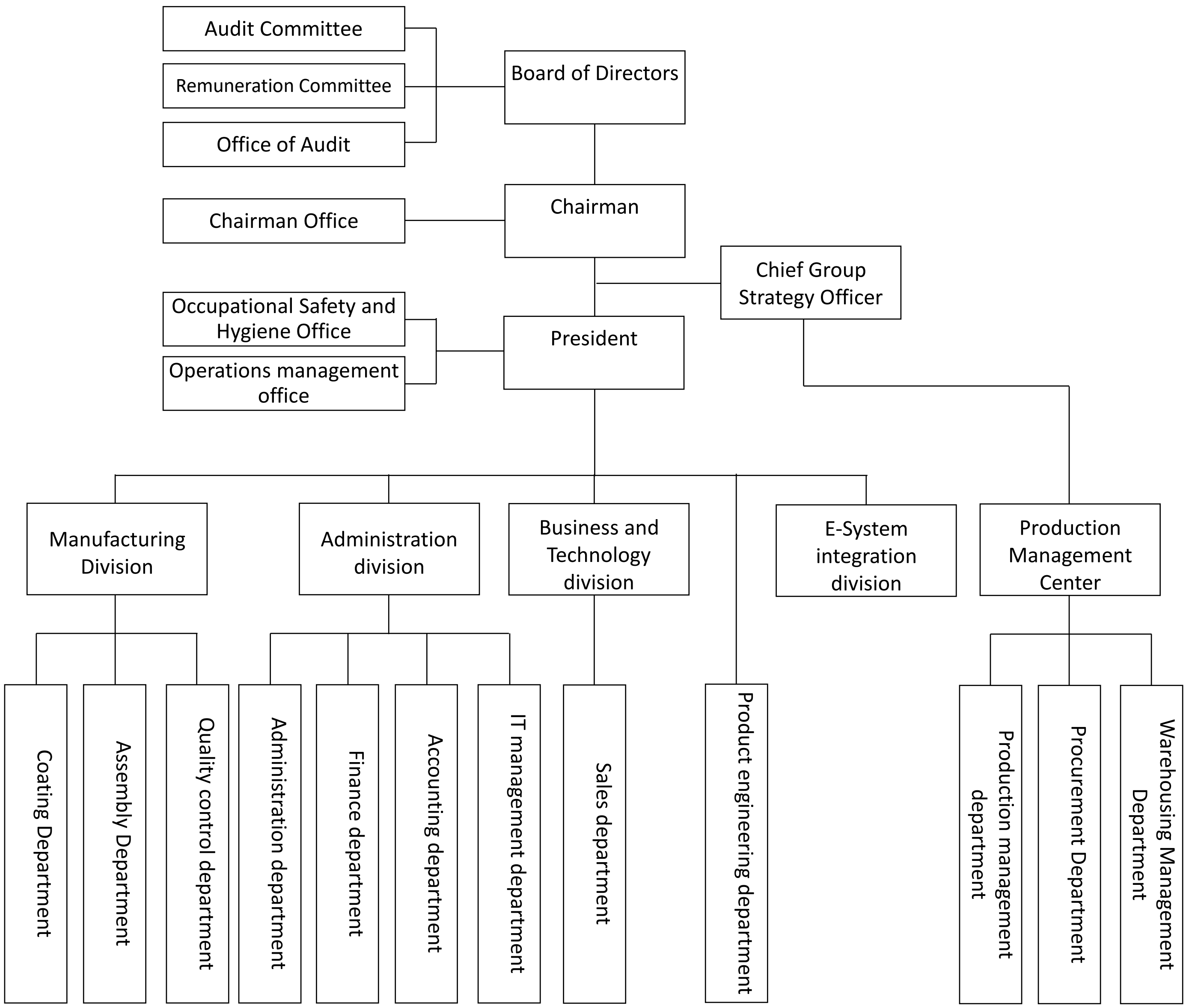
convertible corporate bonds of NTD 100 million in February.

2015	❑	The capital of the CROWN ALLIANCE INTERNATIONAL CO., LTD. was increased by USD 900 thousand.
	❑	Yuan-Pin Chang, the Chairman, took over the position of General Manager in October.
2016	❑	The capital of the ADVANCED SPORTS ENTERPRISES INC. (formerly Advanced Sports Inc.) was increased by USD 7 million.
2017	❑	The Company issued the fourth 5-year domestic secured convertible corporate bonds of NTD 300 million in January.
	❑	An increase of capital in cash to the amount of NTD 300 million was conducted in November. The stocks were issued at a par value of NTD 10 per share. The change of the paid-in capital amount after the increase was approved up to about NTD 1,784,000,000.
2018	❑	The Company issued the fifth 5-year domestic unsecured convertible corporate bonds of NTD 400 million in June.
	❑	Fang-Ming Chang, the Vice General Manager, took over the position of General Manager in November.
2019	❑	The loss of NTD 660,000,000 was made up by decreasing the capital in November.
	❑	A private placement was conducted in December for increase of capital by issuing 80 million stocks. They were issued at a subscription price of NTD 5 per share. The change of the paid-in capital amount after the increase was approved up to about NTD 2,342,000,000.
2020	❑	Tim Lin took over the position of General Manager in April.
	❑	A chief corporate governance officer was appointed in November and the CFO, Julia Lai, served this post concurrently.
2021	❑	An increase of capital in cash to the amount of NTD 500 million was conducted in April. The stocks were issued at a par value of NTD 10 per share. The change of the paid-in capital amount after the increase was approved up to about NTD 2,932,000,000.
	❑	Injected capital in the amount of PLN33.5 million into POLAND IDEAL EUROPE in June.
2022	❑	Jing-Wang Chen took over the position of General Manager in January.

Three. Corporate Governance Report

I. Organizational system

(I) Corporate organizational chart



(II) Businesses of major departments

Department	Main responsibilities
Office of Audit	Internal audit and internal control system establishment promotion and evaluation, the preparation and implementation of the annual audit plan of the Group and subsidiaries, and the matters required by the Securities and Futures Commission.
Chairman's Office	Analyze and evaluate operating environment; study corporate business orientations and strategies; effectively integrate and utilize corporate resources; make decisions on material matters in routine business operations.
Occupational Safety & Hygiene	Responsible for the promotion and implementation of industrial safety, environmental hygiene, health promotion and other related

Department	Main responsibilities
Office	matters.
Operations management office	Manage operation processes and assist the general manager in managing and handling matters about the Company's business operation, decision-making and management.
PMC Center	The units subordinate to the PMC Center include the Warehouse Management Department, Purchasing Department and Production Management Department.
Warehouse management department	Take charge of matters on receipt and shipment of domestic and foreign parts, incoming and outgoing finished products as well as accounting.
Purchasing department	Responsible for matters regarding domestic and foreign parts procurement, and stock control.
Production management department	Responsible for production sequencing, control, and other related matters such as production process setting and standard working hours setting and their promotion and execution.
E-System integration division	Responsible for E-bike business related matters.
Product engineering department	Integration of product development and design, product specification creation, sample assembly, and other related matters.
Business office	The unit under its jurisdiction is the business department.
Sales department	Responsible for new customer development, product sales, customer service, receivable collection and other related matters.
Administration division	The units under its jurisdiction include the management department, accounting department, finance department and administration department.
IT management department	Responsible for the provision and implementation of solutions to build the company's group information architecture and enterprise e-solutions, as well as the development of related application systems and software.
Accounting department	Responsible for the promotion and execution of payment review, account processing, tax returns and other related matters.
Finance department	Responsible for the promotion and execution of the company's investment and financial management, risk management, capital deployment and other related matters.
Administration department	Responsible for the promotion and execution of human resources-related planning and management, as well as general affairs management and other related matters.
Manufacturing	The units under its jurisdiction include the quality control department,

Department	Main responsibilities
division	assembly department and painting department.
Quality control department	Responsible for incoming material inspection and process quality control, quality abnormalities and customer complaints handling and other related matters.
Assembly department	Handle matters about product warehousing upon assembly.
Painting department	Handle matters about product painting and labeling.

II. Information on directors, supervisors, president, vice president, senior managers and officer of each department and branch

(I) Information of the directors and supervisors

(Base date: April 11, 2023)

Title (Note 1)	Nationality or place of registration	Name:	Gender Age (Note 2)	Date elected (appointed)	Term of office	Date first elected (Note 3)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Main experiences (educational background) (Note 4)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remarks (Note 5)
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Chairman	R.O.C.	Yuan-Pin Chang	Male 41-50	July 20, 2021	3 years	2009.06.20	14,417,647	4.81%	14,129,647	4.68%	0	0%	0	0%	University of Washington Master of finance management	The Company: Chairman and strategy officer of the Group Other company: Chairman and strategy officer of Fulltech Fiber Glass Corp. Ideal (Dong Guan) Bike Co., Ltd. Chairman and general manager Chairman of IDEAL BIKE (SGP) CO.PTE. LTD. IDEAL EUROPE SP. ZO. O. Representative of legal directors and general manager Director of Crown Alliance International Co., Ltd. PACIFIC GLORY WORLDWIDE LTD. Chairman and general manager	None	None	None	
Vice Chairman	R.O.C.	Taichung Harbor Warehousing & Stevedoring Co., Ltd.	-	July 20, 2021	3 years	2015.6.23	1,211,661	0.40%	611,661	0.20%	-	-	0	0%	-	None	None	None	None	
		Legal representative: Fang-Ming Chang	Male 51-60	July 20, 2021	3 years	2006.06.20	0	0%	315,991	0.10%	0	0%	0	0%	Human Capital Institute University of San Francisco	The Company: Vice chairman and special assistant to the chairman Other company: Legal person of Taichung Harbor Warehousing & Stevedoring Co., Ltd. Directors' representative Director of Top Sport International Ltd. Representative of corporate supervisor of IDEAL EUROPE SP. ZO. O.	None	None	None	
Director	R.O.C.	Guo Ling Investment Co., Ltd.	-	July 20, 2021	3 years	2000.05.12	21,333,643	7.12%	21,333,643	7.07%	-	-	0	0%	-	None	None	None	None	
		Legal representative: Heng-Kuan Chen	Male 51-60	July 20, 2021	3 years	2015.6.23	0	0%	0	0%	0	0%	0	0%	Master of Business, National Taiwan University School of Management	The Company: None. Other company: Chief lawyer of Kuandian United Law Firm Chairman and general manager of Federal Corporation Representative of the corporate director of NANKANG RUBBER TIRE CORP., LTD. Representative of the corporate supervisor of Nanrong Development and Building Co., Ltd Independent director of INTEGRATED SOLUTIONS TECHNOLOGY INC.	None	None	None	
Director	R.O.C.	Guo Ling Investment Co., Ltd.	-	July 20, 2021	3 years	2000.05.12	21,333,643	7.12%	21,333,643	7.07%	-	-	0	0%	-	None	None	None	None	

Title (Note 1)	Nationality or place of registration	Name:	Gender Age (Note 2)	Date elected (appointed)	Term of office	Date first elected (Note 3)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Main experiences (educational background) (Note 4)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remarks (Note 5)
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
		Legal representative: Yong-Sheng Xu	Male 51-60	July 20, 2021	3 years	2019.12.11	0	0%	0	0%	0	0%	0	0%	PhD in Accounting, National Taiwan University	The Company: None. Other company: Professor of the Accounting Department, National Chung Hsing University Independent director of GLOBE UNION INDUSTRIAL CORP. Independent director of Adimmune Corporation	None	None	None	
Independent director	R.O.C.	Wen-Yi Lin	Male 61-70	July 20, 2021	3 years	2015.6.23	0	0%	0	0%	0	0%	0	0%	PhD in Finance and Management Economics, State University of New York at Buffalo, USA	The Company: None. Other company: Associate Professor, Graduate Institute of Finance and Economic Law, Feng Chia University	None	None	None	
Independent director	R.O.C.	Hsien-Chun Chiu	Male 61-70	July 20, 2021	3 years	July 20, 2021	0	0%	0	0%	0	0%	0	0%	Doctor of the Department of Mechanical Engineering, University of Michigan	The Company: None. Other company: Associate Professor in the Department of Mechanical Engineering, National Chung Hsing University	None	None	None	
Independent director	R.O.C.	Kun-Tien Liu (Note 6)	Male 51-60	June 9, 2022	3 years	June 9, 2022	0	0%	0	0%	0	0%	0	0%	Master of Laws of National Chengchi University	The Company: None. Other company: Chief lawyer of Zhaohe International Law Firm Associate professor of the Law School of Fu Jen Catholic University and Mediation committee member of Taiwan Taipei District Court and Taiwan Keelung District Court	None	None	None	

Note 1: The names of corporate shareholders and their representatives should be listed separately (for corporate shareholders, the name of the corporate shareholder should be indicated) and should be listed in the below. Schedule 1:

Note 2: Please indicate the actual age by range, e.g. 41-50 or 51-60.

Note 3: Enter the time when the Company's directors or supervisors first took office. If there is an interruption in service, a note should be included.

Note 4: Experiences related to current position, such as having worked for the attesting CPA firm or its affiliates during the above-mentioned period, the title of the position and the duties performed should be specified.

Note 5: If the chairperson and the president, or equivalents (the top managerial officers) of the Company are the same person, each other’s spouse or relative within first degree of kinship, the reason, rationality, necessity, corresponding measures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

Note 6: New independent directors were elected on June 9, 2022.

Schedule 1: Major shareholders of corporate shareholders

April 11, 2023

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding ratio
Guo Ling Investment Co., Ltd.	Ocean Rich Enterprises Limited (British Anquilla)	28.24%
	Hongling Investment Co., Ltd.	23.53%
	Ping-Zhao Chang	23.25%
	Shu-Zhu Chen	13.18%
	Yuan-Feng Chang	4.71%
	Shangling Investment Co., Ltd.	4.42%
	Songling Investment Co., Ltd.	1.46%
	Yuan-Ming Chang	0.71%
	Yuan-Pin Chang	0.51%
TAICHUNG HARBOR WAREHOUSING & STEVEDORING CO., LTD. (Information on this company is not available and is disclosed only by the Department of Commerce, Ministry of Economic Affairs)	Ching-Lung Chang	6.56%
	Mei-ying Chang	5.83%
	Chi-Lan Chang	5.83%
	Tsung Ming Pei	4.00%
	Kai-Cheng Chang	2.13%
	Kuei-Hsiang Wu	1.60%
	Hung-Chang Chen	1.25%
	Ming-Chang Wang	0.80%
	Po-Xun Tsai	0.80%
	Chien-Chih Tsai	0.80%

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: Indicate the names of this corporate shareholder’s main shareholder (whose shareholding ratio are in the TOP 10) and the shareholding ratio. If the major shareholder is a corporation, the following Schedule 2 should be completed.

Note 3: Where the corporate shareholder is not affiliated with the Company, indicate the name and contribution ratio of the contributor in place of the shareholder and the shareholding ratio mentioned above (refer to the judicial court’s announcement). If the contributor has passed away, indicate [decreased].

Schedule 2: Where the major shareholders are corporations in Schedule 1, the major shareholders

April 11, 2023

Name of corporation (Note 1)	Main corporate shareholder (Note 2)	Shareholding ratio
Ocean Rich Enterprises Limited Ocean Rich Enterprises Limited (Information on this company is not available and is disclosed only by the Department of Commerce, Ministry of Economic Affairs)	No information available from the Department of Commerce, Ministry of Economic Affairs	
Hongling Investment Co., Ltd. (Information on this company is not available and is disclosed only by the Department of Commerce, Ministry of Economic Affairs)	Ping-Zhao Chang	9.09%
	Yuan-Ming Chang	1.51%
	Yuan-Fu Chang	1.51%
	Cheng-Hsing Chen	0.99%
Shangling Investment Co., Ltd. (Information on this company is not available and is disclosed only by the Department of Commerce, Ministry of Economic Affairs)	Guoling Asset Co., Ltd	46.50%
	Ping-Zhao Chang	6.72%
	Shu-Zhu Chen	5.69%
Songling Investment Co., Ltd. (Information on this company is not available and is disclosed only by the Department of Commerce, Ministry of Economic Affairs)	Shangling Investment Co., Ltd.	0.36%

Note 1: If the major shareholder shown above in Table 1 is a corporation, the name of this corporation shall be indicated.

Note 2: Indicate the names of this corporation's main shareholder (whose shareholding ratio are in the TOP 10) and the shareholding ratio.

Note 3: Where the corporate shareholder is not affiliated with the Company, indicate the name and contribution ratio of the contributor in place of the shareholder and the shareholding ratio mentioned above (refer to the judicial court's announcement). If the contributor has passed away, indicate [decreased].

1. Disclosure of information on the directors' professional qualifications and the independent directors' independence

Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman: Yuan-Pin Chang	Holding an MBA (Finance) degree, currently serves as a director of the Company and a strategy officer of the Group, with rich experience in business management. Not involved in any circumstances specified in Article 30.	Not involved in any circumstances specified in Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act; not a spouse or a relative of other directors within the second degree of kinship. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	0
Vice chairman: Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	Graduated from the Human Capital Institute, University of San Francisco and acted as a general manager of IDEAL BIKE CORPORATION; currently serves as vice chairman of the Company, with rich experience in business management. Not involved in any circumstances specified in Article 30.	Not involved in any circumstances specified in Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act; not a spouse or a relative of other directors within the second degree of kinship.	0
Director: Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	Master of Laws of National Taiwan University and a chief lawyer of the law firm, quite familiar with corporate legal affairs. Not involved in any circumstances specified in Article 30.	Not involved in any circumstances specified in Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act; not a spouse or a relative of other directors within the second degree of kinship.	1

Director: Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	As a professor of the Accounting Department of National Chung Hsing University, mainly studies financial accounting. As an independent director of several companies, knows much about finance and accounting. Not involved in any circumstances specified in Article 30.	Not involved in any circumstances specified in Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act; not a spouse or a relative of other directors within the second degree of kinship.	2
Independent director: Wen-Yi Lin	As an associate professor at the Graduate Institute of Financial and Economic Law at Feng Chia University, focuses on studying corporate financial management, international financial management, international finance and econometrics. As a member of the Company's remuneration and audit committees, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 2	0
Independent director: Hsien-Chun Chiu	Associate professor of the Department of Mechanical Engineering, National Chung Hsing University, focuses on studying mechanical design/analysis, design methods and techniques. Also a member of the Company's audit committee, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 2	0

Independent director: Kun-Tien Liu	As a Master of Laws of the National Chengchi University, a chief lawyer of the law firm and an associate professor at the FJU School of Law, quite familiar with corporate legal affairs. As a member of the Company's remuneration and audit committees, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 2	0

2. Diversity and independence of the Board of Directors:

It has been specified in the Company's director election rules and governance regulations that the overall diversity of the Board of Directors shall be considered from two major perspectives:

(1) Basic conditions and value: Gender, age, nationality and cultures, etc.

(2) Professional knowledge and skills: Professional backgrounds (e.g. Laws, accounting, finance, marketing or technologies), professional skills and industrial experiences, etc.

As a whole, the Board of Directors shallhaveeight majorcapabilities as follows:

(1) Ability to judge business operations.
(2) Ability to perform accounting and financial analysis.
(3) Ability to manage business operations.
(4) Ability to manage crisis.
(5) Industrial knowledge.
(6) International market view.
(7) Leadership skill.
(8) Ability to make decisions.

For nomination and election of the members of the Board of Directors, a candidate nomination system shall be adopted in compliance with the Articles of Association, and the candidates' academic experiences and qualifications shall be evaluated in accordance with rules and regulations, to ensure diversity and independence of the directors.

List of 7 members of the 9th Board of Directors of the Company. Includes one director aged 41 to 50, four directors aged 51 to 60 and two directors aged 61 to 70. Among the directors, Yuan-Pin Chang and Fang-Ming Chang are good at leadership, operation judgment, business management and crisis handling, with industry knowledge and international market outlooks. The directors adept in legal affairs are Heng-Kuan Chen and Kun-Tien Liu; Yong-Sheng Xu and Wen-Yi Lin are skilled at financial accounting/analysis and business management, while Hsien-Chun Chiu is good at production management. Two directors have more than 12 years of industrial experience, and 4 directors are university professors, who have made great educational attainment. The members of this Board of Directors comply with the objectives of two major orientations and eight capabilities specified under the director diversification policy.

Independence of the Board of Directors: None of the seven directors are relatives within the second degree of kinship, which complies with Subclause 3, Clause 3, Article 26 of the Securities Exchange Act. All of the three independent directors are noted as required below and have lawful independent qualifications.

Note 1: Experienced with professional qualification: Clearly indicate the professional qualification and experience of some directors and supervisors. For those directors who are members of the Audit Committee and possess financial expertise, their accounting or financial backgrounds and work experiences shall be clearly indicated. In addition, indicate whether these directors are involved in any circumstances specified under Article 30 of the Company Act.

Note 2: Indicate whether the independent directors are independent, including but not limited to whether such directors, their spouses or their relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliates; the number of the Company’s shares held by the independent directors, their spouses and relatives within the second degree of kinship and their shareholding ratio; whether they act as directors, supervisors or employees of the companies which have specific relationships with the Company (refer to Subclauses 5-8, Clause 1, Article 3 of the Measures for Public Companies’ Appointment of Independent Directors and Precautions to Follow; the amount of remuneration obtained from the rendering of commercial, legal, financial, accounting and other services for the Company or its affiliates.

(II) Information of the general manager, vice general manager, assistants, department and branch heads

(Base date: April 11, 2023)

Title (Note 1)	Nationality	Name:	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main experiences (educational background) (Note 2)	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks (Note 3)
					Number of Shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
president, (Note 4)	R.O.C.	Ching-Wang Chen	Male	2015.10.13	20,622	0.01%	0	0%	0	0%	United Electrical Engineering Department	Representative of the corporate director of Ideal (Dong Guan) Bike Co., Ltd. Representative of the corporate director of IDEAL EUROPE SP.ZO.O.	None	None	None	
Corporate strategy officer	R.O.C.	Yuan-Pin Chang	Male	September 10, 2021	14,129,647	4.68%	0	0%	0	0%	University of Washington Master of finance management	Chairman and strategy officer of Fulltech Fiber Glass Corp. Chairman of Ideal Bike (SGP) Co. Pte., Ltd. Chairman and general manager of Ideal (Dong Guan) Bike Co., Ltd. Corporate director's representative and general manager of IDEAL EUROPE SP. ZO. O. Director of Crown Alliance International Co., Ltd. Chairman and president, of Pacific Glory Worldwide Ltd.	None	None	None	
Assistant to the chairman	R.O.C.	Fang-Ming Chang	Male	2020.04.20	315,991	0.10%	0	0%	0	0%	Human Capital Institute, University of San Francisco	Corporate director's representative of Taichung Harbor Warehousing & Stevedoring Co., Ltd. Director of Top Sport International Ltd. Representative of corporate supervisor of IDEAL EUROPE SP. ZO. O.	None	None	None	
Assistant to the chairman (Note 5)	R.O.C.	Heng-Bin Lin	Male	2020.04.20	0	0%	0	0%	0	0%	Chung Yuan Christian University Department of Accounting	None	None	None	None	
Assistant to the chairman	R.O.C.	Yao-Feng Tai	Male	August 15, 2022	0	0%	0	0%	0	0%	Department of Business Administration, Tunghai University	Deputy general manager of IDEAL EUROPE SP.ZO.O.	None	None	None	
Vice president, of administration division	R.O.C.	Ming-Mei Lai	Female	2018.11.07	35,864	0.01%	0	0%	0	0%	Accounting Department of Feng Chia University	Representative of corporate director of Ideal (Dong Guan) Bike Co., Ltd. Corporate director's representative of IDEAL EUROPE SP. ZO. O. Director of Pacific Glory Worldwide Ltd.	None	None	None	
Vice president, of sales division	R.O.C.	Hui-Jun Huang	Female	2020.05.12	150,727	0.05%	0	0%	0	0%	National United University of Science and Technology Science in Finance	None	None	None	None	
Manufacturing division Assistant (Note 6)	R.O.C.	Da-Fang Wu	Male	2020.06.01	5,260	0%	0	0%	0	0%	United Mechanical Engineering Department	None	None	None	None	
Assistant of the PCM center	R.O.C.	Shu-Juan Ruan	Female	2020.06.01	2,986	0%	0	0%	0	0%	National Changhua Senior School of Commerce Comprehensive Business	None	None	None	None	
Senior manager of E-System integration division	R.O.C.	Rui-Qi Chang	Male	2020.12.14	4,000	0%	932	0%	0	0%	Indiana State University	None	None	None	None	
Assistant of IT management department (Note 7)	R.O.C.	Kuo-Ting Tang	Male	May 10, 2021	2,000	0%	0	0%	0	0%	IT Management Department, National Sun Yat-sen University	None	None	None	None	
Assistant of Product Development Department, Dongguan Plant	R.O.C.	Huan-Sheng Chen	Male	March 1, 2022	0	0%	0	0%	0	0%	Shih Chien University Department of Industrial Design	None	None	None	None	

Title (Note 1)	Nationality	Name:	Gender	Date elected (appointed)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main experiences (educational background) (Note 2)	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks (Note 3)
					Number of Shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Vice president, of Poland Plant (Note 8)	R.O.C.	Ji-Qun Zhou	Male	2020.03.11	275,000	0.09%	0	0%	0	0%	EMBA of National Chung Hsing University	None	None	None	None	

Note 1: Information on president, vice president, senior manager, officer of department and branch, and anyone whose position is equivalent to that of president, vice president, or senior manager, regardless of title, should also be disclosed.

Note 2: For experience related to the current position, if having worked for the attesting CPA firm or its affiliates during the above-mentioned period, the title of the position and the duties performed should be stated.

Note 3: If the chairperson and the president, or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, corresponding measures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

Note 4: As former deputy general manager of Dongguan Plant, Ching-Wang Chen was promoted to general manager on January 1, 2023.

Note 5: As former general manager, Heng-Bin Lin was reappointed as special assistant to the chairman on January 1, 2023.

Note 6: As former factory manager of the manufacturing division, Da-Fang Wu was changed to assistant of the manufacturing division on March 1, 2023.

Note 7: Only the information as of April 11, 2023 has been disclosed for admission on April 11, 2023.

Note 8: As deputy president of the Polish plant, Ji-Qun Zhou was reappointed as the consultant of the parent company on January 1, 2022, and resigned on December 31, 2022, so his information as of January 1, 2022 has been disclosed.

III. Remuneration paid to directors, supervisors, president, and vice president, in the most recent year (names and remuneration are disclosed individually due to losses)

1. Remuneration to regular and independent directors

Unit: NT$ thousand

Title	Name	Remuneration to directors								Total amount of Class A, B, C and D, and ratio to net profit after tax		Remuneration for employees with concurrent positions								Total amount of Class A, B, C, D, E, and F, and ratio to net profit after tax		Remuneration received from subsidiaries, re-invested businesses or the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution Fees (D)				Salary, bonus and special charges, etc. (E)		Severance and pension (F)		Employee compensation						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash	Dividend amount	Cash	Dividend amount			
Chairman and corporate strategy officer	Yuan-Pin Chang	720	720	-	-	-	-	381	381	1,101 0.33%	1,101 0.33%	4,275	6,350	-	-	-	-	-	-	5,376 1.61%	7,451 2.23%	None
Vice chairman and special assistant to chairman	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	120	120	-	-	-	-	35	35	155 0.05%	155 0.05%	2,902	3,669	108	108	-	-	-	-	3,165 0.95%	3,932 1.18%	None
Director	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	120	120	-	-	-	-	40	40	160 0.05%	160 0.05%	-	-	-	-	-	-	-	-	160 0.05%	160 0.05%	None
Director	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	120	120	-	-	-	-	40	40	160 0.05%	160 0.05%	-	-	-	-	-	-	-	-	160 0.05%	160 0.05%	None
Independent director	Wen-Yi Lin	420	420	-	-	-	-	40	40	460 0.14%	460 0.14%	-	-	-	-	-	-	-	-	460 0.14%	460 0.14%	None
Independent director	Li-Chung Jen (Note 1)	105	105	-	-	-	-	10	10	115 0.03%	115 0.03%	-	-	-	-	-	-	-	-	115 0.03%	115 0.03%	None
Independent director	Hsien-Chun Chiu	420	420	-	-	-	-	40	40	460 0.14%	460 0.14%	-	-	-	-	-	-	-	-	460 0.14%	460 0.14%	None
Independent director	Kun-Tien Liu (Note 2)	236	236	-	-	-	-	25	25	261 0.08%	261 0.08%	-	-	-	-	-	-	-	-	261 0.08%	261 0.08%	None

1. Please clearly indicate the policy, system, standard and structure for paying compensation to the independent directors; clarify the associations with the amount of paid compensation based on duties, risks, time and other factors:

(1) Remunerations of the Company's independent directors are paid on a monthly basis, or in the form of business travel expenses or as directors' remuneration. Internally conduct performance appraisal for the Board of Directors every year according to the performance appraisal methods for the Board of Directors from the following perspectives, including degree of participation in the Company's business operations, decision quality of the Board of Directors, components and structure of the Board of Directors, appointment and continuing education of the directors as well as internal control. The business travel expenses are incurred by the independent directors for attending different meetings, which shall be proportional to the times of engagement.

(2) The independent directors of the Company are not distributed the annual director remuneration.

2.Remuneration received by the directors of the Company for service rendering (e.g. As consultants other than employees of the parent company, all companies/investee businesses within the financial reports) apart from those disclosed in the above table: None.

Note 1: The independent directors resigned on March 31, 2022.

Note 2: New independent directors were elected on June 9, 2022.

Table of remuneration ranges (1-2)

Remuneration ranges for the directors of the Company	Direct name			
	Total amount of the 1st four remunerations (A+B+C+D)		Total amount of the 1st seven remunerations (A+B+C+D+E+F+G)	
	The Company:	All companies within the financial report (H)	The Company	All companies within the financial report (I)
Below NT$ 1,000,000	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen
	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu
	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	Wen-Yi Lin	Wen-Yi Lin
	Wen-Yi Lin	Wen-Yi Lin	Li-Chung Jen	Li-Chung Jen
	Li-Chung Jen	Li-Chung Jen	Hsien-Chun Chiu	Hsien-Chun Chiu
	Hsien-Chun Chiu	Hsien-Chun Chiu	Kun-Tien Liu	Kun-Tien Liu
	Kun-Tien Liu	Kun-Tien Liu	-	-
NT$ 1,000,000 (including the figure) ~ NT$ 2,000,000 (excluding the figure)	Yuan-Pin Chang	Yuan-Pin Chang	-	-
NT$ 2,000,000 (including the figure) ~ NT$ 3,500,000 (excluding the figure)	-	-	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	-
NT$ 3,500,000 (including the figure) ~ NT$ 5,000,000 (excluding the figure)	-	-	-	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	-	-	Yuan-Pin Chang	Yuan-Pin Chang
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-	-	-
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	-	-	-	-
More than NT$100,000,000	-	-	-	-
Total	8	8	8	8

2. Supervisors' remuneration:

On July 20, 2021, the Company built the Audit Committee, which functioned in place of the supervisors.

3. Remuneration of the president and the deputy president

Unit: NT$ thousand

Title	Name	Base salary (A)		Severance and pension (B)		Bonus and special charges, etc. (C)		Remuneration for employees (D)				Total amount of Class A, B, C and D, and ratio to net profit after tax (%)		Remuneration received from subsidiaries, re-invested businesses or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash	Dividend amount	Cash	Dividend amount			
President	Heng-Bin Lin	4,003	4,489	108	108	1,827	2,527	-	-	-	-	5,938 1.78%	7,124 2.13%	None
Corporate strategy officer	Yuan-Pin Chang	2,233	3,985	0	0	2,042	2,366	-	-	-	-	4,275 1.28%	6,351 1.90%	None
Special assistant to the chairman	Fang-Ming Chang	2,064	2,706	108	108	838	963	-	-	-	-	3,010 0.90%	3,777 1.13%	None
Special assistant to the chairman	Yao-Feng Tai (Note 1)	548	548	29	29	163	163	-	-	-	-	740 0.22%	740 0.22%	None
Vice president,	Ching-Wang Chen	1,784	2,249	108	108	897	1,397	-	-	-	-	2,789 0.83%	3,754 1.12%	None
Vice president,	Ming-Mei Lai	1,751	1,793	107	107	1,273	1,273	-	-	-	-	3,131 0.94%	3,173 0.95%	None
Chief plant manager of manufacturing division	Da-Fang Wu	1,103	1,103	70	70	347	347	-	-	-	-	1,520 0.45%	1,520 0.45%	None

Note 1: She was newly appointed as the special assistant to the Company’s chairman on August 15, 2022.
The retirement fund appropriated in 2022 amounted to NT$ 529 thousand.

Table of remuneration ranges

Remuneration ranges for the presidents and vice presidents of the Company	Name of president, or vice president,	
	The Company	All companies within the financial report (E)
Below NT$ 1,000,000	Yao-Feng Tai	Yao-Feng Tai
NT$ 1,000,000 (including the figure) ~ NT$ 2,000,000 (excluding the figure)	Da-Fang Wu	Da-Fang Wu
NT$ 2,000,000 (including the figure) ~ NT$ 3,500,000 (excluding the figure)	Fang-Ming Chang, Ching-Wang Chen, Ming-Mei Lai	Ming-Mei Lai
NT$ 3,500,000 (including the figure) ~ NT$ 5,000,000 (excluding the figure)	Yuan-Pin Chang	Fang-Ming Chang, Ching-Wang Chen
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Heng-Bin Lin	Yuan-Pin Chang, Heng-Bin Lin
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	-	-
More than NT$100,000,000	-	-
Total	7	7

4. Remuneration TOP5 supervisors with the highest remuneration among the listed companies (4-1)

Title	Name	Base salary (A)		Severance and pension (B)		Bonus and allowance (C)		Remuneration for employees (D)				Total amount of Class A, B, C and D, and ratio to net profit after tax (%)		Remuneration received from subsidiaries, re-invested businesses or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies within the financial report		The Company	All companies in the financial statements	
								Cash	Dividend amount	Cash	Dividend amount			
President	Heng-Bin Lin	4,003	4,489	108	108	1,827	2,527	-	-	-	-	5,938 1.78%	7,124 2.13%	None
Corporate strategy officer	Yuan-Pin Chang	2,233	3,985	0	0	2,042	2,366	-	-	-	-	4,275 1.28%	6,351 1.90%	None
Special assistant to the chairman	Fang-Ming Chang	2,064	2,706	108	108	838	963	-	-	-	-	3,010 0.90%	3,777 1.13%	None
Vice president,	Ching-Wang Chen	1,784	2,249	108	108	897	1,397	-	-	-	-	2,789 0.83%	3,754 1.12%	None
Vice president	Ming-Mei Lai	1,751	1,793	107	107	1,273	1,273	-	-	-	-	3,131 0.94%	3,173 0.95%	None

5. Name of the managers who distributed employee remuneration and remuneration

distribution (5-1)

December 31, 2022; unit: NT$

	Title	Name	Dividend amount	Cash	Total	Total amount as a percentage of net profits after tax (%)
Managerial officer	President	Heng-Bin Lin	0	0	0	0
	Corproate strategy officer	Yuan-Pin Chang				
	Assistant to the chairman	Fang-Ming Chang				
	Assistant to the chairman	Yao-Feng Tai (Note 1)				
	Deputy president of the Chairman’s Office	Ching-Wang Chen				
	Vice president, of administration division	Ming-Mei Lai				
	Assistant of the business department	Hui-Jun Huang				
	Chief plant manager of manufacturing division	Da-Fang Wu				
	Assistant of the PCM center	Shu-Juan Ruan				
	Senior manager of E-System integration division	Rui-Qi Chang				
	Assistant of IT management department	Kuo-Ting Tang				
	Assistant of Product Development Department, Dongguan Plant	Huan-Sheng Chen (Note 2)				

Note 1: Yao-Feng Tai was newly appointed on August 15, 2022.

Note 2: Huan-Sheng Chen was newly appointed on March 1, 2022.

(III) Comparatively analyze the ratio of the total remuneration paid to the directors, supervisors, president and deputy president of the Company by the Company and all companies covered by the consolidated statements to the net profit after tax listed in the standalone financial reports. Introduce the remuneration payment policies, standards and combinations as well as the process for remuneration determination, and their connections with business performances and future risks.

Title	2022		2021	
	The Company	All companies in the consolidated financial statements	The Company:	All companies in the consolidated financial statements
Director	9.44%	11.80%	36.27%	46.58%
Supervisor				
Name of president, or vice president,				

1. The Company’s remuneration for directors is paid after the Remuneration Committee makes suggestions with reference to the general standard within the industry and submits them to the Board of Directors for resolution. The remuneration of the president and the deputy president is determined by the Remuneration Committee by reviewing their personal performance and overall contribution to the Company’s business

operations with reference to the standard within the industry, and submitting the review results to the Board of Directors for resolution. For the remuneration distribution, it is clearly specified in the Articles of Association that if the Company makes profits as reflected from the final annual accounts, 2% to 10% shall be first appropriated as employee remuneration, the directors' remuneration shall not exceed 5% of the profit, and a report shall be made to the shareholders' meeting as resolved by the Board of Directors, but if the Company has accumulated losses of the previous years, prior to appropriation of the current year's profit (if any) for employees' and directors' remuneration at the aforementioned ratios, an amount shall be retained for making up for the losses. The Company pays reasonable remuneration with reference to the Company's overall business performances, future business risks and development trends of the industry. Related performance appraisal (Performance appraisal is internally performed for the Board of Directors every year according to corresponding performance appraisal methods of the Company by comprehensively considering the extent of involvement in the Company's business operations, decision quality, components and structure of the Board of Directors, election, appointment and responsibility awareness of the members of the Board of Directors, understanding of the Company's objectives and tasks, internal relationship management and communication, and the appraisal results are presented to the Board of Directors) and remuneration rationality are reported to the Remuneration Committee and the Board of Directors for review. The remuneration system is regularly reviewed.

2. The managers' renumeration includes salary and bonus. Their salary is determined with reference to the industry standard, title, class of position, educational background, experiences, professional capabilities and duties. Their bonus is calculated and distributed according to the administrative measures for year-end bonus distribution, bonus review and distribution by considering the managers' performances, including the achievement rate of the Company's operating revenue, and net profits before and after tax. They are presented to the Remuneration Committee for review before they are delivered to the Board of Directors for resolution after deliberation.

(IV) Succession plans for the Board of Directors and important management level

1. Succession plan for the members of the Board of Directors

At present, the Company has 7 directors (including 3 independent directors), who possess the industry knowledge and expertise for business management, financial accounting, leaders' decisions and legal affairs as well as those necessary for the Company. For the 2021 Board of Directors, the Company elected and appointed 3 independent directors, and built the Audit Committee to enhance its governance performance. In the future, it will further make active efforts to externally seek talents who master professional knowledge about commercial, legal and financial accounting and those necessary for the Company’s businesses, to plan and prepare for the directors’ succession.

2. Succession plan for the important management level

The Company’s employees above the management level belong to an important management level. The Company has formulated the rules for managing agents, and each of these employees has an agent. The Company trains all-round management talents by performing practical management and arranging related training programs. It enables the reserve talents, and existing intermediate and senior cadres to understand the keys of their own positions, and improve their leadership talents, judgment and abilities to solve problems, to make it favorable for inheritance.

IV. Operations of corporate governance

(I) Information on the operations of the Board of Directors:

1. In the most recent years, the 11th Board of Directors has convened 10 meetings (A), where the directors' and the supervisors' attendance is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remarks
Chairman	Yuan-Pin Chang	11	-	100%	
Director	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	10	1	91%	
Director	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	10	1	91%	
Director	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	11	-	100%	
Independent director:	Wen-Yi Lin	11	-	100%	
Independent director:	Hsien-Chun Chiu	11	-	100%	
Independent director:	Kun-Tien Liu	8	-	100%	June 9, 2022 Re-election and appointment for the Board of Directors Mandatory number of attendance: 8 times
Independent director:	Li-Chung Jen	2	-	100%	March 31, 2022 Resigned Mandatory number of attendance: 2 times

Other matters to be recorded:

I. Under any of the following circumstances on the operation of the Board of Directors, the date of the Board of Directors meeting, period, proposal content, all independent directors' opinions and the measures adopted by the Company for the independent directors shall be clearly indicated:

(I) The matters listed under Clause 3, Article 14 of the Securities Exchange Act: Please refer to the detailed list below.

(II) Except for the aforementioned matters, other matters resolved by the Board of Directors that other independent directors oppose or offer qualified opinions, and documented or stated in writing: None

Date of Board meeting	The matters listed under Clause 3, Article 14 of the Securities Exchange Act	
	Motion content	Independent directors opposed or had reserved opinions
Sixth meeting of the 9th Board January 19, 2022	Determined the base date of capital increase for the Company's fourth domestic conversion of corporate bonds for issuing ordinary shares, which was approved.	None
	The Polish plant's proposal for plant construction was approved.	None

Date of Board meeting	The matters listed under Clause 3, Article 14 of the Securities Exchange Act	
	Motion content	Independent directors opposed or had reserved opinions
	The Polish plant's proposal for building acquisition was approved.	None
Seventh meeting of the 9th Board March 16, 2022	The Company's proposal for amending the Process for Asset Acquisition or Disposal was approved.	None
	The Company's transaction and disposal of derivative commodities in Q4, 2021 were approved.	None
	The Company finished its own evaluation of the internal control system for 2021. The Statement of Internal Control System to be issued in respect of the design and executive effectiveness of the internal control system in the appraisal results was approved.	None
Eighth meeting of the 9th Board May 9, 2022	The Company's transaction and disposal of derivative commodities in Q1, 2022 were approved.	None
	The Company's proposal for participation in investment in the newly established companies was approved.	None
	The proposal for amending the internal control systems of the service providers of the Company was approved.	None
Tenth meeting of the 9th Board August 10, 2022	The Company's transaction and disposal of derivative commodities in Q2, 2022 were approved.	None
	The Company's proposal for lending funds to the Polish plant in Q2, 2022 was approved.	None
	The Company's proposal for dormitory renovation was approved.	None
Twelfth meeting of the 9th Board November 7, 2022	The Company's transaction and disposal of derivative commodities in Q3, 2022 were approved.	None
	The Company's proposal for offering Ideal (Dong Guan) Bike Co., Ltd. Endorsement and guarantee was approved.	None
	The Company's proposal for offering Ideal's Polish plant endorsement and guarantee was approved.	None
	The Company's proposal for lending funds to the Polish plant in Q3, 2022 was approved.	None
	Determined the base date of capital increase for the Company's fourth domestic conversion of fifth bonds for issuing ordinary shares, which was approved.	None
	The Company's appointment of CPAs Su-Li Fang and Tung-Hwee Yeh of Deloitte & Touche Taiwan to handle matters on auditing and verification of the financial statements and profitable businesses in 2023 were approved.	None
	The Company's proposal for formulating the Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading.	None
	The Company's 2023 audit plan was approved.	None
Thirteenth meeting of the 9th Board December 30, 2022	The Company's proposal for lending funds to the Polish plant for capital increase was approved.	None
	The proposal for amending the internal control system of the Company was approved.	None
Fourteenth meeting of the 9th Board March 13, 2023	The Company's transaction and disposal of derivative commodities in Q4, 2022 were approved.	None
	The Company's proposal for lending funds to the Polish plant was approved.	None
	The Company finished its own evaluation of the internal control system for 2022. The Statement of Internal Control System to be issued in respect of the design and executive effectiveness of the internal control system in the appraisal results was approved.	None
	The proposal for amending the internal control systems of the service providers of the Company was approved.	None
Sixteenth meeting of the 9th Board	Approved performance of the self-management process based on German laws by Advanced Sports GmbH ("ASG") (a customer of the Company).	None

Date of Board meeting	The matters listed under Clause 3, Article 14 of the Securities Exchange Act	
	Motion content	Independent directors opposed or had reserved opinions
April 28, 2023		

II. In the implementation of a director's refusal for being an interested party in a proposal, the director's name, the proposal content, the refusal reasons and his or her participation in voting should be stated:

(I) Board meeting on January 19, 2022:

Proposal 1 for discussion: The Company's 2021 year-end bonus distribution proposal for managers was presented for review.

Resolution result: According to Clause 1, Article 16 of the Rules of Procedure for a Public Company's Board of Directors, Chairman Yuan-Pin Chang and Director Fang-Ming Chang should avoid after stating their interest relationships, because they were stakeholders. Therefore, they didn't take part in the discussion or resolution. The proposal was approved by all other directors present.

(II) Board meeting on August 10, 2022:

Proposal 11 for discussion: The restrictive proposal for relieving non-competition of the Company's directors was presented for discussion.

Resolution result: According to Clause 1, Article 16 of the Rules of Procedure for a Public Company's Board of Directors, Chairman Yuan-Pin Chang should avoid after stating his interest relationships, because he was a stakeholder. Therefore, he didn't take part in the discussion or resolution. The proposal was approved by all other directors present.

(III) Board meeting on September 13, 2022:

Proposal 5 for discussion: The Company's 2022 Autumn bonus distribution proposal for managers was presented for review.

Resolution result: According to Clause 1, Article 16 of the Rules of Procedure for a Public Company's Board of Directors, Chairman Yuan-Pin Chang and Director Fang-Ming Chang should avoid after stating their interest relationships, because they were stakeholders. Therefore, they didn't take part in the discussion or resolution. The proposal was approved by all other directors present.

(IV) Board meeting on December 30, 2022:

Proposal 4 for discussion: The Company's proposal for dismissing and appointing the president was presented for discussion.

Resolution result: According to Clause 1, Article 16 of the Rules of Procedure for a Public Company's Board of Directors, Chairman Yuan-Pin Chang should avoid after stating their interest relationships, because he was a stakeholder. Therefore, he didn't take part in the discussion or resolution. The proposal was approved by all other directors present.

(V) Board meeting on January 12, 2023:

Proposal 3 for discussion: The Company's 2022 year-end bonus distribution proposal for managers was presented for review.

Resolution result: According to Clause 1, Article 16 of the Rules of Procedure for a Public

Company's Board of Directors, Chairman Yuan-Pin Chang and Director Fang-Ming Chang should avoid after stating their interest relationships, because they were stakeholders. Therefore, they didn't take part in the discussion or resolution. The proposal was approved by all other directors present.

III. A listed company shall disclose the evaluation cycle, period, scope, method, content and information of the self-evaluation (peer evaluation) of the Board of Directors, and the Board of Directors shall review the execution:

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2022 - December 31, 2022	Board of directors	Board of directors Internal self-evaluation	1. Participation in the operation of the company 2. Improvement of decision-making by the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors 5. Internal control
		Individual directors	Members of the Board of Directors Self-evaluation	1. Alignment of the goals and mission of the Company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationship and communication 5. Professionalism and continuing education of the directors 6. Internal control
		Functional committees (Audit Committee)	Board of directors Internal self-evaluation	1. Participation in the operation of the company 2. Understanding the duties of the functional committees 3. Improvement of decision-making by the functional committees 3. Components of the functional committees, member election and appointment 5. Internal control (inapplicable to the Remuneration Committee)
		Functional committees (Remuneration Committee)		

The Board of Directors shall review the execution results:

(I) Performance appraisal of the Board of Directors:

The performance appraisal covered five major perspectives (degree of involvement in the Company's business operations; improvement of decision-making by the Board of Directors; components and structure of the Board of Directors; election, appointment and continuing education of the directors; and internal control) and 25 indexes. Its full score is 25 points. As a whole, 24 points (excellent) were given in the performance appraisal. The performance appraisal reflected that the Board of Directors fully performed its duties for guiding and supervising corporate strategies and managing major businesses and risks. The Board of Directors was able to establish an appropriate internal control system, and the overall operations were improved, which satisfied the requirements for corporate governance.

(II) Performance appraisal of certain directors:

The performance appraisal covered six major perspectives (understanding of objectives and tasks; the directors' awareness of duties; degree of involvement in the Company's business operations; internal relationship management and communication; the directors' professionalism and continuing education; internal control) and 25 indexes. As a whole, 24 points (excellent) were given in the performance appraisal. The performance appraisal reflected that the directors positively evaluated the efficiency and effectiveness of all indexes.

(III) Performance appraisal of the Audit Committee - a functional committee:

The performance appraisal covered five major perspectives (degree of involvement in the Company's business operations; awareness of duties of the functional committee; improvement of decision-making by the functional committee; components of the functional committee, member election and appointment; and internal control) and 24 indexes. The full score of the performance appraisal was 25, and as a whole, 25 points (excellent) were obtained in the performance appraisal. The performance appraisal reflected that the Audit Committee fully performed its powers and duties for supervising the Company's financial reports, managing risks and performing the Company's performance, and the overall business operations of the Company were improved, which satisfied the requirements for corporate governance.

(IV) Performance appraisal of the Remuneration Committee - a functional committee:

The performance appraisal covered four major perspectives (degree of involvement in the Company's business operations; awareness of duties of the functional committee; improvement of decision-making by the functional committee; components of the functional committee, member election and appointment) and 19 indexes. The full score of the performance appraisal was 20, and as a whole, 19.6 points (excellent) were obtained in the performance appraisal. The performance appraisal reflected that the Company's Remuneration Committee performed the duties of deliberating over and supervising the remuneration system for the directors and managers, and the overall business operations were improved, which satisfied the requirements for corporate governance.

IV. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation.

(I) On July 20, 2021, the Company built the Audit Committee.

(II) The directors have also received educational training courses as follows:

Title	Name	Training date	Course organizer	Course name	Training hours

		From	To			
Director	Yuan-Pin Chang	October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Director	Taichung Harbor Warehousing & Stevedoring Co., Ltd. Legal representative: Fang-Ming Chang	October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Director	Guo Ling Investment Co., Ltd. Legal representative: Heng-Kuan Chen	October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Director	Guo Ling Investment Co., Ltd. Legal representative: Yong-Sheng Xu	October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Independent director:	Wen-Yi Lin	October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Independent director:	Hsien-Chun Chiu	October 6, 2022	October 6, 2022	Taiwan Stock Exchange Corporation and Gre Tai Securities Market	Publication of reference guide for exercising of powers by independent directors and the Audit Committee, director and supervisor promotion meeting	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Geopolitics, post-epidemic, global industry development prospect Trend	3
		October 18, 2022	October 18, 2022	Cross-strait Business Development Fund	Research and analysis on present external challenges of R.O.C and global governance strategies	3
Independent director:	Kun-Tien Liu	August 25, 2022	August 25, 2022	R.O.C Gre Tai Securities Market	Meeting for promoting and explaining insider equity of a listed company	3
		August 30, 2022	August 30, 2022	R.O.C Securities and Futures Institute	Practice workshop for (independent) directors/supervisors and corporate governance supervisors	12

(II) Taipei Program

Information on operation of the Audit Committee

Conditions / Position (Note 1) / Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member

Independent director (convener)	Wen-Yi Lin	As an associate professor at the Graduate Institute of Financial and Economic Law at Feng Chia University, focuses on studying corporate financial management, international financial management, international finance and econometrics. As a member of the Company's remuneration and audit committees, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Independent director	Li-Chung Jen (Note 4)	As a tenured professor of the Department of International Business, National Taiwan University, exempt from evaluation and a deputy president of Providence University, good at international trade and marketing management. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Independent director	Hsien-Chun Chiu	Associate professor of the Department of Mechanical Engineering, National Chung Hsing University, focuses on studying mechanical design/analysis, design methods and techniques. Also a member of the Company's audit committee, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Independent director	Kun-Tien Liu (Note 5)	As a Master of Laws of the National Chengchi University, a chief lawyer of the law firm and an associate professor at the FJU School of Law, quite familiar with corporate legal affairs. As a member of the Company's remuneration and audit committees, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0

Note 1: Please clearly indicate seniority, professional qualification, experience and independence of the members of the Audit Committee in the table. The independent directors or others who are conveners shall fill in this position column.

Note 2: Professional qualification and experience: Clearly indicate the professional qualification and experience of the individual members of the Audit Committee.

Note 3: Independence: Indicate whether the members of the Audit Committee are independent, including but not limited to whether such members, their spouses or their relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliates; the number of the Company's shares held by the members of the Audit Committee, their spouses and relatives within the second degree of kinship and their shareholding ratio; whether they act as directors, supervisors or employees of the companies which have specific relationships with the Company (refer to Subclauses 5-8, Clause 1, Article 6 of the Measures for Public Companies' Appointment of Members of the Audit Committee and Precautions to Follow; the amount of remuneration obtained from the rendering of commercial, legal, financial, accounting and other services for the Company or its affiliates.

Note 4: Jen Li-Chung was elected as president of the National Taipei University of Business and resigned from the post as an independent director on March 31, 2022.

Note 5: Kun-Tien Liu was newly appointed as a member of the Audit Committee on June 9, 2022.

2. The Audit Committee aims to assist the Board of Directors in supervising the Company's execution of accounting, audit and financial reporting procedures as well as quality and integrity in financial controls. The matters for deliberation mainly include:
   - Auditing and accounting policies and processes for financial statements
   - Internal control system, pertinent policies and processes
   - Major transactions of assets or derivative commodities
   - ndorsement or guarantee for major fund lending
   - Raising or issuance of negotiable securities
   - Corporate risk management
   - Qualification, independence and performance appraisal of CPAs
   - Appointment, removal or remuneration of CPAs
3. Information on operation of the audit and remuneration committees
   (1) On July 20, 2021, the Company elected and appointed three independent directors, and built the Audit Committee.
   (2) Term of office of the first committee members: From July 20, 2021 to July 19, 2024.
   (3) In the most recent years, the Audit Committee has convened 6 meetings (A). The independent directors' attendance is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remarks
Independent director	Wen-Yi Lin	6	0	100%	
Independent director	Li-Chung Jen	1	0	100%	Resigned on March 31, 2022 Mandatory number of attendance: 1 time
Independent director	Hsien-Chun Chiu	5	1	83%	
Independent director	Kun-Tien Liu	4	0	100%	Newly appointed on June 9, 2022 Mandatory number of attendance: 4 times

Other matters to be recorded:

(1) For operation of the Audit Committee under the following circumstances,

meeting date of the Audit Committee, period, proposal content, independent directors' objections or contents of major proposals, resolution results of the Audit Committee and responses to the opinions of the Audit Committee shall be clearly indicated.

(I) The matters listed under Clause 5, Article 14 of the Securities Exchange Act: Please refer to the detailed list below.

Audit Committee Meeting date	Motion content	Resolution results and opinions of the Audit Committee
Third meeting of the 1st Audit Committee March 16, 2022	I. 2021 business report and financial statements. II. 2021 plan for profit and loss appropriation III. Proposal for amending the process for asset acquisition or disposal. IV. The Company's self-evaluation results of the internal control system in 2021	Number of independent directors: 3 Independent directors' opinions: None The Company's response to the independent directors' opinions: None Resolution result: The proposals were approved by all committee members present.
Fourth meeting of the 1st Audit Committee May 9, 2022	I. Financial statements for Q1, 2022. II. Proposal for amending the Company's governance regulations. III. Proposal for amending the performance appraisal measures for the Board of Directors. IV. Proposal for amending the internal control systems of the service providers.	Number of independent directors: 2 Independent directors' opinions: None The Company's response to the independent directors' opinions: None Resolution result: The proposals were approved by all committee members present.
Fifth meeting of the 1st Committee August 10, 2022	I. Financial statements for Q2, 2022. II. The Company's proposal for lending funds to the Polish plant in Q2, 2022. III. Amendment to the ethical corporate management principles and code of ethical conduct. IV. Newly formulated regulations governing sustainable development of the listed enterprises and operating procedure for preparation and verification of corporate sustainability reports.	Number of independent directors: 3 Independent directors' opinions: None The Company's response to the independent directors' opinions: None Resolution result: The proposals were approved by all committee members present.
Sixth meeting of the 1st Committee November 7, 2022	I. Financial statements for Q3, 2022. II. Endorsement and guarantee offered to Ideal (Dong Guan) Bike Co., Ltd. III. Endorsement and guarantee offered to Ideal's Polish plant. IV. The Company's proposal for lending funds to the Polish plant in Q3, 2022. V. Proposal for evaluating the independence of CPAs and reviewing public expenses of CPAs. VI. Newly formulated Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading. VII. 2023 audit plan.	Number of independent directors: 3 Independent directors' opinions: None The Company's response to the independent directors' opinions: None Resolution result: The proposals were approved by all committee members present.
Seventh meeting of the 1st Committee December 30, 2022	I. Proposal for lending funds to the Polish plant for capital increase. II. Proposal for amending the internal control system.	Number of independent directors: 3 Opinions of independent directors: Mr. Lin proposed repayment within one year in respect of Proposal 1. The Company's responses to the opinions of independent directors: The Polish plant should repay within one year after utilizing the

Audit Committee Meeting date	Motion content	Resolution results and opinions of the Audit Committee
		loan. Resolution result: The proposals were approved by all committee members present.
Eighth of the 1st Committee March 13, 2023	I. 2022 business report and financial statements. II. 2022 plan for profit and loss appropriation III. Proposal for amending the rules of procedure of the shareholders' meeting. IV. Proposal for lending funds to the Polish plant in December 2022 and January 2023. V. Self-evaluation results of the internal control system in 2022 VI. Proposal for amending corporate governance regulations and administrative measures related to financial businesses between stakeholders. VII. Proposal for amending the internal control systems of the service providers.	Number of independent directors: 3 Independent directors' opinions: None The Company's response to the independent directors' opinions: None Resolution result: The proposals were approved by all committee members present.

(II) Except for the aforementioned matters, other resolutions not approved by the Audit Committee, but resolved by more than two-thirds of all directors: None.

(2) In the implementation of an independent director's refusal to be an interested party in a proposal, the independent director's name, the proposal content, the refusal reasons and his or her participation in voting should be stated:

(3) The independent directors' communications with the internal audit executives and CPAs are shown in the table below: (including material matters, methods and results of the communications regarding corporate financial and business conditions)

Date	Communication method	Keys of communication	Conclusion
March 16, 2022	Audit Committee	1. Reported the contents of the 2021 statement of internal control system to the independent directors. 2. Reported the execution of the audit plan to the independent directors from October to December 2021 and from January to February 2022. 3. The CPAs reported the 2021 audit results to the Audit Committee. 4. The CPAs communicated with the members of the Audit Committee about the key matters audited in 2021.	1. All independent directors understood the contents of the 2021 statement of the internal control system and agreed to present them to the Board of Directors for discussion. 2. All independent directors understood the audit results obtained from October to December 2021 and from January to February 2022. 3. All independent directors understood and accepted the explanations of the CPAs.
May 9, 2022	Audit Committee	1. Reported the execution of the audit plan to the independent directors from March to April 2022. 2. Reported the service providers' amendments to their internal control systems, corporate governance regulations and performance appraisal measures for the boards of directors to the independent directors. 3. The CPAs reported the audit results of Q1, 2022 to the Audit Committee.	1. All independent directors understood the audit results obtained from March to April 2022. 2. All independent directors understood the service providers' amendments to their internal control systems, corporate governance regulations and performance appraisal measures for the boards of directors to the independent directors.

Date	Communication method	Keys of communication	Conclusion
			3. All independent directors understood and accepted the explanations of the CPAs.
August 10, 2022	Audit Committee	1. Reported the execution of the audit plan to the independent directors from April to June 2022. 2. Reported the amendment to the ethical corporate management principles and code of ethical conduct to the independent directors. 3. Reported the newly formulated operating procedure for preparing and verifying corporate sustainability reports to the independent directors. 4. The CPAs reported the audit results of Q2, 2022 to the Audit Committee.	1. All independent directors understood the audit results obtained from April to June 2022. 2. All independent directors understood the amendment to the ethical corporate management principles and code of ethical conduct. 3. All independent directors understood the newly formulated operating procedure for preparing and verifying corporate sustainability reports. 4. All independent directors understood and accepted the explanations of the CPAs.
November 7, 2022	Audit Committee	1. Reported the execution of the 2023 audit plan to the independent directors. 2. Reported the execution of the audit plan to the independent directors from July 2022 to September 2022. 3. Reported the newly formulated Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading to the independent directors. 4. The CPAs reported the audit results of Q3, 2022 to the Audit Committee. 5. The CPAs communicated with the members of the Audit Committee about the key matters audited in Q3, 2022. 6. The auditors communicated about the audit quality index (AQI).	1. All independent directors understood the contents of the 2023 audit plan and agreed to present them to the Board of Directors for discussion. 2. All independent directors understood the audit results obtained from July to September 2022. 3. All independent directors understood the newly formulated Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading to the independent directors. 4. All independent directors understood and accepted the explanations of the CPAs.
December 30, 2022	Audit Committee	1. Reported the execution of the audit plan to the independent directors from October to November 2022. 2. Reported the internal control systems within other operation management cycles - amendment to the process for preparing financial statements.	1. All independent directors understood the audit results obtained from October to November 2022. 2. All independent directors understood the internal control systems within other operation management cycles - amendment to the process for preparing financial statements.
March 13, 2023	Audit Committee	1. Reported the contents of the 2022 statement of the internal control system. 2. Reported the execution of the audit plan to the independent directors in December 2022 and January 2023. 3. Reported the rules of procedure for the shareholders' meeting, corporate governance regulations, administrative measures related to financial businesses between stakeholders and the service providers' amendments to the internal control systems to the independent directors.	1. All independent directors understood the contents of the 2022 statement of the internal control system and agreed to present them to the Board of Directors for discussion. 2. All independent directors understood the audit results obtained in December 2022 and January 2023. 3. All independent directors understood the rules of procedure for the shareholders' meeting, corporate governance regulations,

Date	Communication method	Keys of communication	Conclusion
		4. The CPAs reported the 2022 audit results to the Audit Committee. 5. The CPAs communicated with the members of the Audit Committee about the key matters audited in 2022.	administrative measures related to financial businesses between stakeholders and the service providers' amendments to the internal control systems. 4. All independent directors understood and accepted the explanations of the CPAs.

(III) Differences between the actual corporate governance and the Governance Practice Principles for TWSE/GTSM Listed Companies and causes

Evaluation Items	Actual situation (Note)			The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice best principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company has formulated its corporate governance practice best principles, which have been made available on M.O.P.S for download by the public apart from the Company's website.	In line with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
II. The Company's equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		The Company has established and implemented its corporate governance best practice principles, to protect shareholders' rights and interests. In addition, the Company has appointed spokespersons and their agents. It has set up a service office and disclosed its contact information on its webpage. The shareholders may offer opinions by phone or email. The Company will respond according to pertinent rules. The service room is specially responsible for solving related problems, including shareholder suggestions, doubts or disputes.	Not significantly different from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
(II) Does the Company has the list of the major shareholders of the companies under its control and the list of the major shareholders' ultimate controllers?	V		The Company's service office specially handles matters about services and fully understands the main shareholder structure. The major shareholders monthly declare their shareholding changes to the Company as specified, and annually disclose the list of TOP10 shareholders in the annual reports.	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Has the Company established and executed risk control and firewall mechanisms with its stakeholders ?	V		The Company has formulated related control procedures in its internal control system according to laws and regulations.	No difference from the Governance Practice Principles for TWSE/GTSM Listed Companies.
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		The Company has formulated pertinent regulations, including the Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading, Governance Practice Principles and Code of Ethical Conduct, to standardize the insiders' avoidance and conflicts of interests related to their positions. The non-public information obtained must not be disclosed to others, to prevent engagement in insider trading.	No difference from the Governance Practice Principles for TWSE/GTSM Listed Companies.
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors formulate diversified policies, set management objectives and implement them?	V		1. On December 24, 2020, the Company approved the Corporate Governance Practice Principles, and established diverse policies for the structure of the Board of Directors. 2. For nomination and election of the members of the Board of Directors, the candidate nomination system shall be adopted in compliance with the Articles of Association and the Corporate Governance Practice Principles, to ensure diversity and independence of the directors. 3. The 9th Board of Directors has a total of 7 directors, including 1 director aged 41 to 50, 4 directors aged 51 to 60 and 2 directors aged 61 to 70. There are two directors adept in leadership, business judgment, business management and crisis handling, with industry knowledge and international market views. 2 directors are good at financial and accounting analysis as well as business management. The other 3 directors are skilled in legal affairs, international marketing and production management.	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the		V	The Company has lawfully built the Remuneration Committee and the Audit Committee, which are under normal operation. There is no urgent need to build	With difference from the Corporate Social Responsibility Best Practice

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Actual situation (Note)</th><th rowspan="2">The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>Company voluntarily set up other functional committees?</td><td></td><td></td><td>other functional committees, which may be built by weighing and considering future laws, regulations and industry development.</td><td>Principles for TWSE/GTSM Listed Companies.</td></tr>
<tr><td>(III) Has the Company established the performance appraisal measures and methods for the Board of Directors for annual regular performance appraisal? Does the Company present the performance appraisal results to the Board of Directors and reckon some individual directors’ remuneration, nomination and succession as references?</td><td>V</td><td></td><td>On March 10, 2020, the Board of Directors of the Company approved the Performance Appraisal Measures for the Board of Directors. On March 13, 2023, the Board of Directors made a report on the performance appraisal results of 2022 on March 13, 2023. The Company annually conducts performance appraisals in respect of the whole Board of Directors and individual directors in the form of questionnaires. The matters evaluated are as follows:
The performance appraisal for the Board of Directors and functional committees covers the degree of involvement in the Company’s business operations, improvement of decision making by the Board of Directors, components and structure of the Board of Directors, as well as election, appointment, continuing education and internal control of the directors.
The performance appraisal on members of the Board of Directors covered six major perspectives (understanding of the Company’s objectives and tasks; the directors’ awareness of duties; degree of involvement in the Company’s business operations; internal relationship management and communication; the directors’ professionalism and continuing education; internal control).</td><td>No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.</td></tr>
<tr><td>(IV) Does the Company regularly evaluate the independence of CPAs?</td><td>V</td><td></td><td>(I) The Company annually evaluates the independence and competence of CPAs. Before resolving to elect and appoint the accountants, the Board of Directors shall first examine whether the accountants are independent and competent. The CPAs shall issue a statement of their independence to confirm that they are not directors, shareholders or employees of the Company. Except for the fees of certification and financial tax cases, no other financial interests or business relationships exist.
(II) At the latest meeting of the Board of Directors held on November 7, 2022, the proposal for appointing CPAs was approved. The independence and competency of the CPAs were evaluated as follows:
<table>
<tr><th>Item No.</th><th>Evaluation content</th><th>Evaluation result</th></tr>
<tr><td>1</td><td>The members of the audit team or their family members, other joint certified accountants or their family members, the firm or its affiliates did not have material direct or indirect financial interests with the Company.</td><td>Confirmed</td></tr>
<tr><td>2</td><td>No financing or guarantee existed between the Company or its directors and the members of the audit team or its family members, other joint professional accountants or their family members, the firm or its affiliates (the business activities for normal loans of financial institutions were not within this scope).</td><td>Confirmed</td></tr>
<tr><td>3</td><td>No close business relations existed between the members of the CPAs or the audit team and the Company or its affiliates.</td><td>Confirmed</td></tr>
<tr><td>4</td><td>At present, no potential employment relationship exists between the members of the audit team and the Company.</td><td>Confirmed</td></tr>
</table></td><td>No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Actual situation (Note)</th><th rowspan="2">The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>5</td><td>In the past two years, the members of the audit team have not served as directors of the Company or worked in any positions with material impacts upon the audit.</td><td>Confirmed</td></tr>
<tr><td>6</td><td>The audit fees paid to the accountants by the Company are fixed, but not public expenses. No overdue public expenses impact audit independence.</td><td>Confirmed</td></tr>
<tr><td>7</td><td>The non-audit services provided by the CPAs and its affiliates for the Company include..., none of which directly impact major subjects of the audit. None of the Company’s management functions is concerned. The CPAs or its affiliates have not made any decisions in place of the Company, and their independence has not been affected.</td><td>Confirmed</td></tr>
<tr><td>8</td><td>The members of the audit team have not been entrusted to defend the Company’s standpoints or opinions, or coordinate conflicts with third parties on behalf of the Company.</td><td>Confirmed</td></tr>
<tr><td>9</td><td>After this year’s appointment, the accountants will serve for up to four years and no more than seven years.</td><td>Confirmed</td></tr>
<tr><td>10</td><td>The members of the audit team are not relatives of the Company’s directors, managers or personnel of other positions with material impacts upon the audit.</td><td>Confirmed</td></tr>
<tr><td>11</td><td>The directors and managers of the Company have not sent any valuable gifts to the members of the audit team.</td><td>Confirmed</td></tr>
<tr><td>12</td><td>None of the Company’s directors, managers or personnel of other positions with material impacts upon the case are personnel who have retired/resigned from the CPAs in the past year.</td><td>Confirmed</td></tr>
<tr><td>13</td><td>Two years before they took office and during their term of office, the Company’s independent directors were not employed by the CPAs. Two years before they took office and during their term of office, the members of the Company’s Remuneration Committee were not professional personnel who provided commercial, legal, financial or accounting services or consultations.</td><td>Confirmed</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Have the TWSE/GTSM listed companies had an appropriate number of competent corporate governance personnel and appointed corporate governance executives to take charge of the affairs related to corporate governance (including but not limited to providing the directors and supervisors with materials necessary for business execution; assisting the directors and supervisors in abiding by laws and regulations, lawfully handling matters regarding matters of the Board of Directors and the shareholders’ meetings, and preparing minutes of the Board of Directors and the shareholders’ meetings)?</td><td>V</td><td></td><td>1. On November 10, 2020, the Company appointed the corporate governance executives, as resolved by the Board of Directors, and Ming-Mei Lai (the present chief financial officer) as deputy president. Vice president, Ming-Mei Lai has been in charge of finance, stock affairs or corporate governance related affairs units of public companies for at least three years.
2. The corporate governance executives’ powers include:
(1) lawfully handling matters about the meetings of the Board of Directors and the shareholders’ meetings.
(2) preparing the minutes of the Board of Directors and the shareholders’ meetings.
(3) assisting with the directors’ appointment and continuing education.
(4) providing materials necessary for the directors to conduct business.
(5) assisting the directors in abiding by laws and regulations.
(6) Other matters specified based on the Articles of Association or deeds.
(7) Promoting the Company’s governance, fulfillment of its corporate social responsibilities and honest business operations.
3. From their date of appointment to the publication date of the annual report, the Company’s corporate governance executives had performed related</td><td>No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.</td></tr>
</table>

Evaluation Items	Actual situation (Note)			The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			operations in respect of the aforementioned powers, and completed 18-hour continuing education after their initial appointment. In 2022, the continuing education lasted for 14 hours.	
V. Has the Company created channels for communicating with the stakeholders (including but not limited to the shareholders, employees, customers and suppliers), set a special zone for the stakeholders on its website, and appropriately responded to important issues on corporate social responsibilities which arouse the stakeholders' concern?	V		The Company has set a special zone for its stakeholders on its website, appointed related personnel to specially take charge of this window, and opened an email account for the stakeholders to contact it, in order to maintain good communications with the stakeholders. In order to respect the rights and interests of stakeholders, identify the Company's stakeholders, understand their reasonable expectations and needs through appropriate communication and stakeholder participation, and to respond appropriately to important CSR issues of concern to stakeholders, each department is responsible for stakeholder communication and reports to the Chairman of the Board of Directors or the Board of Directors from time to time. (I) Issues of the shareholders' concern: Corporate governance, business operation, profit, and risk management. Communication channels: 1. The shareholders' meeting is held in the second quarter of each year, and motions are voted on a case-by-case basis. Shareholders can also exercise their voting rights through electronic means to fully participate in the voting process. 2. The annual report of the shareholders' meeting and the business report are issued annually for investors' reference. 3. Monthly announcements of the previous month's revenues, statistics of operating revenues by product, and self-assessed earnings on the Market Observation Post System and the Company's website. 4. Hold earnings calls and disclose the information on M.O.P.S/official website. (II) Issues of the employees' concern: Business operation and profit, employee benefits and employee protection, labor conditions and labor relationships. Communication channels: Administrative measures, reward and punishment announcements, publicity notices, employee welfare committee meetings (quarterly) and labor meetings (quarterly). (III) Issues of the suppliers' concern: Procurement practices, materials, compliance with laws and regulations on environmental protection. Communication channels: Involvement in management of material procurement, (irregular) seminars on market information, meetings, (irregular) exchange visits, and (irregular) provisioning of specifications for safety design. (IV) Economic performances of government authorities, materials, water, water drainage, flowing water, emissions, compliance with laws and regulations related to environmental protection, labor relationships. Communication channels: Examination of laws and regulations, participation	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Items	Actual situation (Note)			The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			in related workshops organized by government authorities, education and training programs.	
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?		V	There is a stock affairs office to handle the affairs, personnel and equipment of the shareholders' meeting in compliance with the relevant regulations.	The Company has set up a service office, and needn’t appoint a professional stock affairs office to handle matters of the shareholders’ meeting. With difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
VII. Public disclosure of information (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		The Company has set up a corporate website to disclose information in relation to its financial affairs, businesses and corporate governance.	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		1. The Company has implemented the spokesperson system, and set up a service window to deal with the shareholders’ affairs. 2. It appoints special personnel to update information on its official website. 3. In 2022, it took part in the earnings calls of the securities traders so that the investors would understand the Company’s financial businesses. Related information about the earnings calls has been disclosed in the special investors’ column of the Company’s website.	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Does the Company announce and declare the annual financial report within two months after the end of an accounting year, and financial reports of Q1, Q2, Q3 and business operations of each month before the specified deadline?	V		The Company always declares the reports of Q1, Q2 and Q3, annual reports and business operations of each month within the deadline specified under laws and regulations	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.
VIII. Does the Company have other important information helpful for understanding corporate governance, including but not limited to employee benefits, employee care, investor relations, supplier relationship, stakeholders’ rights, directors’ and supervisors’ continuing education, execution of risk management policies and risk measures, implementation of customer policies, and the Company’s purchase of liability insurances for the directors and the supervisors?	V		1. Employee benefits: For the employee salaries, benefits, work, training, leave, retirement and other benefits, the Company has formulated personnel management measures based on labor related laws and regulations. It also has underwritten group insurance for the employees, whose benefits are completely protected. 2. Employee care: The Company provides appropriate care to our employees, which is regulated in the relevant personnel rules and regulations and employee welfare committee rules. For weddings, funerals, illnesses and injuries, or personal and family problems, the company management or unit officers will provide timely care and necessary assistance. 3. Investor Relations: The Company has a stock affairs office, which is responsible for handling shareholders' affairs and regularly or occasionally releases management information and significant news through the Market Observation Post System to assist shareholders in understanding the Company's operating information. The officer of the Finance and Accounting	No difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Items	Actual situation (Note)			The differences from the Governance Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			center is the spokesperson, and if necessary, the spokesperson will speak to the public. 4. Supplier relationship: Establish good partnership with suppliers to form a mutually beneficial relationship. The Company communicates and exchanges business information with our suppliers and provides them with relevant business information and order information. 5. Stakeholders' Rights: The rights of stakeholders are governed by the relevant laws and regulations. 6. Information on the continuing education of the directors and independent directors: The Company regularly invites professional lecturers to give lectures to the directors and independent directors, who take part in related continuing education programs based on time-based considerations. All training programs were completed in 2022. 7. Implementation of risk management policies, risk measures and customer policies: The Company has established a complete internal control system, expanded its subsidiaries and reinforced risk control. 8. The Company has purchased liability insurance for all directors and independent directors. The coverage is USD 10 million, and the insurance period extends from July 16, 2022 to July 16, 2023.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: (Companies not included in the evaluation need not be filled in) Answer: In the future, more efforts will be continuously made to increase information transparency and perform corporate social responsibilities.				

Note: No matter if "yes" or "no" is checked in respect of the operation, clearly indicate in the summary column.

(IV) Components, duties and operation of the Remuneration Committee

1. Information on members of the Remuneration Committee

Conditions / Position (Note 1)	Name	Professional qualification and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent director (convener)	Wen-Yi Lin	As an associate professor at the Graduate Institute of Financial and Economic Law at Feng Chia University, focuses on studying corporate financial management, international financial management, international finance and econometrics. As a member of the Company's remuneration and audit committees, with more than 5 years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Independent director	Li-Chung Jen (Note 4)	As a tenured professor of the Department of International Business, National Taiwan University, exempt from evaluation and a deputy president of Providence University, good at international trade and marketing management. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Independent director	Kun-Tien Liu (Note 5)	As the chief lawyer of the law firm, graduated from National Chengchi University with a Master of Laws; previously served as a judge, presiding judge and a spokesperson for judicial affairs, quite familiar with corporate legal affairs, with more than five years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0
Other	Hong-Qi Hong	As an associate professor of the Department of Industrial Engineering & Management, Chaoyang University of Technology, good at system simulation and decision-making support system, with more than five years of work experience. Not involved in any circumstances specified in Article 30.	Independent without any circumstance specified in Note 3	0

Note 1: Please clearly indicate seniority, professional qualification, experience and independence of the members of the Remuneration Committee in the table. Position

The independent directors or others who are conveners shall fill in this position column.

Note 2: Professional qualification and experience: Clearly indicate the professional qualification and experience of the individual members of the Remuneration Committee.

Note 3: Independence: Indicate whether the members of the Remuneration Committee are independent, including but not limited to whether such members, their spouses or their relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliates; number of the Company's shares held by the members of the Remuneration Committee, their spouses and relatives within the second degree of kinship and their shareholding ratio; whether they act as directors, supervisors or employees of the companies which have specific relationships with the Company (refer to Subclauses 5-8, Clause 1, Article 6 of the Measures for Public Companies' Appointment of Members of the Remuneration Committee and Precautions to Follow; the amount of remuneration obtained from rendering of commercial, legal, financial, accounting and other services for the Company or its affiliates.

Note 4: Jen Li-Chung was elected as president of the National Taipei University of Business and resigned from the post as an independent director on March 31, 2022.

Note 5: Kun-Tien Liu was re-elected as an independent director on June 9, 2022, and appointed as a member of the Remuneration Committee on June 30, 2022.

2. Powers of the Remuneration Committee include:
   (1) formulating and regularly reviewing performance appraisal and remuneration policies, rules, standards and structures for directors, supervisors and managers.
   (2) Regularly evaluate the remuneration of the directors, supervisors and managers.
3. Information on the operations of the Remuneration Committee
   (1) The Remuneration Committee of the Company has 3 members.
   (2) Term of office of the members of the 5th Committee: From July 20, 2021 to July 19, 2024. In the most recent year, the 5th Remuneration Committee held the 5th (A) meeting. The members' qualifications and attendance are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remarks
Convener	Wen-Yi Lin	5	0	100%	
Member	Hong-Qi Hong	5	0	100%	
Member	Li-Chung Jen	1	0	100%	Resigned on March 31, 2022 Mandatory number of attendance: 1 times
Member	Kun-Tien Liu	4	0	100%	Newly appointed on June 30, 2022 Mandatory number of attendance: 4 times
Other matters to be recorded: I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None. II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated:					

The results of the most recent Remuneration Committee discussions and resolutions are as follows:

Meeting date of the Remuneration Committee	Motion content	Resolution	The Company's Handling of the Remuneration Committee's Opinions
Second meeting of the 5th Committee January 19, 2022	I. The Company's 2021 year-end bonus distribution proposal for managers was presented for review. II. The Company's amendment to the directors' remuneration distribution measures was presented for discussion.	All members of the committee agreed to pass.	Submitted to and approved by the Board of Directors with the consent of all directors present Approved by the directors
Third meeting of the 5th Committee August 10, 2022	I. The Company's 2022 remuneration proposal for the newly employed senior special assistant of the chairman's office was presented for discussion.	All members of the committee agreed to pass.	Submitted to and approved by the Board of Directors with the consent of all directors present Approved by the directors
Fourth meeting of the 5th Committee September 13, 2022	I. The Company's 2022 Autumn bonus distribution proposal for managers was presented for review. II. Established the standard for triggering bonus increases.	All members of the committee agreed to pass.	Submitted to and approved by the Board of Directors with the consent of all directors present Approved by the directors
Fifth meeting of the 5th Committee December 30, 2022	I. The Company's proposal for dismissing and appointing the president was presented for discussion. II. The Company's proposal for dismissing and appointing the deputy president was presented for discussion. III. The Company's proposal for paying a fixed monthly salary to the managers was presented for approval.	All members of the committee agreed to pass.	Submitted to and approved by the Board of Directors with the consent of all directors present Approved by the directors
Sixth meeting of the 5th Committee January 12, 2023	I. The Company's 2022 year-end bonus distribution proposal for managers was presented for review. II. The amendment to the Company's salary and position table was presented for review.	All members of the committee agreed to pass.	Submitted to and approved by the Board of Directors with the consent of all directors present Approved by the directors

(V) Information of the members and operation of the Nomination Committee: The Company has not set up the Nomination Committee.

(VI) Promotion of sustainable development, differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:

Promoted projects	Execution (Note 1)			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Does the Company build the governance structure for promoting sustainable development and set full-time (part-time) positions for promoting sustainable development? Does the Board of Directors authorize the senior management to handle related matters and does the Board of Directors supervise the circumstances?	V		1. On December 30, 2022, a report was made to the Board of Directors to build an ESG group and construct the Company's internal decision center for sustainable development. The chairman acted as chairperson and the president acted as convener. Reviewed the Company's core operating capacity together with multiple senior executives from different fields. Formulated mid-term and long-term sustainable development plans. 2. The ESG group served as an integrated cross-department communication platform horizontally connected in series. The task group for meetings based on topics for discussion identifies sustainability issues that matter about the Company's business operations and that the stakeholders are concerned about. It studies countermeasures and work policies, and plans and executes its annual plans. Meanwhile, it tracks work outcomes to ensure the full implementation of sustainable development strategies. 3. On March 13, 2023, a report was made to the Board of Directors regarding the preparation of the sustainability reports and promotion of sustainable development policies.	No significant difference.
II. Does the Company perform risk evaluation of environmental, social and corporate governance related to its business operations based on the materiality principle, and formulate pertinent risk management policies or strategies? (Note 2)	V		1. This disclosure covers the Company's performances in sustainable development on the main bases from January 2022 to December 2022. The Company is the main boundary of risk evaluation. 2. The risk management of the Company covers financial affairs, markets, raw materials, climate change, information systems and equipment maintenance. The potential risks of related organizations are identified, analyzed and measured. Then, they are addressed and supervised by appropriate management methods, and the risk management plan is improved. Centralized management and execution are organized based on characteristics and impacts of risks so that all risks can always be effectively controlled.	The differences from the Corporate Social Responsibility Practice Principles for TWSE/GTSM Listed Companies are insignificant
III. Environmental Issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		The Company attaches great importance to the management of air pollution, water pollution, waste and other environmental pollution arising from the production process in our plants, and has applied for relevant permits from the local competent authorities.	

<table>
<tr><th rowspan="2">Promoted projects</th><th colspan="3">Execution (Note 1)</th><th rowspan="2">The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>1. Air pollution: The Company has obtained the Operation Permit for Fixed Pollution Sources from an environmental protection authority. Inside the plant, integrated washing equipment has been mounted for appropriate treatment up to the emission standards specified by laws and regulations. An inspection organization recognized by the Environmental Protection Administration is entrusted for regular inspection of sewer pipelines.
2. Water Pollution: Obtained the "Water Pollution Prevention and Control Permit" issued by the environmental protection authorities, and process wastewater is treated by the primary wastewater treatment equipment in the plant to meet the standards of the Related Industrial Park sewage plant before being discharged to the sewage plant under the jurisdiction of the Related Industrial Park.
3. Waste management: Obtained approval from the environmental protection authorities for the "Waste Cleanup Plan", implemented waste reduction and classification management, and entrust the disposal of industrial waste to removal and treatment operators approved by the Environmental Protection Administration.</td><td></td></tr>
<tr><td>(II) Is the Company committed to improving energy utilization efficiency and utilizing recycled materials with insignificant environmental loads and impacts?</td><td>V</td><td></td><td>1. The Company constantly promotes different energy conservation measures, for instance, strengthening the application of electronically signed sheets to reduce the use of paper and refit warehouses to mount LED lights in place of mercury lamps for energy conservation.
2. The Company is devoted to simplifying product packages to reduce the unnecessary use of plastic bags and foams.
3. The wastes produced are further classified as recyclable and non-recyclable to alleviate the environmental load. In 2022, wastes of 191.57 hectares were recycled in total, with an increase of 5.4% compared with those recycled in 2021.</td><td>No significant difference.</td></tr>
<tr><td>(III) Does the Company evaluate its present and future potential risks and opportunities from climate change, and take corresponding countermeasures?</td><td>V</td><td></td><td>1. The Company identifies and evaluates risks and opportunities from climate change with reference to the TCFD structure of the Financial Stability Board, to analyze climate related risks faced under different circumstances, perform financial evaluation and put forward the expected measures.
2. At the end of 2022, the Company completed the last evaluation of climate risks and summarized five major risks as follows among 17 climate risks: raised costs of raw materials, changes in customer behaviors, increased severity of extreme climate</td><td>No significant difference.</td></tr>
</table>

Promoted projects	Execution (Note 1)			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			events (e.g. Hurricane and flood), the uncertainty of market information, and higher costs of technology transformation. 3. To reduce the aforementioned risk factors, the Company also identifies feasible opportunities and works out countermeasures. The Company's analysis of risks and opportunities from climate change has been disclosed in the sustainability report.	
(IV) Does the Company statistically analyze the greenhouse gas emissions, water consumption and total weight of wastes, and formulate policies for reducing greenhouse gases, decreasing water consumption or managing other wastes?	V		1. In 2022, the Company's Scope 1 greenhouse gas emissions were up to 248.85 metric tons ($CO2_{Ee}$), and the Scope 2 greenhouse gas emissions were 898.82 metric tons ($CO2_{e}$). Its water consumption was 1,070 and 1,297 m3. 2. Packaging materials of purchased raw materials: Paper-based packaging materials are recycled. A total of 181.8 and 191.57 metric tons were recycled in 2021 and 2022 respectively. The non-recyclable packaging materials are cleared and transported for incineration by a qualified manufacturer. 3. Waste paint slags produced in the manufacturing process: After centralized storage, entrust a qualified manufacturer to clear and transport the waste paint slags for incineration by an eligible manufacturer. A total of 7.37 and 9.25 metric tons were cleared and transported in 2021 and 2022 respectively. 4. Sludge produced after wastewater filtration in the manufacturing process: After centralized storage, entrust a qualified manufacturer to clear and transport the sludge for thermal treatment by an eligible manufacturer. A total of 1.76 metric tons were cleared and transported from 2021 to 2022. 5. The Company has continuously promoted the implementation of different energy conservation measures and actively made organized greenhouse gas inventories.	The data collected in 2021 was incomplete, without disclosing the Scope 1 and 2 carbon emissions.
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		1. The Company believes that it is critical to respect human rights and create a dignified working environment. The Company abides by the laws and regulations of the places where its premises are, and protects all personnel's human rights. 2. The Company's human rights policies are described as follows: Diverse inclusivity and equal opportunities: Provide a diverse working environment with gender equality for the employees. The treatment doesn't vary with gender, race or religion. Forced labor and harassment are banned. Prohibition of child labor: All employees comply with the laws and regulations regarding minimum age, and no child labor is employed. Compliance with basic wage rules: Offer the employees salaries	No significant difference.

Promoted projects	Execution (Note 1)			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			and benefits which conform to the minimum standards under laws and regulations.	
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		1. Employee remuneration: According to Company's year-end bonus system, the Company distributes year-end bonuses to all employees dependent upon its profitability after considering their seniority and annual performance appraisal results, to stimulate all employees to work hard to realize the Company's objectives. 2. The Company has built an employee welfare committee to plan and provide superior benefits for the employees, including subsidies for employee travel, birthday gift coupons, marriage allowances, childbirth allowances and funeral allowances. When the employees have to be on leave for a relatively long period for nursery, major injuries or diseases or misfortune, they may apply for leave without pay so that they can maintain a balance been themselves and their family care. 3. Realize workplace diversity and equality. The male and female employees gain equal pay for equal work, given equal opportunities for promotion. In 2022, the female employees accounted for 50% and the female executives occupied 41% on average. 4. It is clearly specified in the Articles of Association that if the Company makes profits as reflected from the final annual accounts, 2% to 10% shall be first appropriated as employee remuneration, the directors' remuneration shall not exceed 5% of the profit, and a report shall be made to the shareholders' meeting as resolved by the Board of Directors, but if the Company has accumulated losses of the previous years, prior to appropriation of the current year's profit (if any) for employees' and directors' remuneration at the aforementioned ratios, an amount shall be retained for making up for the losses. In addition, the Company annually adjusts salary based on the market salary standard, economic trends and individuals' performances with reference to the market survey on remuneration, to maintain its overall competitive strength in remuneration.	No significant difference.
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	V		1. Safe and healthy working environment (1) Annually entrust a professional company to inspect the public security of buildings and declare to competent authorities for inspection. (2) Entrust qualified apparatus engineers for the quarterly overhaul	No significant difference.

Promoted projects	Execution (Note 1)			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			of fire safety equipment, and declare to a competent authority for inspection in the fourth quarter of each year. (3) Annually entrust an inspection agency for regular inspection of dangerous mechanical equipment. Daily, weekly, monthly, semi-annually and annually maintain and inspect all machines and equipment. (4) Entrust a lawfully established operating environment monitoring organization for quarterly monitoring. The monitoring results are reported to competent authorities and announced for the employees' information. (5) Make announcements in conspicuous areas of the special operating environment and appoint related supervisors to supervise and direct operations. (6) Provide necessary safety protection facilities for employees, including safety leather shoes, goggles, masks and earplugs, to protect employee safety and health. (7) Engage professional medical doctors to provide on-site services. Appoint qualified full-time nursing personnel to provide services for medical consultation, emergency rescue and treatment. (8) Review the new employees' physical examination forms and appoint labor workers to embark on appropriate work, in order to ensure the employees' health and operation safety. (9) Annually organize regular health examinations and health promotion lectures in accordance with the Occupational Safety and Health Act. (10) Perform regular environmental disinfection of the premises. 2. Education policies Train the employees' abilities to observe hazards, perform automatic inspections, operate according to standard procedures and respond to exceptional hazards, to enable all employees to understand their safety responsibilities, enhance employee safety and facilitate harmony. (1) Conduct occupational safety and health education and training necessary for the new employees. (2) Perform regular on-the-job occupational safety and health education and training for the existing employees. (3) Implement necessary health education for the employees whose health examination results are abnormal. (4) Appoint related employees to take part in external training and obtain permits to perform operations that require occupational	

Promoted projects	Execution (Note 1)			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			safety and health permits according to pertinent laws and regulations. (5) Organize fire-fighting drills twice a year, to ensure that the employees can appropriately respond to unexpected disasters, if any. In 2022, 390 employees took part in training, and it took 1,797 hours for the training. 3. In 2022, no employee encountered any occupational hazards. 4. At the end of 2022, the Company was certified by ISO45001.	
(IV) Has the Company established an effective career development training program for employees?	V		1. To enhance the employees' job skills and improve personnel qualities, the Company provides important positions and challenges through job rotation and diverse training to reinforce the internal cultivation of professional and leadership talents, in an attempt to promote its joint growth with the employees. 2. In 2022, 119 new employees participated in the new employee education and training, with a total of 357 hours. 535 employees took internal training courses, which lasted for 716 hours, and 23 employees took part in external professional training courses, with a total of 174 hours.	No significant difference.
(V) Does the Company comply with laws, regulations and international standards concerning customer health and safety, customer privacy, marketing and labeling in respect of products and services, and formulate relevant policies and grievance procedures for protecting the consumer or customer rights and interests?	V		1. The Company has established the "Customer Complaint Handling Measures" and has dedicated staff to implement and improve it, and coordinate the handling results with customers to protect their rights and interests. 2. All products of the Company comply with pertinent safety laws and regulations as well as international standards. 3. The Company has purchased product liability insurance to protect consumer rights and interests.	No significant difference.
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		1. Before dealing with the suppliers, the Company requires the suppliers to provide basic materials for evaluation. 2. In entering into contracts with the contractors, the Company requires the contractors to obey the regulations on environmental protection, occupational safety ad health as well as the Company's safety and health related rules. If the contractors violate such regulations or rules and impose significant impacts upon the environment and society, the contracts concluded with them will be immediately terminated or cancelled.	No significant difference.
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the foregoing report	V		1. The Company will firstly issue its corporate sustainability report and disclose it on its website in 2023. It will disclose its viewpoints on and countermeasures for environmental, social and corporate governance in the course of sustainable	No significant difference.

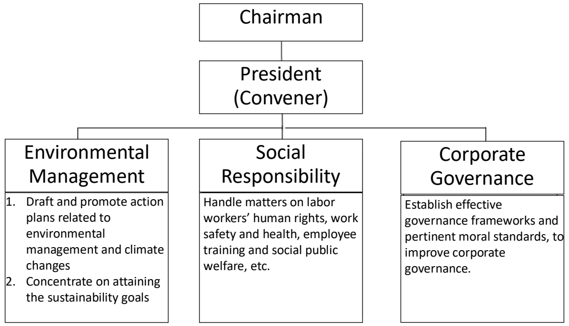
<table>
<tr><td rowspan="2">Promoted projects</td><td colspan="3">Execution (Note 1)</td><td rowspan="2">The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td>been validated or assured by a third party verification organization?</td><td></td><td></td><td>development.
2. The outline of this sustainability report was disclosed in the sustainability reporting criteria of the Global Reporting Initiative (GRI, 2021). In addition, disclosure has been made with reference to the industry indexes of SASB and requirements of TCFD. So far, no validation has been obtained from a third party certification organization.</td><td></td></tr>
<tr><td colspan="5">VI. If the Company has formulated its own sustainable development practice principles in accordance with the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies, please clearly indicate the differences between its operation and the rules:
The Company has formulated the Corporate Sustainable Development Practice Principles in compliance with the Sustainable Development Practice Principles for TWSE/GTSM listed Companies, and such practice principles of the Company have been approved at the meeting of the Board of Directors on August 10, 2022. The routine business operations of the Company are performed from the perspective of corporate governance, sustainable environment, social public welfare and corporate social responsibilities. No significant difference has been detected.</td></tr>
<tr><td colspan="5">VII. Other important information helpful for understanding the situation of sustainable development: None</td></tr>
</table>

Note 1: If “yes” is checked in respect of the execution status, please specifically explain the important policies, strategies and measures adopted as well as their execution. If “no” is checked for the execution status, please explain the differences and the reasons therefor in the column of “the differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor, and the plan for future adoption of pertinent policies, strategies and measures. However, for promoted projects 1 and 2, the TWSE/GTSM listed companies shall clearly indicate the frameworks for governing and supervising sustainable development, including but not limited to the measures for formulating and reviewing management policies, strategies and objectives. Clearly indicate the Company’s risk management policies or strategies for environmental, social and corporate governance related to its business operations as well as the evaluation status.

Note 2: The materiality principle applies to those environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Note 3: For the disclosure method, please refer to the reference examples of the best practices on the website of the governance center of the Taiwan Stock Exchange Corporation.

(VII) Execution of climate related information

Item	Execution
1. Clearly state supervision and governance of climate related risks and opportunities by the Board of Directors and management.	1-1. The members of the Board of Directors shall fully understand the importance and influence of climate change. In making major investment decisions, they shall take climate change into consideration. 1-2. Build an ESG work group in 2023 with the authorization of the Board of Directors, where the president shall act as a convener and the chairman shall serve as the president, to report to the Board of Directors. 
2. Clearly state how the identified climate risks and opportunities affect (long-term, medium-term, short-term) corporate businesses, strategies and financial affairs.	We classify the risks associated with climate change based on the degree of their impacts and the occurrence likelihood. We summarize the opportunities and strategies for the relative quantitative impacts and the reasons in respect of the risk issues. We make matrices of climate risks based on the sequence of priority. The identified climate risks and opportunities affect the short-term, medium-term and long-term businesses, strategies and financial affairs as follows: Short-term: The demand for raw materials exceeds the supply due to climate change, as a result of which the manufacturing costs increase. Medium and long-term: Since customer behaviors change and customers turn to transition towards low-carbon technologies, the Company has to consider how to develop vehicles that better satisfy customer requirements. Medium and long-term: For physical risks, there is a relatively high likelihood that extreme climate might cause storms or sudden rain. The premises have to consider the overall risk management and business continuity plans as well as possible emergency response measures for damages.
3. Clearly state the impacts of extreme climate events and transition actions upon financial affairs.	The evaluation of risks and opportunities has suggested that extreme climate results in a higher likelihood of hurricanes or sudden rain/flood, and might cause flooding in the premises or their nearby communities. The external transportation of the premises might also be hindered, which might cause a decrease in income or an increase in costs. The financial impacts include the costs of the business continuity plans and the alternative plans. Short-term (cost increase): Forecast prices of certain most common materials according to price increases of past raw materials. The costs of the raw materials will be raised. These costs will partially be absorbed by Ideal, and some of them will be transferred by increasing pricing. Medium and long-term: The customer behaviors change and the customers turn to transition towards low-carbon technologies. The Company has to consider how to develop vehicles that better satisfy the customer requirements. In this aspect, more capital investments shall be made (for instance, purchasing related equipment and software for designing new vehicle styles in the future). Besides, the R&D personnel shall conduct long-term and constant research on low-carbon products for transition. Medium and long-term: The extreme climate events might also result in sudden rain that would cause a flood, thus hindering transport out of the premises. The detailed risk management measures and financial costs have to be studied more deeply.

<table>
<tr><th>Item</th><th>Execution</th></tr>
<tr><td>4. Clearly state how to integrate the procedures for identifying, evaluating and managing climate risks into the overall risk management system.</td><td>4-1 To evaluate climate risk measures, Ideal evaluates 13 transition risks and 4 physical risks listed in the TCFD Evaluation Guide with reference to the TCFD Guide, global risk evaluation report, and estimation for 2050 in the Taiwan research report on climate change after considering the actual operating situation of the market.
<table>
<tr><td rowspan="4">Transition risks</td><td>Policy and legal risks</td><td>Technological risks</td></tr>
<tr><td>1. Increase pricing of greenhouse gas emissions
2. Strengthen the obligation to report emissions
3. Disclose mandatory/legal requirements for existing products/services
4. Litigation risks</td><td>1. Replacement of the Company’s existing products and services with low-carbon products
2. The Company’s investment failures in new technologies
3. Costs of transition to low-carbon technologies</td></tr>
<tr><td>Market risks</td><td>Reputation risks</td></tr>
<tr><td>1. Changes in customer behaviors
2. Uncertainty of market information
3. Cost increase of raw materials</td><td>1. Changes in consumer preferences
2. Industry stigmatization
3. Growing concerns and negative feedback from stakeholders</td></tr>
<tr><td rowspan="2">Physical risks</td><td>Immediate risks</td><td>Long-term risks</td></tr>
<tr><td>Increase in severity of extreme climate events including hurricane and flood</td><td>1. Changes in rainfall patterns and extreme changes in climate models
2. Increase in average ambient temperature
3. Sea level rise</td></tr>
</table>
We evaluate (short, medium and long-term) urgency, occurrence likelihood (5 points for describing high, moderate and high levels) and possible negative impacts (5 points for describing high, moderate and high levels) of each risk. We consider the actual situation of our customers through Ideal, and discuss the severity and priority of climate related risks. The climate risks are also included in risk management for regular review.
Our evaluation principles are as follows:
<table>
<tr><th></th><th>Urgency</th><th>Occurrence likelihood</th><th>Impact degree</th><th>Evaluation results of risks and opportunities and principles for responding to the risks and opportunities</th></tr>
<tr><td rowspan="3">1</td><td rowspan="3">Short-term (1-3 years)</td><td>High (>3)</td><td>High (>3)</td><td>The short-term risks which must be handled are controlled through departments.</td></tr>
<tr><td>Moderate (=3)</td><td>Moderate (=3)</td><td>Decide how to respond to the risks after evaluating future development status.</td></tr>
<tr><td>Low (<2)</td><td>Low (<2)</td><td>Temporarily not handled.</td></tr>
<tr><td rowspan="3">2</td><td rowspan="3">Medium and long-term (3-10 years)</td><td>High (>3)</td><td>High (>3)</td><td>Perform evaluations dependent upon occurrence likelihood and impact degree. Consider whether they are consistent with short-term risk management.</td></tr>
<tr><td>Moderate (=3)</td><td>Moderate (=3)</td><td>Decide how to respond to the risks after evaluating future development status.</td></tr>
<tr><td>Low (<2)</td><td>Low (<2)</td><td>Temporarily not handled.</td></tr>
</table>
Impacts: We adopt a scoring mechanism with 1 to 5 points: 4-5 points represent high impact: Bring about substantial financial costs or capital expenditures: 3 points stand for moderate impact: Bring about considerable (moderate) financial costs or capital expenditures: 1-2 points stand for low impact: Bring about slight financial costs or capital expenditures
*Likelihood: We adopt a scoring mechanism with 1 to 5 points: 4-5 points represent high occurrence likelihood: For instance, once a month, or frequent occurrence over a year; 3 points stand for moderate likelihood: For instance, every 5 years; 1-2 points stand for low occurrence likelihood: For instance, only every 10 years
4-2 In the future, Ideal will perform an annual risk evaluation, and manage current identified climate related risks and opportunities. After reporting to the Board of Directors, disclose the results in the corporate sustainability report.</td></tr>
<tr><td>5. If resilience to climate change</td><td>We have also evaluated the possible impacts of the risks and opportunities described in the TCFD guide. To further evaluate organizational resilience, we have</td></tr>
</table>

Item	Execution
and risks are evaluated by situational analysis, the situations, parameters, hypotheses, analytical factors and main financial impacts shall be described.	considered the following two situations to evaluate possible carbon reduction strategies: • 2 DC: Based on the simulated situation of global temperature increase by no more than 2℃ developed by the International Energy Agency (IEA) • 1.5 DC: Based on the simulated situation of global temperature increase by no more than 1.5℃ developed by the International Energy Agency (IEA) Seek more active practices for carbon reduction for the most proactive carbon reduction. With a view to actively planning low-carbon transition, relatively high transition costs will be required in the early phase, but we possess the most powerful long-term competitive advantages. Compared with 2DC, faster efforts have to be made for the purpose of net zero emission in 2050. Under the situation of 1.5DC, the Company will make more efforts for carbon reduction, including synchronous consideration of Scope 1 and Scope 2. So far, Ideal has not set more elaborate objectives for peak carbon dioxide emission and carbon reduction. From 2023, we will start discussing more appropriate and scientific objectives of carbon reduction.

Risks/opportunities	Description (analytical factors)	Assumption/evaluation of risks and opportunities under different situations		
		2 DC	1.5DC	Implications for Ideal (main financial impacts)
Risks	Cost increase of raw materials	Cost increase: ++	Cost increase: ++	The likelihood of cost increase is not high under different situations
Risks	Increase in severity of extreme climate events including hurricane and flood	Cost increase: +	Cost increase: +	The likelihood of cost increase is not high under different situations
Risks	Sea level rise	Cost increase: ++	Cost increase: +	The likelihood of cost increase is not high under different situations
Opportunities	Enter the new market	Cost increase: +++ Income increase: ++	Cost increase: ++ Income increase: ++	When climate actions are taken more intensively, the costs will increase, but in the long term, more profits will be yielded.
Opportunities	Use more efficient production and distribution procedures to improve resource efficiency	Cost increase: ++ Income increase: +	Cost increase: ++ Income increase: +	The likelihood of cost increase is not high under different situations
Opportunities	Research, development and innovation of new products and services	Cost increase: +++ Income increase: ++	Cost increase: ++ Income increase ++	When climate actions are taken more intensively, the costs will increase, but in the long term, more profits will be yielded.

Item	Execution
6. State the transition plan for managing climate related risks, if any, objectives and indexes for identifying and managing physical and transition risks.	Risks related to climate change

	Item	Impact	Key strategies and actions adopted by the departments
1	Transition risk - cost increase of raw materials	1. Increase of total manufacturing costs 2. Changes in manufacturing processes 3. Limited resources available for development	Possibly include: 1. Increase of customer sources; 2. improvement of efficiency; 3. widening of discussion space; 4. automation (optimization of manufacturing processes); 5. review of prudently selected suppliers; 6. utilization of recycled energies. Indexes: Regular risk evaluation of suppliers and preparation of materials for the suppliers with high risks, for instance, an extension of the duration from 2 months to 3 months.
2	Physical risk - increase in severity of extreme climate events including hurricane and flood	1. Deterioration of work environment affecting personnel's desires to take posts	Possible actions include: 1.1 Reviewing the capacity of ventilation equipment and making adjustments when necessary. 1.2 Repair and maintain equipment, to ensure that the equipment functions as expected. 1.3 Adjust working hours or outsource work according to the natures of posts. 1.4 Consider replacing manpower with machines, to enhance automation. Index: It is necessary to regularly monitor changes in the factory environment

Item	Execution			
				and hold regular meetings
	3	Sea level rise	Monitor the site conditions for reference	Perform regular evaluation and monitoring of climate risks. Annually hold meetings and report figures

Item	Execution
7. If internal carbon pricing is utilized as a planning tool, the pricing basis shall be described.	This is not applicable. At present, this mechanism is unavailable.
8. If climate related objectives are set, the activities covered, the scope of greenhouse gas emission, planning schedule, annual progress and related information shall be stated. Where carbon offset or renewable energy certificates (RECs) are utilized for the realization of related objectives, the source and quantity of the carbon reduced by offset or the quantity of renewable energy certificates (RECs) shall be described.	This is not applicable. At present, this mechanism is unavailable.
9. Greenhouse gas inventory and verification (Additionally indicated in the table below).	According to the requirements of the Financial Supervisory Commission, Ideal must finish the greenhouse gas inventory and inspection in 2027, and obtain the ISO 14064-1: 2018 inspection report. We reported the greenhouse gas inventory plan to the Board of Directors at the end of 2022, and have started collecting activity data since 2023. We determine 2023 as a base year. The inventory is expected to be made starting in 2025.

Basic information of the Company	According to the sustainable development paths for TWSE-listed companies, at least disclose:
☐ A company with capital of more than NT$ 10 billion in the iron, steel and cement industries ☐ A company with capital of more than NT$ 5 billion and no more than NT$ 10 billion ■ A company with capital of no more than NT$ 5 billion	■ separate inventory of the parent company ☐ Inventory of subsidiaries covered by the consolidated financial report ■ separate certification of the parent company ☐ certification of the subsidiaries covered by the consolidated financial report

Scope 1	Total emission (metric ton, CO2e)	Intensity (metric ton, CO2e/NT$ million) (Note 1)	Certification organization	Certification description (Note 2)
Ideal Bike Corporation	248.8522448	0.08868718308	None	The Company has not engaged a third party certification organization for examination. We are planning the schedule with the certification organization.
Scope 2	Total emission (metric ton, CO2e)	Intensity (metric ton, CO2e/NT$ million) (Note 1)	Certification organization	Certification description (Note 2)
Ideal Bike Corporation	898.82274	0.32032685484	None	The Company has not engaged a third party certification

Total	1147.674985	0.409014038		organization for examination. We are planning the schedule with the certification organization.

Filling instructions:

1. The information on Scope 1 and Scope 2 in this table shall be disclosed according to Clause 2, Article 10 of this standard. The information on Scope 3 shall be disclosed by the enterprises on a voluntary basis.
2. The Company may make a greenhouse gas inventory according to the following standards:
   (1) Greenhouse Gas Protocol (GHG Protocol).
   (2) ISO 14064-1 published by the International Organization for Standardization (ISO).
3. Assure that the organizations shall comply with the rules on verification of the sustainability report formulated by the Taiwan Stock Exchange Corporation and Gre Tai Securities Market.
4. The subsidiaries may fill in the table separately, by category (e.g. Country or region) or in a consolidated manner.
5. The intensity of greenhouse gas emission shall be calculated per unit of products/services or based on the turnover. At least the data calculated based on the turnover (NT$ million) (Note 1) shall be disclosed.
6. The ratio of the business premises' or subsidiaries' emissions to the total emissions shall not exceed 5%. The aforementioned disclosed emission shall be indicated according to the filling instruction shown above in Point 1, which specifies the emission calculated within the mandatory inventory scope.
7. The certification information stated shall be excerpted from the certification organization's certification report, and a complete letter of certification opinions shall be attached to the annual report (Note 2).

(VIII) Performance of faithful business operations, the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.

Evaluation Items	Actual operation (Note)			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Formulate ethical corporate management policy and plan (I) Does the Company establish ethical corporate management policies with the approval of the Board of Directors, clarify them in its rules and external documents, and implement them? Do the Board of Directors and senior management actively fulfill the commitments in the management policies?	V		1. On March 24, 2015, the Ethical Corporate Management Best Practice Principles were approved by the Board of Directors, and disclosed on the website of the Company. 2. In the mandate contracts signed by the senior management, it is expressly specified that malpractices and acceptance of bribes are banned. 3. In 2022, 119 employees took internal training courses on corporate ethical management, with a total of 357 hours.	No significant difference.
(II) Does the Company establish a risk evaluation mechanism for preventing unethical behaviors, regularly analyzing and evaluating business operations with relatively high risks of unethical behaviors within the business scope, and draft a proposal for preventing unethical behaviors, which at least covers the preventive actions for the behaviors under Clause 2, Article 7 of the Ethical Corporate Management Best Practice Principles?	V		1. The Company clearly specifies the ethical behaviors in the appointment consent and lists them in the practice principles. Apart from propaganda, the new employees shall sign the appointment consent on the date of their report for duty. 2. In signing external contracts, it shall be expressly specified in the contracts that related personnel must abide by business practices, and shall not offer or accept bribes.	No significant difference.
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		Ethical conduct is also explicitly stated in the Company's external purchase contracts and contractor agreements, and any business activities must be conducted in a manner that does not involve offering or accepting bribes, which all relevant personnel must follow.	No significant difference.
II. The implementation of ethical corporate management (I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		When the Company enters into a contract with another party, the observance of ethical corporate management is included in the terms of the contract, and the following are also specified in the contract: 1. If either party becomes aware of a breach of the contractual terms prohibiting the receipt of commissions, kickbacks or other improper benefits, it shall immediately inform the other party of the identity of such personnel, the manner, amount or other improper benefits offered, promised, demanded or received, provide relevant evidence and cooperate with the other party's investigation. If a party suffers damage as a result, it may claim damages from the other party, which may be deducted in full from the contract price. 2. In the event of unethical conducts in business activities by either party, the other party may terminate or cancel the contract at any time unconditionally.	No significant difference.
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?		V	The Company sets no organization subordinate to the Board of Directors to promote work related to corporate ethical management. In the future, we will cooperatively promote such work in accordance with laws and regulations.	The Company does not have a dedicated unit under the Board of Directors to promote ethical corporate management, and reports regularly (at

Evaluation Items	Actual operation (Note)			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
				least once a year) to the Board of Directors on differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		According to the Corporate Ethical Management Practice Principles of the Company, the directors, managers and other stakeholders attending a meeting of the Board of Directors shall explain the important contents of their interests for the proposals presented by the Board of Directors at the first meeting. If their interests might prejudice the interests of the Company, they shall not take part in the discussion or voting. They shall avoid discussion and voting. Besides, they shall not exercise the right to vote on behalf of other directors. The directors shall be self-disciplined, and shall not offer assistance to each other.	No significant difference.
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		1. The financial reports of the Company are prepared according to the securities issuers' standards for preparing financial reports and the international financial reporting standards recognized by the Financial Supervisory Commission. Effectively judge if the design and execution of the internal control system are effective according to the Processing Standard for Establishing an Internal Control System by a Public Listed Company. The internal audit organization shall perform an audit and report to the Board of Directors according to the annual audit plan. 2. The annual audit plan shall be drafted by the audit organization according to the risk evaluation results, and the verified unethical behaviors shall also be included in the audit plan.	No significant difference.
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		When the new employees report for duty, the Company's operating procedure for ethical corporate management and action guide shall be introduced item by item in addition to the promotion of personnel management and work rules. Unethical behaviors such as malpractices and acceptance of bribes are expressly banned. In 2022, 119 employees took part in related training, with a total of 357 hours.	No significant difference.

Evaluation Items	Actual operation (Note)			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
III. The operation of the Company's whistleblower reporting system (I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		The Company has promulgated the Ethical Corporate Management Practice Principles and the Code of Ethical Conduct (for details, refer to the link to the Company's website), and distributed them to all employees of the Company. The specific whistleblowing channel, reward system and designated personnel are as follows: 1. Reporting channels (1) Compliant mailbox. (2) Send mail to supervisor or other management mailbox. 2. Reward system The Company encourages internal and external personnel to report unethical behavior or misconduct, and rewards them according to the severity of their reports in accordance with the reward and punishment measures. 3. Dedicated personnel to deal with the reported matters. Human resource or audit unit 4. Protection of whistleblowers The Company shall keep the identity of the whistleblower and the content reported confidential in a written statement by the relevant personnel handling the report, and the Company undertakes to protect the whistleblower from improper disposal as a result of the report.	No significant difference.
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V		The Company's Corporate Ethical Corporate Management Practice Principles and the Code of Ethical Conduct cover the rules for the investigation of whistle-blown matters and related confidentiality mechanisms. In case that whistleblowers report or routine examination suggests any violation of the above principles or code, related departments shall inflict punishments pursuant to the provisions thereunder and present to the Board of Directors dependent upon how serious the case is.	No significant difference.
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		The Company will keep the identity of the whistleblower confidential and protect the whistleblower from reprisals, retaliation or other discriminatory treatment.	No significant difference.
IV. Enhance Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company has uncovered related contents of the Ethical Code of Conduct on its website and M.O.P.S.	No significant difference.
V. If the Company has established the code of ethical conduct in the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please clearly state the difference between the business operations and such code: The Company has established the Code of Ethical Conduct based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and no significant difference exists between the actual business operations and the code.				
VI. Other important information helpful for understanding the ethical management of the Company: On August 10, 2022, the Company amended the Corporate Ethical Management Practice Principles with the approval of the Board of Directors, and uncovered them on the website of the Company (www.idealbike.com.tw), where an email address was disclosed for outsiders to whistle-blow illegal practices.				

Note: No matter if "yes" or "no" is checked in respect of the operation, clearly indicate in the summary column.

(IX) If the Company has formulated the corporate governance codes and related regulations, the inquiry method shall be uncovered. For details, please refer to the website of the Company (www.idealbike.com.tw).

(X) All other important information sufficient for enhancing understanding of corporate governance and management shall be disclosed. For details, please refer to the website of the Company (www.idealbike.com.tw).

(XI) Regarding the implementation of the internal control system, the following matters should be disclosed

1. Statement of internal control

Ideal Bike Corporation
Statement of internal control system

Date: March 13, 2023

The Company’s internal control system 2022 is solemnly declared as follows according to the self-evaluation results:

I. The Board of Directors and managers are obliged to establish, implement, and maintain the internal control system. The Company has constructed such system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.

II. The internal control system is subject to inherent restrictions. However, the design is improved, and an effective internal control system merely appropriately guarantees the attainment of the aforementioned three objectives. Besides, the effectiveness of the internal control system might vary with the environment and situation. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.

III. The Company judges whether the design and execution of the internal control system are effective according to the items for making such judgment under the Standard for Establishing an Internal Control System by a Public Listed Company (hereinafter referred to as “the Processing Standard”) The criteria of internal control system adopted in the "Regulations” are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.

IV. The Company has adopted the items for judgment under the aforementioned internal control system, to evaluate whether the design and execution of the internal control system are effective.

V. Based on the foregoing evaluation results, the Company considers that its internal control system dated December 31, 2022 (including supervision and management of the subsidiaries) covers an understanding of the business results, extent to which efficiency objectives are realized, reliability, timeliness and transparency of the report, compliance with pertinent rules, laws and regulations. The design and execution of the control system are effective, appropriately ensuring the attainment of the aforementioned objectives.

VI. This statement will become the major content of the Company’s annual report and prospectus. It is made public to the outside. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.

VII. This statement was approved by the Company on March 13, 2023 at the meeting of the Board of Directors. Among the 7 directors present at the meeting (including those attending the meeting by proxy), no director raised any objection, and all the directors present agreed to the contents of this statement. A statement is hereby made.

Ideal Bike Corporation

Chairman: Yuan-Pin Chang Signature/Seal

President: Ching-Wang Chen Signature/Seal

2. Where a CPA was entrusted to review the internal control system, the review report should

be disclosed: Not applicable.

(XII) In the most recent year and as of the publication date of the annual report, if the Company and its internal personnel were lawfully punished, or the Company punished its internal personnel for their violation of the internal control system, and the punishment results might impose material impacts upon the shareholder equity or securities price, the punishments, main deficiencies and improvements shall be indicated: None.

(XIII) Important resolutions of the shareholder meeting and board meeting during the most recent year or during the current year up to the date of publication of the annual report:

1. Important resolutions of the 2022 general shareholders' meeting:

Date	Subject	Implementation
June 9, 2022	The Company's 2021 business report and financial statements	Resolved to approve.
	The Company's 2021 plan for profit and loss appropriation	Resolved to approve.
	Proposal for amending the Articles of Association	Resolved to approve. On June 27, 2022, the change registration was completed with the approval of the Ministry of Economic Affairs, and announced on the website of the Company. The business operations have been conducted in accordance with the amended Articles of Association.
	Proposal for amending the Process for Asset Acquisition or Disposal	Resolved to approve the amended process.

Date	Subject	Implementation
	Proposal for electing independent directors	The new independent directors shall take office from the date of their election and appointment for the original term of office, which shall extend from June 9, 2022 to July 19, 2024. On June 27, 2022, the change registration was completed as approved by the Ministry of Economic Affairs.

2. Important resolutions of the Board of Directors in 2022 and as of the publication date of the annual report:

Date of Board meeting	Important resolutions
Sixth meeting of the 9th Board January 19, 2022	Determined the base date of capital increase for the Company's fourth domestic conversion of corporate bonds for issuing ordinary shares, which was approved.
	The Polish plant's proposal for plant construction was approved.
	The Polish plant's proposal for building acquisition was approved.
	The Company's amendment to the directors' remuneration distribution measures was approved.
	The Company's 2021 year-end bonus distribution proposal for managers was approved.
Seventh meeting of the 9th Board March 16, 2022	The Company's 2021 business report and financial statements were approved.
	The Company's 2021 plan for profit and loss appropriation was approved.
	The Company's proposal for amending the Articles of Association was approved.
	The Company's proposal for amending the Process for Asset Acquisition or Disposal was approved.
	Proposal for electing independent directors of the Company was approved.
	The nomination period, quota of persons to be nominated, acceptance location and resolution standard of the Board of Directors for accepting the nomination of the independent directors of the Company were approved.
	The list of candidates of independent directors nominated by the Board of Directors of the Company was approved.
	The date, place and proposal for convening the 2022 general shareholders' meeting of the Company were approved.
	The Company's transaction and disposal of derivative commodities in Q4, 2021 were approved.
	The Company finished its own evaluation of the internal control system for 2021. For the evaluation results, the Company intends to issue a Statement of the Internal Control System with respect to the effectiveness of the design and execution of the internal control system.
	Proposal for appointing a president and directors' representative of the Company's Polish plant was approved.
Eighth meeting of the 9th Board May 9, 2022	The Company's financial statements for Q1, 2022 were approved.
	The Company's transaction and disposal of derivative commodities in Q1, 2022 were approved.
	Proposal for the Company to apply to Chang Hwa Bank Shalu Branch for additional short-term loan limit was approved.
	Proposal for the Company to apply to three regional centers of Entie Bank for additional short-term loan limit was approved.
	Proposal for the Company to apply to O-Bank Taichung Branch for additional short-term loan limit and renewing the transaction limit of derivative financial commodities was approved.
	Proposal for the Company to apply to King's Town Bank Songshan Branch for additional special loan limit was approved.
	The Company's proposal for participation in investment in the newly established companies was approved.
	Proposal for amending the Company's corporate social responsibility best practice principles was approved.
	Proposal for amending the performance appraisal measures for the Board of Directors of the

Date of Board meeting	Important resolutions
	Company was approved.
	The proposal for amending the internal control systems of the service providers of the Company was approved.
	The greenhouse gas inventory and verification schedule and plan of the subsidiaries of the Company were approved.
Ninth meeting of the 9th Board June 30, 2022	Proposal for electing members of the Remuneration Committee of the Company was approved.
	Proposal for the Company to apply to Mega Bank Taichung Branch for additional short-term loan limit was approved.
	Proposal for the Company to apply to First Bank Taichung Branch for additional short-term loan limit was approved.
	Proposal for the Company to apply to Chang Hwa Bank Shalu Branch for additional short-term loan limit was approved.
	Proposal for the Company to apply to three regional centers of Entie Bank for additional short-term loan limit was approved.
	Proposal for IDEAL EUROPE Sp.zo.o, a subsidiary of the Company (hereinafter referred to as the "Polish plant") to apply for the loan limit was approved.
Tenth meeting of the 9th Board August 10, 2022	The Company's financial statements for Q2, 2022 were approved.
	The Company's transaction and disposal of derivative commodities in Q2, 2022 were approved.
	Proposal for the Company to apply for additional short-term lease loan limit was approved.
	Proposal for the Company to apply to Huanan Bank Dunhe Branch for additional short-term loan limit was approved.
	Proposal for the Company to apply to Taishin Bank Kaohsiung Branch for additional short-term loan limit was approved.
	Proposal for Ideal (Dong Guan) Bike Co., Ltd. (a subsidiary of the Company) to apply to the Bank of Taiwan Guangzhou Branch for loan renewal was approved.
	The Company's proposal for lending funds to the Polish plant in Q2, 2022 was approved.
	The Company's proposal for dormitory renovation was approved.
	The Company's amendments to the ethical corporate management principles and code of ethical conduct were approved.
	The operating procedures for preparation and verification of the Company's newly formulated corporate sustainable development practice principles and corporate sustainability reports were approved.
	The restrictive proposal for relieving the non-competition of the Company's directors was approved.
	Proposal for appointing managers of the Company was approved.
Eleventh meeting of the 9th Board September 13, 2022	Proposal for the Company to apply to the Business Department, Shanghai Commercial Savings Bank for additional long-term loan limit was approved.
	Proposal for the Company to apply to Corporate Financial Division, Taipei Fubon Bank for additional short-term loan limit was approved.
	Proposal for the Company to apply for additional short-term lease loan limit was approved.
	Proposal for applying to Citibank through the Company and its subsidiaries for additional short-term loan limit was approved.
	The Company's 2022 autumn bonus distribution proposal for managers was approved.
Twelfth meeting of the 9th Board November 7, 2022	The Company's financial statements for Q3, 2022 were approved.
	The Company's transaction and disposal of derivative commodities in Q3, 2022 were approved.
	Proposal for the Company to apply to Corporate Financial Division, Taipei Fubon Bank for additional short-term loan limit was approved.
	Proposal for the Company to apply to Mega Bank Taichung Branch for additional short-term loan limit was approved.
	Proposal for renewing the lease loan to the Company was approved.
	Proposal for Increasing the lease loan to the Company was approved.
	Proposal for renewing the financing limits of the correspondence banks to the Company was approved.

Date of Board meeting	Important resolutions
	The Company's proposal for offering Ideal (Dong Guan) Bike Co., Ltd. endorsement and guarantee was approved.
	The Company's proposal for offering Ideal's Polish plant endorsement and guarantee was approved.
	The Company's proposal for lending funds to the Polish plant in Q3, 2022 was approved.
	Determined the base date of capital increase for the Company's fifth domestic conversion of non-guaranteed bonds for issuing ordinary shares, which was approved.
	The Company's appointment of CPAs Su-Li Fang and Tung-Hwee Yeh of Deloitte & Touche Taiwan to perform auditing and verification of the financial statements and the business income taxes was approved.
	The Company's proposal for formulating the Operating Procedure for Managing Processing of Internal Important Information and Prevention of Insider Trading was approved.
	The Company's 2023 audit plan was approved.
Thirteenth meeting of the 9th Board December 30, 2022	The Company's 2023 business plan was approved.
	The Company's proposal for lending funds to the Polish plant for capital increase was approved.
	The proposal for amending the internal control system of the Company was approved.
	The Company's proposal for dismissing and appointing the president was approved.
	The Company's proposal for dismissing and appointing the deputy president was approved.
	Proposal for changing directors of the Company's subsidiaries was approved.
	The Company's proposal for paying a fixed monthly salary to the managers was approved.
Fourteenth meeting of the 9th Board January 12, 2023	Proposal for the Company to apply for additional short-term loan limit was approved.
	Proposal for changing directors of the Company's subsidiaries was approved.
	The Company's 2022 year-end bonus distribution proposal for managers was approved.
Fifteenth meeting of the 9th Board March 13, 2023	The Company's 2022 business report and financial statements were approved.
	The Company's 2022 plan for profit and loss appropriation was approved.
	Proposal for amending the Rules of Procedure of the Shareholders' Meeting was approved.
	The date, place and proposal for convening the 2023 general shareholders' meeting of the Company were approved.
	Proposal for Increasing the lease loan to the Company was approved.
	The Company's transaction and disposal of derivative commodities in Q4, 2022 were approved.
	The Company's proposal for lending funds to the Polish plant was approved.
	The Company finished its own evaluation of the internal control system for 2022. For the evaluation results, the Company intends to issue a Statement of the Internal Control System with respect to the effectiveness of the design and execution of the internal control system.
	The greenhouse gas inventory and verification schedule and plan of the subsidiaries covered by the consolidated statements of the Company were approved.
	Proposal for amending the Corporate Social Responsibility Best Practice Principles and the Administrative Measures Related to Financial Businesses between Stakeholders was approved.
	The proposal for amending the Internal Control Systems of the Service Providers of the Company was approved.
Sixteenth meeting of the 9th Board April 28, 2023	The self-management process of Advanced Sports GmbH ("ASG") (a customer of the Company) based on German laws was approved.

(XIV) During the most recent year or during the current year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XV) For the most recent year or the current year up to the date of publication of the annual report, summary of the resignation and dismissal of the Company's chairperson, presidents, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer:

Summary Form on Resignation and Dismissal of the Company's Related Personnel

April 30, 2023

Title	Name	Arrival date	Separation date	Reasons for resignation or termination
President	Heng-Bin Lin	2020/04/20	2022/12/31	Reappointed as assistant to the chairman of the Company

V. Information on CPAs' fees

(I) Amounts of audit and non-audit fees paid to the CPAs, their law firm and affiliates, and non-auditing services.

Unit: NT$ thousand

CPA firm	**CPA name**	**CPA audit period**	**Audit fee**	**Non-audit fee (Note)**	**Total**	**Remarks**
Deloitte & Touche Taiwan	Su-Li Fang	2022/1/1 - 2022/12/31	6,560	2,231	8,791	
	Tung-Hwee Yeh	2022/1/1 - 2022/12/31				

Note: The non-audit fees include tax certification fees of NT$ 570, fees related to business execution amounting to NT$ 561 thousand and transfer pricing report fees of NT$ 1,100 thousand (CPA Chu, Kuang-Hui of Deloitte & Touche Taiwan is entrusted to handle related matters), with a total amount of NT$ 2,231 thousand.

(II) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons: None.

(III) Where the audit fees decrease by over 10% compared with the preceding year, the decreased amount, decrease ratio and reason for decrease shall be disclosed: None.

VI. Information on the replacement of CPA: None.

VII. Circumstances in which the chairperson, president, or officers in charge of financial or accounting matters of the Company has worked in the firm of the CPA or its affiliated companies within the last year: None.

VIII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report.

(I) Changes in shareholdings of directors, supervisors, managerial officers and major shareholders

Unit: shares

Title (Note 1)	Name	2022		Current year up to April 30	
		Change in shares held	Change in shares pledged	Change in shares held	Change in shares pledged
Chairman/corporate strategy officer	Yuan-Pin Chang	(288,000)	0	0	0
Deputy chairman/special assistant to the chairman	Taichung Harbor Warehousing & Stevedoring Co., Ltd.	(135,000)	0	0	0
	Legal representative: Fang-Ming Chang	(142,000)	0	(44,000)	0
Director	Guo Ling Investment Co., Ltd.	0	0	0	0
	Legal representative: Heng-Kuan Chen	0	0	0	0
Director	Guo Ling Investment Co., Ltd.	0	0	0	0
	Legal representative: Yong-Sheng Xu	0	0	0	0
Independent director	Wen-Yi Lin	0	0	0	0
Independent director	Li-Chung Jen (Note 3)	0	0	0	0
Independent director	Hsien-Chun Chiu	0	0	0	0
Independent director	Kun-Tien Liu (Note 4)	0	0	0	0
President	Ching-Wang Chen	(99,000)	0	0	0
Special assistant to the chairman	Heng-Bin Lin	(577,000)	0	0	0
Special assistant to the chairman/deputy president of the Polish plant	Yao-Feng Tai	0	0	0	0
Vice president,	Ming-Mei Lai	(494,000)	0	(183,000)	0
Vice president,	Hui-Jun Huang	(247,000)	0	0	0
Assistant	Da-Fang Wu	(54,000)	0	(21,000)	0
Assistant	Shu-Juan Ruan	(23,000)	0	0	0
Assistant	Rui-Qi Chang	(173,000)	0	0	0
Assistant	Kuo-Ting Tang (Note 5)	0	0	0	0
Assistant	Huan-Sheng Chen	(25,000)	0	0	0
Vice president of Poland Plant	Ji-Qun Zhou (Note 6)	0	0	0	0
Over 10% of substantial shareholders	Fulltech Fiber Glass Corp.	0	0	0	0
Over 10% of substantial shareholders	Unitech Printed Circuit Board Corp.	0	0	0	0

Note 1: Shareholders holding more than 10% of the total shares of the Company should be indicated as major

shareholders and listed separately.

Note 2: The following schedule should be completed if the party to whom the stock is transferred or pledged is a related party.

Note 3: Only the information as of March 31, 2022 has been disclosed for admission on March 31, 2022.

Note 4: New independent directors were elected on June 9, 2022.

Note 5: Only the information as of April 11, 2023 has been disclosed for admission on April 11, 2023.

Note 6: Only the information as of January 1, 2022 has been disclosed for reappointment as a consultant of the parent company on January 1, 2022 and resignation on December 31, 2022.

(II) Information on the related party of the equity transfer: None.

(III) Information on the related party of the equity pledge: None.

IX. Information on TOP10 shareholders with the highest shareholding ratio who are stakeholders, spouses or relatives within the second degree of kinship

Name (Note 1)	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another (Note 3)		Remarks
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Title (or Name)	Relationship	
Unitech Printed Circuit Board Corp.	34,000,000	11.27%	0	0%	0	0%	None	None	
Unitech Printed Circuit Board Corp. Representative: Yuan-Ming Chang	0	0%	0	0%	0	0%	and the representative of Guo Ling and the representative of Shangling and the legal representative of Fulltech Fiber Glass Corp., Yuan-Pin Chang	Mother and son Father and son Brothers	
Fulltech Fiber Glass Corp.	33,188,067	11.00%	0	0%	0	0%	None	None	
Fulltech Fiber Glass Corp. Representative: Yuan-Pin Chang	14,129,647	4.68%	0	0%	0	0%	and the representative of Guo Ling and the representative of Shangling and the representative of Unitech	Mother and son Father and son Brothers	
Tse-Min Yu	24,000,000	7.95%	270,000	0.09%	0	0%	None	None	
Guo Ling Investment Co., Ltd.	21,333,643	7.07%	0	0%	0	0%	None	None	
Guo Ling Investment Co., Ltd. Representative: Shu-Zhu Chen	806,485	0.27%	1,320,322	0.44%	0	0%	and the representative of Shangling and the representative of Unitech and the legal representative of Fulltech Fiber Glass Corp., Yuan-Pin Chang	Spouse Mother and son Mother and son	
Yuan-Pin Chang	14,129,647	4.68%	0	0%	0	0%	and the presentative of Guo Ling and the representative of Shangling and the representative of Unitech	Mother and son Father and son Brothers	
Climate of AOKEWO entrusted by Standard Chartered	7,752,000	2.57%	0	0%	0	0%	None	None	
Liao, Hsueh-Hu	2,970,000	0.98%	0	0%	0	0%	None	None	
Citibank entrusts BNP to invest in and operate the SNC investment account	2,555,000	0.85%	0	0%	0	0%	None	None	
Chen, Chun-Ting	2,500,000	0.83%	0	0%	0	0%	None	None	
Shangling Investment Co., Ltd.	2,345,704	0.78%	0	0%	0	0%	None	None	
Shangling Investment Co., Ltd. Representative: Ping-Zhao Chang	1,320,322	0.44%	806,485	0.27%	0	0%	and the representative of Guo Ling and the representative of Unitech and the legal representative of Fulltech Fiber Glass Corp., Yuan-Pin Chang	Spouse Father and son Father and son	

Note 1: All TOP10 shareholders shall be listed. For those who are corporations, the names of these corporations and their representatives shall be indicated respectively.
Note 2: The shareholding ratio shall be determined as the ratio of shares held in the name of themselves, their spouses, minor children or others.
Note 3: The foregoing shareholders to be listed include legal and natural persons. Their relationships shall be disclosed according to the issuer’s standards for preparing financial reports.

X. The total number of shares and the consolidated shareholding percentage held in any single investee enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

Overall shareholding ratio

Unit: share; %

Investee enterprise (Note)	Investments by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Total investments	
	Number of stocks	Shareholding Percentage	Number of stocks	Shareholding Percentage	Number of stocks	Shareholding Percentage
Ideal (Dong Guan) Bike Co., Ltd.	-	33.45%	-	66.55%	-	100%
Top Sport International Ltd. (Cayman)	39,000	100%	-	-	39,000	100%
Ideal Bike (SGP) Co. Pte., Ltd.	13,711,426	100%	-	-	13,711,426	100%
Ideal Europe Sp Zo. O.	50,000	100%	-	-	50,000	100%
Pacific Glory Worldwide Ltd.	15,100,000	100%	-	-	15,100,000	100%
Crown Alliance International Co., Ltd.	3,400,000	100%	-	-	3,400,000	100%
Fulltech Fiber Glass Corp.	11,580,438	2.62%	4,054,603	0.92%	15,635,041	3.54%

(Note): Long-term investments of the Company made by the equity method.

Four. Fund Raising Status

I. Capital and shares

(I) Source of share capital

1. Source of shares

April 30, 2023; unit: share, NT$

Date	Issuance price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Those paying for share subscription with property other than cash	Others
September 1980	10	1,200,000	12,000,000	1,200,000	12,000,000	Establishment with cash	None	
September 1982	10	2,000,000	20,000,000	2,000,000	20,000,000	Capital increase of NT$ 8,000,000 in cash	None	
December 1985	10	4,000,000	40,000,000	4,000,000	40,000,000	Capital increase of NT$ 20,000,000 in cash	None	
July 1993	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase of NT$ 60,000,000 in cash	None	
September 1994	10	19,800,000	198,000,000	19,800,000	198,000,000	Capital increase of NT$ 58,000,000 in cash Capital increase of NT$ 40,000,000 from earnings	None	
July 18, 1997	10	46,700,000	467,000,000	46,700,000	467,000,000	Capital increase of NT$ 150,000,000 in cash Capital increase of NT$ 115,100,000 from earnings Capital increase of NT$ 3,900,000 from capital reserve	None	(86) Tai Cai Zheng (I) No.53779 Letter
July 13, 1998	10	60,000,000	600,000,000	51,370,000	513,700,000	Capital increase of NT$ 42,800,000 from earnings Capital increase of NT$ 3,900,000 from capital reserve	None	(87) Tai Cai Zheng (I) No.58970 Letter
July 6, 1999	10	61,644,000	616,440,000	61,644,000	616,440,000	Capital increase of NT$ 98,840,000 from earnings Capital increase of NT$ 3,900,000 from capital reserve	None	(88) Tai Cai Zheng (I) No.61818 Letter
June 1, 2000	10	67,808,400	678,084,000	67,808,400	678,084,000	Capital increase of NT$ 59,694,000 from earnings Capital increase of NT$ 1,950,000 from capital reserve	None	(89) Tai Cai Zheng (I) No.47381 Letter
September 13, 2001	10	73,233,072	732,330,720	73,233,072	732,330,720	Capital increase of NT$ 52,296,720 from earnings Capital increase of NT$ 1,950,000 from capital reserve	None	(90) Tai Cai Zheng (I) No.157735 Letter
July 2, 2002	10	75,430,064	754,300,640	75,430,064	754,300,640	Capital increase of NT$ 21,969,920 from earnings	None	Tai Cai Zheng I Zi No.0910136026 Letter
December 6, 2002	15	120,000,000	1,200,000,000	95,430,064	954,300,640	Capital increase of NT$ 200,000,000 in cash	None	Tai Cai Zheng I Zi No.0910163271 Letter
May 27, 2004	10	120,000,000	1,200,000,000	101,155,868	1,011,558,680	Capital increase of NT$ 57,258,040 from earnings	None	Tai Cai Zheng I Zi No.0930123643 Letter
July 8, 2005	10	120,000,000	1,200,000,000	104,190,545	1,041,905,450	Capital increase of NT$ 30,346,770 from earnings	None	Jin Guang Zheng I Zi No.0940127592 Letter
July 10, 2006	10	120,000,000	1,200,000,000	110,441,979	1,104,419,790	Capital increase of NT$ 52,095,280 from earnings Capital increase of NT$ 10,419,060 from capital reserve	None	Jin Guang Zheng I Zi No.0950129436 Letter
August 13, 2007	10	120,000,000	1,200,000,000	112,098,609	1,120,986,090	Capital increase of NT$ 16,566,300 from earnings	None	Jin Guang Zheng I Zi No.0960042892 Letter
August 25, 2008	10	120,000,000	1,200,000,000	114,340,582	1,143,405,820	Capital increase of NT$ 22,419,730 from capital reserve	None	Jin Guang Zheng I Zi No.0970042991 Letter
January 12, 2010	10	200,000,000	2,000,000,000	114,360,743	1,143,607,430	Increased authorized capital stock and share conversion into shares of NT$ 201,610	None	Jin Guang Zheng I Zi No.09901004440 Letter

Date	Issuance price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Those paying for share subscription with property other than cash	Others
August 17, 2010	10	200,000,000	2,000,000,000	122,922,649	1,229,226,490	Capital increase of NT$ 85,619,060 from earnings	None	Jin Guang Zheng I Zi No.0990043116 Letter
July 6, 2011	10	200,000,000	2,000,000,000	130,215,748	1,302,157,480	Capital increase of NT$ 72,930,990 from earnings	None	Jin Guang Zheng I Zi No.1000031174 Letter
October 22, 2012	10	200,000,000	2,000,000,000	135,112,799	1,351,127,990	Capital increase of NT$ 48,970,510 from earnings	None	Jin Guang Zheng Fa Zi No.1010035778 Letter
January 11, 2013	10	200,000,000	2,000,000,000	134,939,799	1,349,397,990	NT$1,730,000 cancellation of treasury stock	None	Letter referenced Jing-Shou-Shang No. 10201005730
August 27, 2013	10	200,000,000	2,000,000,000	135,080,902	1,350,809,020	NT$1,411,030 CB1 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10201176400
October 16, 2013	10	200,000,000	2,000,000,000	137,756,238	1,377,562,380	Capital increase of NT$ 26,753,360 from earnings	None	Jin Guang Zheng Fa Zi No.1020029239 Letter
November 11, 2013	10	200,000,000	2,000,000,000	138,584,451	1,385,844,510	NT$8,282,130 CB1 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10201229070
February 10, 2014	10	200,000,000	2,000,000,000	137,411,451	1,374,114,510	NT$11,730,000 cancellation of treasury stock	None	Letter referenced Jing-Shou-Shang No. 10301019500
May 29, 2014	10	200,000,000	2,000,000,000	143,642,701	1,436,427,010	NT$62,312,500 CB1 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10301098230
September 5, 2014	10	200,000,000	2,000,000,000	144,473,951	1,444,739,510	NT$8,312,500 CB1 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10301179830
October 22, 2014	10	200,000,000	2,000,000,000	148,682,732	1,486,827,320	NT$42,087,810 earnings to capital increase	None	Letter referenced Jing-Shou-Shang No. 10301221780
January 4, 2016	10	200,000,000	2,000,000,000	148,376,732	1,483,767,320	NT$3,060,000 cancellation of treasury stock	None	Letter referenced Jing-Shou-Shang No. 10401278800
December 15, 2017	10	200,000,000	2,000,000,000	178,376,732	1,783,767,320	Capital increase of NT$ 300,000,000 in cash	None	Letter referenced Jing-Shou-Shang No. 10601168490
April 20, 2018	10	200,000,000	2,000,000,000	180,358,208	1,803,582,080	NT$19,814,760 CB4 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10701041520
November 6, 2018	**10**	**350,000,000**	**3,500,000,000**	**220,358,208**	**2,203,582,080**	**Capital increase of NT$400,000,000 by private placement**	**None**	**Letter referenced Jing-Shou-Shang No. 10701137760**
November 18, 2019	10	350,000,000	3,500,000,000	154,250,746	1,542,507,460	Capital decrease of NT$661,074,620 for loss compensation	None	Letter referenced Jing-Shou-Shang No. 10801162940
January 14, 2020	**10**	**350,000,000**	**3,500,000,000**	**234,250,746**	**2,342,507,460**	**Capital increase of NT$800,000,000 by private placement**	**None**	**Letter referenced Jing-Shou-Shang No. 10901003350**
September 17, 2020	10	350,000,000	3,500,000,000	240,390,602	2,403,906,020	NT$61,398,560 CB5 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10901165710
December 2, 2020	10	350,000,000	3,500,000,000	243,278,711	2,432,787,110	NT$28,881,090 CB5 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 10901222830
April 26, 2021	10	350,000,000	3,500,000,000	293,278,711	2,932,787,110	Capital increase of NT$ 500,000,000 in cash	None	Delivered to the Ministry of Economic Affairs for change registration on May 7, 2021
April 29, 2021	10	350,000,000	3,500,000,000	299,593,383	2,995,933,830	NT$63,146,720 CB5 conversion to shares	None	Pending application for change registration
May 21, 2021	10	350,000,000	3,500,000,000	293,278,711	2,932,787,110	Capital increase of NT$ 500,000,000 in cash	None	Letter referenced Jing-Shou-Shang No. 11001080720

Date	Issuance price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Those paying for share subscription with property other than cash	Others
September 23, 2021	10	350,000,000	3,500,000,000	299,593,383	2,995,933,830	NT$63,146,720 CB5 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 11001153000
February 7, 2022	10	350,000,000	3,500,000,000	301,381,252	3,013,812,520	NT$17,878,690 CB4 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 11101018020
November 24, 2022	10	350,000,000	3,500,000,000	301,724,305	3,017,243,050	NT$3,430,530 CB5 conversion to shares	None	Letter referenced Jing-Shou-Shang No. 11101221510

Note 1: Information for the year up to the date of publication of the annual report shall be filled in.

Note 2: The effective (approved) date and document number shall be added to the capital increase part.

Note 3: If shares are issued at less than par value, please mark it in a prominent way.

Note 4: Where the share subscription amount is paid with monetary claims or technology, it shall be stated with the remark of the type and amount of the asset paid.

Note 5: Private placement shall be marked in a prominent way.

2. Type of equity:

Type of equity	Authorized capital stock			Remarks
	Shares issued and outstanding (note)	Unissued shares	Total	
Ordinary shares	301,724,305	48,275,695	350,000,000	OTC stock

Note: Please indicate whether the shares belong to a public or OTC company (also note if they are restricted from TWSE or OTC listing for trading).

Note: Information about the general declaration system: Not applicable.

(II) Shareholder structure:

April 11, 2023

Shareholder structure / Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of people	0	1	144	35,303	47	35,495
Number of shares held	0	62	93,335,821	191,169,748	17,218,674	301,724,305
Shareholding Ratio	0.00%	0.00%	30.93%	63.36%	5.71%	100.00%

Note: Disclose the shareholding ratio of mainland capital for the first public (OTC) company and emerging company; mainland capital, as stipulated in Article 3 of the Measures for the Permission of Investment in Taiwan by People from Mainland China, refers to the people, legal persons, organizations or other institutions from mainland China, or a company invested in a third region by the entities above.

(III) Share ownership diversification

1. Ordinary shares

With par value of NT$10 per share April 11, 2023

Shareholding tier	Number of shareholders	Number of shares held	Shareholding Ratio
1 - 999	18,156	2,911,128	0.97%
1,000 - 5,000	12,358	27,837,575	9.23%
5,001 - 10,000	2,492	19,811,345	6.57%
10,001 - 15,000	806	10,295,214	3.41%
15,001 - 20,000	575	10,715,224	3.55%
20,001 - 30,000	420	10,887,020	3.61%
30,001 - 40,000	191	6,888,332	2.28%
40,001 - 50,000	120	5,609,277	1.86%
50,001 - 100,000	210	15,214,767	5.04%
100,001 - 200,000	89	12,432,124	4.12%
200,001 - 400,000	42	11,966,367	3.97%
400,001 - 600,000	12	5,700,536	1.89%
600,001 - 800,000	3	2,101,843	0.70%
800,001 to 1,000,000	2	1,806,485	0.59%
Over 1,000,001	19	157,547,068	52.21%
Total	35,495	301,724,305	100.00%

2. Preferred shares: None

(IV) List of major shareholders: names of shareholders with more than 5% shareholding or who are top 10 shareholders in shareholding ratio, number of shares held and shareholding proportion.

April 11, 2023

Shares / Name of major shareholder	Number of shares held	Shareholding Ratio
Unitech Printed Circuit Board Corp.	34,000,000	11.27%
Fulltech Fiber Glass Corp.	33,188,067	11.00%
Tse-Min Yu	24,000,091	7.95%
Guo Ling Investment Co., Ltd.	21,333,643	7.07%
Yuan-Pin Chang	14,129,647	4.68%
Climate of AOKEWO entrusted by Standard Chartered	7,752,000	2.57%
Liao, Hsueh-Hu	2,970,000	0.98%
Citibank entrusts BNP to invest in and operate the SNC investment account	2,555,000	0.85%
Chen, Chun-Ting	2,500,000	0.83%
Shangling Investment Co., Ltd.	2,345,704	0.78%

(V) Market price per share, net worth, earnings, dividends and related information in the last two years

Year / Item		2021	2022	As of April 30, 2023 (Note 8)
Market price per share (Note 1)	Highest	17.25	24.95	17.10
	Lowest	9.99	10.85	11.60
	Average	13.20	19.63	15.24
Net value per share (Note 2)	Before distribution	6.67	7.95	7.82
	After distribution	-	-	-
Earnings per share	Weighted average number of shares	-	-	-

	Earnings per share (note 3)		-	-	-
Dividend per share	Cash dividend		Not distributed	Not distributed	-
	Bonus shares	Not distributed	Not distributed	Not distributed	-
		Not distributed	Not distributed	Not distributed	-
	Accumulated unpaid dividends (note 4)		-	-	-
Investment return analysis	PE ratio (note 5)				-
	Cost to profit ratio (note 6)		-	-	-
	Cash dividend yield (note 7)		-	-	-

* If there is a capital increase and bonus share allotment from earnings or capital reserve, the market price and cash dividend information adjusted retroactively according to the number of shares issued shall be disclosed.

Note 1: Indicate the highest and lowest market prices of ordinary shares in each year, and calculate the average market price for each year based on the transaction value and transaction amount in each year.

Note 2: Please indicate based on the number of shares issued as of the end of the year and according to the distribution resolved by the Board of Directors or the shareholders' meeting of the following year.

Note 3: If retroactive adjustments have to be made owing to bonus share payment, the earnings per share before and after adjustments shall be indicated.

Note 4: If it is specified in the conditions for issuing equity securities that the dividends undistributed in the current year shall be cumulatively included in a year with surplus earnings for distribution, the accumulated outstanding dividends as of the current year shall be separately disclosed.

Note 5: PE ratio = current year's average closing price per share / earnings per share.

Note 6: Cost to profit ratio = current year's average closing price per share / cash dividend per share.

Note 7: Cash dividend yield = cash dividend per share / current year's average closing price per share.

Note 8: The net value per share and the earnings per share shall be indicated in the last quarter's data audited (reviewed) by the CPAs as of the publication date of the annual report; in other columns, the current year's data as of the publication date of the annual report shall be indicated.

(VI) Dividend policy and implementation status

1. Dividend policy

If the company has a profit in the annual final accounts, it shall first allocate 2% to 10% as the employees' remuneration and up to 5% as the directors' and supervisors' remuneration; the allocation scheme shall be reported to the shareholders' meeting after the approval of the board meeting. However, if the company has an accumulated loss in previous years, it shall retain the amount of compensating for the loss before allocating the remuneration to the employees and directors and supervisors, and the balance shall be allocated according to the proportion mentioned in the preceding paragraph.

If the company has earnings in the annual final accounts, after paying taxes and compensating for the accumulated loss according to law, 10% of the earnings shall be set aside as legal reserve. If there is any balance of earnings after the special reserve is set aside or reversed according to laws and regulations of the competent authority, the board meeting shall draw up a distribution proposal and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. The company's dividend policy is based on the current and future development plans, considering the investment environment, capital demand and domestic and international competition, and in the meantime taking into account factors such as the interests of shareholders. The distribution of dividends and bonus shares to shareholders shall be in the form of cash or shares, and the cash dividend shall account for more than 20% of the total dividends.

2. Proposed dividend distribution by the shareholders' meeting:
   On March 13, 2023, the Board of Directors of the Company approved the 2022 profit and loss appropriation and recovery proposal by resolution, decided not to distribute the dividends among the shareholders, and presented to the shareholders' meeting for acknowledgment.
3. Significant changes of expected dividend policy: There is no significant change of the expected dividend policy, which is to be implemented according to the dividend policy stipulated in the articles of association, in order to achieve the long-term growth goal of the company.

(VII) The impact of the proposed bonus share allotment on the company's operating performance and earnings per share:

Item / Year			2023 (Estimated)
Paid-in capital at the beginning of the period (NT$ thousand)			301,724,305
Distribution of shares and interest in the current year (note 1)	Cash dividend per share (NT$) (note 1)		0
	Number of bonus shares allotted per share from capital increase converted from earnings (NT$) (note 1)		0
	Number of bonus share allotted per share from capital increase converted from capital reserve (note 1)		0
Changes in business performance	Business profit (NT$ thousand)		Note 2
	Increase (decrease) ratio of operating profit over the same period last year		Note 2
	Net profit after tax (NT$ thousand)		Note 2
	Increase (decrease) ratio of net profit after tax compared with the same period last year		Note 2
	Earnings per share (NT$)		Note 2
	Increase (decrease) ratio of earnings per share over the same period last year		Note 2
	Average annual return on investment (reciprocal of average annual cost to earnings ratio)		Note 2
Proforma earnings per share and PE ratio	If all capital increase from earnings is to be paid in cash dividend	Proforma earnings per share (NT$)	Note 2
		Proforma annual average return on investment	Note 2
	If no capital increase from capital reserve is handled	Proforma earnings per share (NT$)	Note 2
		Proforma annual average return on investment	Note 2

	If no capital reserve is handled, and capital increase from earnings is paid in cash dividend instead	Proforma earnings per share (NT$)	Note 2
		Proforma annual average return on investment	Note 2

Note 1: For 2022 distribution of shares and interests, according to the 2022 profit and loss appropriation and recovery proposal resolved by the Board of Directors on March 13, 2023, dividends would not be distributed to the shareholders. In fact, the distribution remains to be resolved by the shareholders' meeting.

Note 2: The Company has not made its 2023 financial forecast public, so it is not applicable.

(VIII) Remuneration of directors and employees

1. Percentage or range of employees' and directors' remuneration specified under the Articles of Association

   It is clearly specified in the Articles of Association that if the Company makes profits as reflected from the annual final accounts, 2% to 10% shall be first appropriated as employee remuneration, the directors' remuneration shall not exceed 5% of the profit, and a report shall be made to the shareholders' meeting as resolved by the Board of Directors, but if the Company has accumulated losses of the previous years, prior to appropriation of the current year's profit (if any) for employees' and directors' remuneration at the aforementioned ratios, an amount shall be retained for making up for the losses.

   If the company has earnings in the annual final accounts, after paying taxes and compensating for the accumulated loss according to law, 10% of the earnings shall be set aside as legal reserve. If there is any balance of earnings after the special reserve is set aside or reversed according to laws and regulations of the competent authority, the board meeting shall draw up a distribution proposal and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. The company's dividend policy is based on the current and future development plans, considering the investment environment, capital demand and domestic and international competition, and in the meantime taking into account factors such as the interests of shareholders. The distribution of dividends and bonus shares to shareholders shall be in the form of cash or shares, and the cash dividend shall account for more than 20% of the total dividends.

2. Basis of estimate for employees' and directors' remuneration in the current period, basis for calculating number of shares to be distributed to the employees as remuneration, and accounting for difference between actual distributed amount and estimate: Only if a difference exists between distributed amount and estimate as subsequently resolved by the Board of directors will it be deemed a change in accounting estimate and listed as profit or loss of the following year.

3. Distribution of remuneration approved by the board meeting:

   (1) On March 13, 2023, the Board of Directors of the Company approved the 2022 profit and loss appropriation and recovery proposal by resolution, and

according to the Articles of Association, the Board of Directors decided not to distribute remuneration to the employees and directors.

(2) Proposed allotment of employees' stock remuneration, and its proportion to the total amount of net profit after tax and employees' remuneration in the current period: None.

4. Actual distribution of the employees' and directors' remuneration in the preceding year (including number of distributed shares, distributed amount and share price), its difference from the recognized employees' and directors' remuneration (if any), reason and countermeasure:

As resolved by the Board of Directors and the shareholders' meeting in the preceding year, NT$0 was distributed to the employees as remuneration in cash, and NT$0 was distributed to the directors and supervisors. No difference existed from the recognized annual estimated amount.

(IX) (1) The Company's buyback of its shares (which has been finished):

Buyback trench (note)	First trench	Second trench	Third trench	Fourth trench
Board resolution passed	August 26, 2008	October 27, 2009	November 3, 2010	August 26, 2015
Purpose of buyback	Equity conversion - Stock option conversion	Equity conversion - Stock option conversion	Equity conversion - Stock option conversion	Protect the Company's credit and shareholders' equity
Buyback period	September 13, 2008 ~ October 26, 2008	October 28, 2009 ~ December 27, 2009	November 5, 2010 ~ December 6, 2010	August 27, 2015 ~ September 30, 2015
Buyback price range	12.00~19.00	20.00~43.00	10.00~23.50	9.00~19.50
Type and quantity of shares already bought back	1,000,000 ordinary shares	340,000 ordinary shares	1,173,000 ordinary shares	306,000 ordinary shares
Amount of shares already bought back	NT$8,946,927	NT$8,619,152	NT$16,506,608	NT$3,995,840
Ratio of shares which have been bought back to the estimated quantity to be bought back (%)	100%	100%	100%	10.2%
Quantity of shares already cancelled and transferred	1,000,000 shares	340,000 shares	1,173,000 shares (cancellation completed on February 10, 2014)	306,000 shares (Canceled on January 4, 2016)
Cumulative holding of the company's shares	0 shares	0 shares	0 shares	0 shares
Ratio of cumulative holding of the company's shares to total number of issued shares (%)	0%	0%	0%	0%

Note: Number of columns is adjusted based on actual times of issuance.

(2) The Company's buyback of its shares (which is in progress):

II. Issuance of corporate bonds (including overseas corporate bonds)

(I) Handling of corporate bonds

Type of corporate bond (note 2)		Fourth domestic secured convertible bond	Fifth domestic unsecured convertible bond
Date of issue (handling)		January 17, 2017	June 8, 2018
Denomination		One hundred thousand New Taiwan dollars only	One hundred thousand New Taiwan dollars only
Issuance and transaction location (Note 3)		Domestic	Domestic
Issuance price		Issue at full face value	Issue at full face value
Total amount		Three hundred million New Taiwan dollars only	Four hundred million New Taiwan dollars only
Interest rate		0%	0%
Term		Five years; due date: January 17, 2022	Five years; due date: June 8, 2023
Guarantee institution		Bank of Taiwan	None
Trustee		Mega International Commercial Bank	Taishin International Bank
Underwriter		Taishin Securities Co., Ltd.	Taishin Securities Co., Ltd.
Certifying lawyer		CPA Chiu, Ya-Wen, Far East Law Offices	CPA Chiu, Ya-Wen, Far East Law Offices
CPAs		Crowe (TW) CPAs CPAs Jih-Chun Wang and Sheng-Yi Huang	Crowe (TW) CPAs CPAs Sheng-Yi Huang and Ting-Pei Lin
Repayment method		Other than the bondholder's conversion into the company's ordinary shares in accordance with Article 10 of these measures or exercise of the sellback right in accordance with Article 19 of these measures, and the company's early recall in accordance with Article 18 of these measures, the bond shall be repaid in cash in one lump sum at maturity according to the face value of the bond.	Other than the bondholder's conversion into the company's ordinary shares in accordance with Article 10 of these measures or exercise of the sellback right in accordance with Article 19 of these measures, and the company's early recall in accordance with Article 18 of these measures, the bond shall be repaid in cash in one lump sum at maturity according to the face value of the bond.
Outstanding principal		NT$ 0	NT$ 5,100 thousand
Terms of redemption or early repayment		Please refer to Articles 18 and 19 of the Issuance and Conversion Method of the Fourth Domestic Secured Convertible Bonds of the Company for details.	Please refer to Articles 18 and 19 of the Issuance and Conversion Method of the Fifth Domestic Unsecured Convertible Bonds of the Company for details.
Restrictions (note 4)		None	None
Name of credit rating institution, rating date and corporate bond rating result		None	None
With other rights attached	Amount of ordinary shares, overseas depository receipts or other securities converted (exchanged or subscribed to) as of the date of publication of the annual report	As of January 17, 2022, a total of NT$45,000 thousand had been converted, and the principal due of NT$ 255,000 thousand had been repaid.	As of April 30, 2023, a total of NT$222,900 thousand had been converted, and the buyback amount had been up to NT$172,000 thousand.
	Issuance and conversion (exchange or subscription) method	Please refer to the Issuance and Conversion Method	Please refer to the Issuance and Conversion Method
Possible dilution of equity and impact on the existing shareholders' equity by the issuance and conversion, exchange or subscription method and issuance conditions		Please refer to the Issuance and Conversion Method	Please refer to the Issuance and Conversion Method
Name of the entrusted custodian of the subject matter of exchange		None	None

Note 1: Corporate bond handling includes publicly offered and privately offered corporate bonds in process. Publicly offered corporate bond in process refers to those that have been effective

(approved) by this Commission; privately offered corporate bond in process refers to those that have been approved by the board meeting.

Note 2: The number of fields will be adjusted according to the actual times of handling.

Note 3: Fill in this field for overseas corporate bonds.

Note 4: For example, limiting to the distribution of cash dividend, or foreign investment required to maintain a certain asset ratio.

Note 5: Private placement shall be marked in a prominent way.

Note 6: For convertible corporate bonds, exchangeable corporate bonds, corporate bonds generally declared for issuance, or corporate bonds with stock options, the information of convertible corporate bonds, exchangeable corporate bonds, corporate bonds generally declared for issuance and corporate bonds with stock options shall be disclosed according to the nature and in the tabular format.

(II) Converted corporate bond information

Type of corporate bond (Note 1)		Fourth domestic secured convertible bond		Fifth domestic unsecured convertible bond	
Year / Item		2021	January 17, 2022 (Due)	2022	As of April 30, 2023 (Note 4)
Market value of convertible bonds (note 2)	Highest	126.00	103.25	180.00	0
	Lowest	100.20	99.70	101.25	0
	Average	108.29	101.25	106.87	0
Conversion price		April 26, 2021 Adjusted as NT$13.20	Not applicable	April 26, 2021 Adjusted to NT$13.70	NT$13.70
Issue (handling) date and conversion price at issuance		Issued on January 17, 2017 Conversion price NT$11.20		Issued on June 8, 2018 Conversion price NT$11.30	
Method of performing conversion obligations (note 3)		Issue of new shares			

Note 1: Number of columns is adjusted based on actual times of issuance.

Note 2: If overseas corporate bonds are traded in multiple areas, they shall be separately listed by places of transaction.

Note 3: Deliver issued shares or issue new shares.

Note 4: Fill in the current year’s information as of the publication date of the annual report.

(III) Information on exchange for corporate bonds: None

(IV) Corporate bonds generally declared for issuance: Not applicable.

(V) Corporate bonds with stock options: Not applicable.

III. Issuance of preferred shares: None.

IV. Application for overseas depository receipts: None.

V. Application for employee stock options: None.

VI. Handling of new shares with restricted employee rights: None.

VII. Handling of new shares for M&A or transfer of other companies' shares: None.

VIII. Implementation of fund utilization plan

(I) Issuance of domestic fourth secured convertible bonds of the Company in 2017:

1. Details of the plans:

(1) Outstanding plans of previous issues: None.

(2) The contents of the plans that have been completed in the last three years but the benefits of the plans have not yet appeared:

A. Total planned capital: NT$300 million.

B. Source of funds: Issuance of the fourth domestic secured convertible bond for a total raised amount of NT$300 million. Approved by the Securities and Futures Commission of the Ministry of Finance and effective on December 22, 2016, and approved by the legal consortium the Taipei Exchange to trade over the counter on the business premises of securities firms since January 17, 2017.

(3) Plan item and estimated fund utilization progress:

Unit: NT$ thousand

Plan item	Estimated completion time	Total funds required	Scheduled time for fund utilization
			First quarter of 2017
Repayment of debts	First quarter of 2017	300,000	300,000
Total		300,000	300,000

(4) Expected benefits:

Unit: NT$ thousand

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total
Repayment amount	0	0	0	0	0	0	0	0	0
Interest reduced	795	1,192	1,192	1,192	1,192	1,192	1,192	1,192	9,139

2. Implementation status as of the quarter before the publication date of the annual report and comparative analysis of expected benefits:

(1) Implementation status

Unit: NT$ thousand

Plan item	Implementation status in the first quarter of 2017			Reasons for progress ahead of or behind schedule and improvement plan
	Actual progress	Scheduled progress	Completion rate	
Repayment of debts	300,000	300,000	100%	None
Total	300,000	300,000	100%	

(2) Comparison between actual benefits and expected benefits

Unit: NT$ thousand

	First quarter of 2017	Second quarter of 2017	Third quarter of 2017	Fourth quarter of 2017	First quarter of 2018
Expected reduction of short loan interest	795	1,192	1,192	1,192	1,192

Actual reduction of short-term loan interest	753	908	931	880	921
Difference number	42	284	261	312	271

Explanation of difference: In this plan, although there are improvements in debt ratio reduction, the financial structure and interest burden reduction after repaying the debts, due to interest rate adjustments by banks and the increase of loans, the estimated amount of interest expenses is slightly different from the actual amount.

(3) Impacts upon shareholders' equity: None.

(II) Issuance of domestic fifth secured convertible bonds of the Company in 2018:

1. Details of the plans:

(1) Outstanding plans of previous issues: None.

(2) The contents of the plans that have been completed in the last three years but the benefits of the plans have not yet appeared:

A. Total planned capital: NT$400 million.

B. Source of funds: Issuance of the fifth domestic secured convertible bond for a total raised amount of NT$400 million. Approved by the Securities and Futures Commission of the Ministry of Finance and effective on May 15, 2018, and approved by the legal consortium the Taipei Exchange to trade over the counter on the business premises of securities firms since June 8, 2018.

(3) Plan item and estimated fund utilization progress:

Unit: NT$ thousand

Plan item	Estimated completion time	Total funds required	Scheduled time for fund utilization
			Second quarter of 2018
Repayment of debts	Second quarter of 2018	400,000	400,000
Total		400,000	400,000

(4) Expected benefits:

Unit: NT$ thousand

	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	Total
Repayment amount	0	0	0	0	0	0	0	0	0
Interest reduced	1,869	1,872	1,869	1,871	1,869	1,873	1,869	1,871	14,963

2. Implementation status as of the quarter before the publication date of the annual report and comparative analysis of expected benefits:

(1) Implementation status

Unit: NT$ thousand

Plan item	Implementation status in the third quarter of 2018	Reasons for progress ahead

	Actual progress	Scheduled progress	Completion rate	of or behind schedule and improvement plan
Repayment of debts	400,000	400,000	100%	None
Total	400,000	400,000	100%	

(2) Comparison between actual benefits and expected benefits

Unit: NT$ thousand

	Third quarter of 2018	Fourth quarter of 2018	First quarter of 2019
Expected reduction of short loan interest	1,869	1,872	1,869
Actual reduction of short-term loan interest	1,071	230	165
Difference number	798	1,642	1,704

Explanation of difference: In this plan, although there are improvements in debt ratio reduction, the financial structure and interest burden reduction after repaying the debts, due to operation requirements and the increase of loans, the estimated amount of interest expenses is slightly different from the actual amount.

(3) Impacts upon shareholders' equity: None.

Five. Business Overview

I. Business contents

(I) Business scope

1. Main contents of the business

(1) Manufacturing, processing, assembly, and domestic and foreign sales of various bicycles, electric assisted bicycles, indoor and outdoor sports bicycles, strollers, mini scooters, and their accessories and parts.

(2) Manufacturing and processing of various press parts and domestic and foreign sales.

(3) Manufacturing and processing of parts for agricultural machinery, automobiles, ships, and aircraft, as well as domestic and foreign sales.

(4) Processing and trading of related tools.

(5) Import and export trading and investment, tender business in respect of the above-mentioned businesses.

(6) Agency for domestic and foreign manufacturers in the above-mentioned businesses.

(7) Except for the licensed business, the Company may conduct business that is not prohibited or restricted by law.

2. Main products and business percentage:

Main products	Business percentage (%)
Bicycle	77.71
Semi-finished products (components)	18.36
Others	3.93

3. The Company's current product lineup.

There are mainly mountain bikes, city bikes, sports bikes, electric assisted bikes, beach bikes, all-around bikes, performance bikes, folding bikes, etc.

(II) Industry overview:

1. The industry’s current state and development

In 2022, the export value of ordinary bicycles in Taiwan was up to USD 1.618 billion, with an increase of 23.07% compared with 2021; 1,952,600 ordinary bicycles were exported and decreased by 1.73% compared with 2021; the average unit price rose to USD 828.46 and was 25.24% higher than that in 2021.

In 2022, the export value of electric bicycles in Taiwan was up to USD 1.554 billion, with an increase of 18.11% compared with 2011; 1,036,100 electric bicycles were exported and increased by 4.85% compared with 2021; the average unit price rose to USD 1,499.51 and was 12.65% higher than that in 2021.

Taiwan's bicycle industry has recently been affected by the impact of the trade war between the U.S. and China, as well as the high anti-dumping tariff imposed by the European Union on the export of E-bikes from Mainland China, resulting in major brands and contract manufacturers moving their high unit price E-bikes back to Taiwan plant or European production. Therefore, the export volume and export value of electric bicycles of Ideal Taiwan and Polish plants are expected to maintain significant growth in 2022.

2. The correlation among the upstream, midstream and downstream industries:

Upstream (raw materials)	
Alloy Steel	SINOSTEEL
Aluminum alloy	
Other alloys	
Paints	TAI YING, Formosa Flexible Packaging, YUNG SHYANG
Rubber	Kenda, CHENG SHIN, SCHWALBE, VITTORIA, MICHELIN

Midstream (parts)	
Frames	Apro, E Thing, KINESIS, BICI CASA, Genio, Astro, Sunrise, CICLOGIC, WE CHIEH, Uen Tai
Cranks	TIEN HSIN, CHUAN WEI, SRAM, SUN RACE STURMEY-ARCHER SR SUNTOUR, TWDT PRECISION
Hubs	Formula Engineering, ARICH, KUN TENG, SHIMANO
Chains	KMC, TAYA, YABAN, SHIMANO, SRAM
Gears	SHIMANO, SRAM, SUN RACE STURMEY, LIDA, DNP
Brakes	PROMAX, TEKTRO, SHIMANO
Derailleurs	SHIMANO, SRAM
Handlebars	PROMAX, HL, LEADTEC, KALLOY, M. J., YICHENG

Downstream (finished bikes)	
Finished bikes	Giant, Merida, IDEAL, Hodaka, Kingtech, Fairly, Wheeler, Ming, Fritz Jou, Dodsun, United, AXMAN, Kenstone, Taioku, ASAMA YUH JIUN, Willingbikes, A&J, SANFA

3. Development trends and competition of products

From the early transportation vehicles to city bikes, beach bikes, then to mountain bikes, BMX bikes, and the current cruiser bikes, electric-assisted bikes; the material used in the past was crude iron, to the current use of aluminum alloy, magnesium alloy, composite materials and carbon fiber materials, and the quality and unit price are getting higher and higher. However, different consumers have different demands on bicycle products. In addition to transportation, sports, leisure and fashionable aesthetics, the materials for bicycle products have changed from iron and aluminum to aluminum and magnesium alloy and carbon fiber. In recent years, the awareness of environmental protection has risen, and in order to reduce urban air pollution and the problem of car parking spaces, as well as for the policy subsidies of European governments for environmentally friendly products, the addition of auxiliary power bicycle systems or the development of light motorcycles has become the main direction of research and development for the bicycle industry and the transport industry. It can be seen that bicycle is no longer the so-called traditional industry, but has been moving towards the integration of technology and continuous improvement of product functions to meet or even create the needs of the broad consumer market.

(III) Technology and R&D Overview.

1. R&D expenditures for the most recent year and the current year up to the date of publication of the annual report

Unit: NT$ thousand

Item	2022 years	112 years Up to 4/30	Expected additional investments
R&D expenses	-	-	-
R&D expenses as a percentage of revenues (%)	-	-	-
Number of R&D headcount (people)	62	59	-
R&D headcount to company-wide percentage (%)	5.29%	5.59%	-

Note: The former technology department was split into: (1) Technology Department (2) Product Development Department

2. Technology or product successfully developed

(1) Strengthen R&D and innovation capabilities.

In response to the trend, continue to develop electric vehicles with a focus on commuter use and products that emphasize functional integration.

(2) Upgrade design capabilities:

Enhance technical support, assist customers to handle problems and share technical resources within the Group.

(IV) Long-term and short-term business development plans:

1. Long-term business development plans:

(1) Reinforce the function of the operation center with IDEAL-Taiwan as the main axis.
(2) Use IDEAL-Poland as the base to tap into the electric vehicle market in Europe.
(3) Enhance customer services and expand brand accesses to non-conflicting markets.
(4) Strengthen logistics support management in Asia and production management in IDEAL-Poland, and leverage IDEAL-Poland's regional advantages to meet customer service needs in Europe.
(5) Integrate the advantages of three plants, IDEAL-Taiwan, Dongguan and Poland, with resource sharing, international division of work and mutual support.

2. Short-term business development plans:

(1) Increase the self-production rate in order to reduce production costs and effectively control the quality and delivery of materials.
(2) Consolidate part suppliers to improve bargaining power and reduce costs.
(3) Strengthen the development, design and manufacturing technology to provide product differentiation services.
(4) Gain advantage for exemption from anti-dumping taxes for import to Europe through IDEAL’s Dongguan plant and enhance customer support to improve their market competitiveness and increase their market shares.

(5) Integrate international business units and utilize the resources of three plants to enhance the overall service planning for customers.

II. Market and production and sales overview

(I) Market analysis

1. Sales percentage of main products by region.

Region	Amount (NT$ thousand)	%
Europe	3,195,081	57.15
America	1,310,115	23.43
Asia	1,006,990	18.01
Other countries	78,934	1.41
Total	5,591,120	100.00

2. Market share

In 2022, the export value of ordinary bicycles in Taiwan was up to USD 1.618 billion, with an increase of 23.07% compared with 2021; 1,952,600 ordinary bicycles were exported and decreased by 1.73% compared with 2021; the average unit price rose to USD 828.46 and was 25.24% higher than that in 2021.

In 2022, the export value of electric bicycles in Taiwan was up to USD 1.554 billion, with an increase of 18.11% compared with 2011; 1,036,100 electric bicycles were exported and increased by 4.85% compared with 2021; the average unit price rose to USD 1,499.51 and was 12.65% higher than that in 2021.

In 2022, the Company sold 299,800 finished bicycles, and the sales of finished bicycles in 2022 amounted to NTD 4,331,804 thousand. In 2022, the Company made great efforts towards the objectives on high quality, unit price and profit in terms of quantity and sales. Active efforts were made to strive for orders of electric bicycles, develop differentiated products and increase added value of products. The results have been gradually shown. By enhancing its competitiveness, the Company will inevitably occupy an important position in the bicycle market.

3. Future market supply and demand and growth.

The global bicycle industry is already a mature industry, and the world's largest importers are the United States, Europe and Japan, and bicycles also have the function of leisure and entertainment. Therefore, the economic growth in Europe and the United States is proportional to the demand for bicycles.

Taiwan's bicycle industry has been successfully transformed to focus on the production of mid-range and high-end models and high value-added industries. Taiwan's bicycle manufacturers still have an advantage over Mainland China in the development of mid- and high-priced bicycle products, constantly combining traditional bicycles with newly developed composite materials or technologies to enhance the added value of products. Therefore, Taiwan's bicycle manufacturers are keeping their R&D headquarters in Taiwan and aiming to produce innovative products with high unit price and high profitability in order to gain higher profits.

In the past 30 years, Taiwan's bicycle industry experienced capacity expansion, industry relocation overseas, dumping tariff and competition threat from Mainland China, but still attained many brilliant achievements and performance, and thus enjoyed the reputation of "bicycle kingdom". Taiwan is the most important source of bicycle supply in the world market and has accumulated rich capabilities in the fields of manufacturing, engineering and technology development. Looking ahead, in addition to global deployment and division of labor, we must continue to improve our R&D capabilities, move towards advanced, high value-added and multi-functional development, and integrate the value chain of upstream, midstream and downstream companies in the bicycle industry to maintain our leading position in Taiwan's bicycle kingdom.

The global promotion of environmental protection, energy saving, and the prevailing leisure trend have brought unlimited business opportunities to the bicycle industry. Therefore, we expect that the future of the bicycle market still has room for growth and development prospects are still promising.

With the rise of the concept of international division of labor and the impact of trade protection, the EU has successively imposed high import duties on Chinese E-bike exports in order to protect manufacturers in its own member countries. In turn, many companies in Taiwan and China went to Eastern Europe to set up plant. The IDEAL Poland Plant has been established for about 20 years, and its business has grown exponentially in the last year or two. In the future, it will become the focus of the Group's business.

4. Competitive advantage

(1) As a professional OEM and strategic distribution partner for the world's leading brands

The Company's main sales target is the well-known foreign brands, through their sales channels to resell to the consumer market, so the Company is positioned as a professional bicycle assembly OEM at the beginning of its establishment, and its business strategy is as follows.

a. Build long-term business partnerships with customers for mutual growth and benefit sharing.
b. Serve customers with high quality, low cost, and accurate delivery, and be

more efficient and cooperative than customers' own plants.

c. Become a virtual plant for our customers and form a strong distribution network and partnership with them.

(2) Decentralize production bases, be close to the market, and establish global production and sales network

As a professional bicycle OEM, the key to success is to provide high-quality, low-cost products promptly to satisfy customers, whether it is for transportation, sports and leisure, or racing bikes. Only a bike manufacturer that can produce bikes for transportation (inexpensive models), sports and leisure (medium to high prices), and competition (high prices) has a complete product line and is more able to respond to changing market conditions, so as not to cause a sharp fluctuation in sales due to consumer habits, economic growth, and economic factors. At present, the Dongguan plant independently manufactures iron frames, Al alloy frames, and Al alloy front forks. The front forks of frames are difficult to produce, so they are manufactured by the plant in Mainland China. This can definitely lower purchase costs, enhance control over parts, enhance the Company's competitive advantages and turn to produce bicycles to be sold at medium to high unit prices. In order to avoid the adverse impact of anti-dumping tariff on the Company's competitiveness by the European Union or other countries, we established IDEAL EUROPE in Poland, a 100%-owned subsidiary of the Company, after several evaluations and comparisons and set up an assembly line in Poland while IDEAL Taiwan focuses on R&D and supply of semi-finished parts. The Poland plant is positioned as an operational base to serve the EU countries.

After the integration, the Taiwan plant focuses on R&D, production and marketing of mid- to high-priced vehicles; the Dongguan plant focuses on mid-priced vehicles in the U.S., Japan and European countries; and IDEAL EUROPE focuses on the demand for electric vehicles, high-priced and fully equipped vehicles in the EU. Through the integration of production and sales, the Company has become a professional bicycle OEM that can provide a full range of product lines in close proximity to the market, through international division of work, and some customers have taken full advantage of the Company to place orders with Taiwan, Dongguan, and Poland plants to meet their different market needs.

(3) Enhance ODM capabilities and increase strategic alliance partners

IDEAL has worked hard in the field of professional OEM for more than four decades. In this period, the Company’s R&D team has constantly improved its abilities to develop and design new products. IDEAL has possessed powerful strengths as a large-scale ODM since a long time ago. IDEAL and its current strategic alliance partners have transformed from OEM to ODM. The strategic alliance partners rely on IDEAL's R&D and technical staff to develop new year models and new products for them. Other non-strategic alliance customers also rely on IDEAL's capabilities in development, design capabilities and self-production for frame, and collaborate with us for new developments.

In many countries, bicycles are no longer a means of transportation but leisure sports equipment, so the improvement of form design, function and material is the niche that attracts consumers. The Company has sufficient experience and ability to provide customers with new product development and specification design to enhance the added value to customers with the goal of high-quality, comfortable and popular bicycles.

5. Favorable and unfavorable factors of development prospect and countermeasures:

(1) Favorable factors of industry development:

a. The global trend of environmental protection and sports and leisure is gradually is gradually on the rise, stimulating the growth of the bicycle industry

The trend of health and leisure in Europe and the United States has been going up for years, and quality is gradually becoming important to consumers; in line with this trend, Taiwan’s bicycle industry is actively developing better quality products. Our country's bicycle industry is mainly for exports, and in recent years, we have been improving the added value of our products. As the national income of each country has increased, the importance of sports and leisure has become increasingly valued, and bicycles have the advantages of sports, leisure, entertainment, and short-range transportation, and bicycles meet the needs of environmental protection, non-pollution, energy-saving features, will stimulate the overall bicycle market, towards a higher-priced market demand.

b. The professional production of bicycles in Taiwan is well recognized by the international community.

Taiwan's bicycle industry is the world's number 1 bicycle exporter, and the quality of professionally produced bicycles is highly appreciated by world-renowned bicycle brands. Although it is subject to price cutting competition from Mainland China and Southeast Asian countries, the domestic bicycle industry has a long history of development and has established a complete and sound center-satellite system, so we can maintain our competitive advantage by strengthening industrial upgrading and devoting ourselves to new product research and development. The Company is the third largest bicycle assembler in Taiwan. Since its establishment, we have devoted ourselves to improving the technical capability and quality of our products, and we have been recognized by our customers abroad, so our bicycles have strong competitiveness in the target market.

c. Aggressive expand marketing network with strong future growth

The Group's main export destinations are the United States and Europe. In response to the fierce competition in the market, the Group has been actively expanding its presence in Europe and the United States through strategic alliances with major brands in order to keep abreast of the trend of the target markets and to respond to the market demand at any time in line with the development of our customers. In March 2005, the Dongguan plant was formally put into use upon its completion. Thus, the business scale of the Company further reached another peak. On the other hand, to decentralize the marketing risks, the Company has constantly looked for new customers. The Company no longer merely focuses attention on foreign large famous plants. With the growing market demand for bicycles, the Company has actively expanded its marketing network, to adapt to future forward-looking development.

(2) Unfavorable factors of industry development and countermeasures:

a. Export competitiveness is being tested

In recent years, the bicycle manufacturers in Mainland China and Southeast Asian countries have been competing with each other by cutting prices. In addition to the rising awareness of international trade protection, bicycle manufacturers in Southeast Asian countries have been accused of dumping by local bicycle manufacturers in the European Union and Canada, and punitive anti-dumping tariff has been imposed. In addition, the U.S. Section 301 imposed a 25% import tariff on China, greatly setting back the competitiveness of Mainland bicycle manufacturers for exports

Countermeasures:

In order to have market differentiation and improve competitiveness, the Company has set up a plant in China to reduce production costs and obtained an exemption from the European anti-dumping tariff for exports from China in June of 2013. We have also set up a plant in Poland, Europe, where the Polish plant directly engages in production and manufacturing to meet European customers' needs and reduce delivery costs. At the same time, as Poland has officially joined the European Union in May 2004, the expanded marketing territory by way of the Polish plant has increased the Company's future growth in the EU market.

b. Rising costs and lack of labor

The lack of basic labor domestically and the continuous increase in labor costs have resulted in higher production costs than in Mainland China, Southeast Asia and other low labor cost regions, thus reducing product competitiveness.

Countermeasures:

Strengthen employee welfare measures and introduce employee bonus system and a certain percentage for employee bonuses will be provided based on the achievement of annual revenue and profitability targets, so that employees can share the fruits of hard work with the Company. Reduce the turnover rate of employees to improve the quality and efficiency of production operations. Find outsourcing partners and work with them on a piece-rate basis to solve temporary manpower needs. In addition, the Company has legally introduced foreign workers to make up for the labor shortage, and is committed to researching, developing and strengthening production technology, installing advanced production equipment, and reducing its over-reliance on manpower to address the impact of labor shortage and higher labor costs, and is also committed to shifting low- and medium-priced production to Mainland China to reduce product costs.

c. Products are mainly for exports, with high risk of exchange rate fluctuations

The Company's products are mainly export-oriented, and the main parts are purchased from overseas, so exchange rate fluctuations have a considerable impact on the Company.

Countermeasures:

When quoting foreign sales, we reasonably consider the possible impact of exchange rate fluctuations to ensure that they do not erode the normal gross profits of orders. For some customers, the exchange rate quotation is updated on a quarterly basis, and the exchange rate is updated when the exchange rate exceeds a certain range to reduce the risk arising from excessive exchange rate fluctuations. When purchasing raw materials, foreign currency borrowings are considered to be denominated in U.S. dollars with reference to the market exchange rate, and assets and liabilities are offset against each other to achieve automatic hedging function. In addition, we also collect real time exchange rate information, strengthen the study and judgment of the exchange rate trend, and carry out timely advanced forward foreign exchange operations to achieve the purpose of hedging and ensure the Company's profitability.

d. The impact of the COVID-19 epidemic, the transformation of consumer patterns, increased demand in the market, extended supply chain delivery period, supply shortages affecting delivery time; the extent of the impact depends on the subsequent development of the epidemic.

(II) Important applications and production process of main products

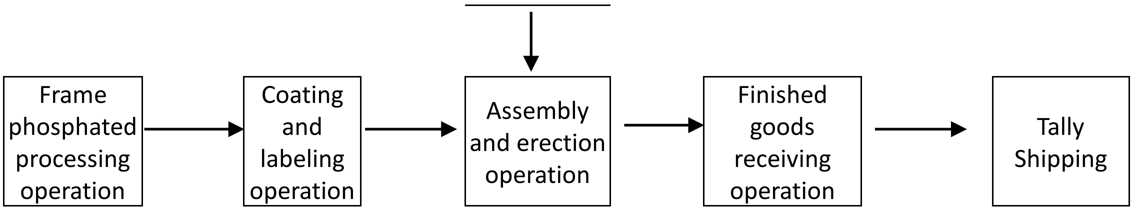
1. Important applications of main products

Mountain bikes	Sports and leisure bikes used in mountain trails, riverside, gravel, roads, etc., with wheels of 26", 27.5" and 29" in diameter mostly.
Road bikes	In order to emphasize the light weight of the whole bike, the road racing bikes are designed with frames made of aluminum alloy or composite materials.
Folding bikes	In order to meet the need of modern city workers and the trend of holiday leisure travel, we developed and designed bicycles that can be folded, do not occupy space, and do not need to add a separate top frame, and the wheel diameter is mostly 20 inches.
Baby bikes	Bikes designed to emphasize the safety of children riding are mostly 16" and 20" in wheel diameter.
Electric assisted Bikes	Bikes that use human power as the main power source with the help of electric motor as supplementary power, and they can move by foot. Currently there are two main areas, the leisure city bikes and the mountain electric bikes that allow riders to easily ride up into the mountains and enjoy the experiences of mountain bikes traversing the forest roads.
Performance bikes	Emphasis is placed on bikes with 20” wheels for performing difficult actions, stunts and races.
Beach bikes	Originally designed for young people to ride and play on the beach, the comfort and ease of handling has made it a favorite among elderly people, and the wheels are mostly 26” in diameter.

At present, our main products are mountain bikes, sports bikes, folding bikes, beach bikes, all-round bikes, performance bikes, and the newly developed electric assisted bikes, etc. to form a complete range of bicycles to supply the global bicycle market demand.

2. Production process of main products

Rim assembly operation



(III) Supply of main raw materials

Item	Name of main products	Main source	Supply condition
Frame system	Frames, forks, suspension forks	Self-produced, domestic and foreign suppliers	Good
Transmission system	Chainwheel, gears, shift levers, chains	Domestic and foreign suppliers	Good
Wheels and brake systems	Rims, hubs, wheelsets, derailleur brakes	Domestic and foreign suppliers	Good
Other parts	Seat cushions, car bells, light sets, reflectors	Domestic and foreign suppliers	Good

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion.

1. The names of major suppliers

Unit: NT$ thousand

	2021				2022				As of the preceding quarter of 2023			
Item	Name	Amount	As a percentage of net purchases for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year up to the previous quarter [%]	Relationship with the issuer
1	Supplier A	349,782	8.87	None	Supplier A	665,042	14.17	None	Supplier C	140,841	17.36	None
2	Supplier B	347,520	8.81	None		-	-	-		-	-	-
	Others	3,245,733	82.32		Others	4,027,187	85.83		Others	670,242	82.64	
	Net purchases	3,943,035	100.00		Net purchases	4,692,229	100.00		Net purchases	811,083	100.00	

Reason for the change. The Company's purchases are mainly based on the actual demand of customers' orders, so the percentage will increase or decrease depending on the orders.

Note 1: The names of suppliers with more than 10% of total purchases and the amounts and percentages of the purchases in the last two years should be listed, except for those suppliers whose names cannot be disclosed according to contracts or for counterparties who are individuals and not related parties, which may be indicated by code.

Note 2: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPA as of the publication date of the annual report.

2. List of Main Buyers

Unit: NT$ thousand

	2021				2022				As of the preceding quarter of 2023			
Item	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year up to the previous quarter [%]	Relationship with the issuer
1	Customer A	820,575	17.79	None	Customer A	1,276,404	22.83	None	Customer A	338,617	30.49	None
2	Customer B	793,833	17.21	None	Customer D	809,607	14.48	None	Customer D	120,338	10.84	None
3	Customer C	557,101	12.08	None	Customer B	665,688	11.91	None	Customer C	78,587	7.08	None
4	Customer D	487,954	10.58	None	Customer C	531,909	9.51	None	Customer E	77,892	7.01	None
	Others	1,954,061	42.34		Others	2,307,512	41.27			495,135	44.58	
	Net sales	4,613,524	100.00		Net sales	5,591,120	100.00		Net sales	1,110,569	100.00	

Reason for the change: Fluctuations in customer market demand due to the effects of the global economy and climate.

Note 1: The names of customers with more than 10% of total sales and the amounts and percentages of the sales in the last two years should be listed, except for those customers whose names cannot be disclosed according to contracts or for counterparties who are individuals and not related parties, which may be indicated by code.

Note 2: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPA as of the publication date of the annual report.

(V) Production quantity and amount for the most recent two years

Unit: NT$ thousand/set

Year / Production quantity andamount / Main products (or segments)	2021			2022		
	Production capacity	Production quantity	Production amount	Production capacity	Production quantity	Production amount
Bicycle	700,000	376,855	3,807,334	700,000	327,760	4,277,995
Semi-finished products, parts and others (Note 1)	—	—	1,259,547	—	—	2,016,456
Total	700,000	376,855	5,066,881	700,000	327,760	6,294,451

Note 1: Semi-finished goods, parts and other vary in pricing units, so their quantities are not counted.

Note 2: Production capacity refers to the quantity that the company can produce under normal operation using existing production equipment after taking into account necessary shutdowns, holidays and other factors.

Note 3: If the production of product is substitutable, the production capacity may be combined and explained in the notes.

(VI) Sales quantity and amount for the most recent two years

Unit: NT$ thousand/set

Year / Sales quantity and amount / Main products (or segments)	2021				2022			
	Domestic sales		Foreign sales		Domestic sales		Foreign sales	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Bicycle	21,242	292,430	338,648	3,488,957	15,700	369,550	284,088	3,962,254
Semi-finished products, parts and others (Note)	-	52,245	-	779,892	-	90,383	-	1,168,933
Total	21,242	344,675	338,648	4,268,849	15,700	459,933	284,088	5,131,187

Note: Semi-finished goods, parts and other vary in pricing units, so their quantities are not counted.

III. Number of employees, average year of service, average age and education distribution in the last two years and the current year as of the publication date of the annual report

Year		2021	2022	April 30, 2023 (Note)
Number of employee	Management	42	48	47
	Staff	591	539	520
	Worker	429	586	489
	Total	1,062	1,173	1,056
Average age		38.36	38.77	39.36
Average years of service		6.27	6.19	7.10
Education profile	PhD	0	0	0
	Master's	13	13	12
	University or college	249	284	261
	High school	345	377	343
	Below high school	455	499	433

Note: Fill in the current year's information as of the publication date of the annual report.

IV. Information on environmental protection expenditures

(I) The total amount of losses, compensation, and penalties for environmental pollution in the last year and the current year up to the date of publication of the annual report, future countermeasures and possible expenditures:

1. Losses due to environmental pollution in the last year

Year	2022	The current year up to the date of publication of the annual report
Pollution condition	None	None
The object of compensation or the unit that imposes the penalty	None	None
Compensation amount or the status of penalty	None	None
Other losses	None	None

2. Countermeasures:

The Company and its subsidiaries have always attached great importance to environmental protection and occupational safety and health management, with the goal of achieving zero environmental pollution and zero workplace safety hazards and implementing them. All products are manufactured under strict control of any factors that may cause pollution, and the production of wastewater and waste gas during the process are in compliance with the relevant legal standards. In accordance with the provisions of the law, where application for a pollution facility installation permit or pollution discharge permit or payment for pollution prevention control fees or the establishment of dedicated personnel for environmental protection is necessary, the application, payment or establishment of the situation should be explained.

In order to comply with the implementation of the new environmental laws and regulations, the Company has obtained the operating permit for each pollution prevention control facility, the permit to install pollution facilities, or the permit to discharge pollution in accordance with the law. The application status, payment for pollution prevention control fees and the establishment of environmental protection personnel and measures are as follows:

Type of pollution:	Source of pollution	Pollutant	Pollution treatment equipment	Type of treatment
Waste gas	Generated during partial patching of the coating process	Particulate pollutant	Dust collection and washing equipment	Removal of particulate pollutants and adsorbed substances
Waste water	Domestic waste water for employees	COD, BOD, SS, PH, etc.	Pumping well PH adjustment tank Quick Mixing Tank	The wastewater is discharged to the outside of the plant through a pH adjustment tank, a chemical section to remove SS and a small amount of COD, and a sludge drying barrel to remove excess sludge water content, and the upper liquid is discharged to the outside of the plant through a drainage well. After treatment, the water quality meets the discharge water standard.
	Waste water from the manufacturing process		Slow Mixing Tank Chemical sedimentation tank Drainage wells	
Wastes	Generate by employees	Domestic garbage	Store the waste in the temporary storage area to prevent secondary pollution, and then have it removed and disposed of by qualified cleaning companies.	1. Incineration 2. Reuse 3. Burial
	Generated from the manufacturing process	Waste paint residue		
	Waste gas treatment equipment	Dust collection		
	Waste Water Treatment Plant	Sludge		

Item	Permit (letter) certificate name and content
Stationary pollution source operation permit	Zhong Shi Fu Huan Kong Cao Zheng Zi No.0535-04

Air Pollution Prevention specialist	Lai, Yi-Lin, full-time employee in charge of preventing and controlling Grade A pollution (107) Huan Shu Xun Zheng Zi No.FA190140
Payment of pollution prevention control fees	The Company pays pollution prevention control fees as required by law
Waste clean plan approval number	Zhong Shi Huan Fei Zi No.1100134957 Change Approval
Water Pollution Prevention Control Permit	Zhong Shi Fu Huan Shui Xu Zi No.00132-05

3. Estimated environmental protection capital expenditures for the next three years. At present, the Company and all of its subsidiaries comply with the laws and regulations on environmental protection. In case of amendment or revision, improve the budget and invest in the main equipment.

(II) Working environment and employee safety protection measures:

1. Formulate an occupational safety and health system to specify matters about occupational safety management so that the employees will follow the system.
2. Safety and health management

(1) Regularly perform automatic inspections for all parts of the machines and equipment inside the plant. The departments shall inspect the machines and equipment they manage or operate before or during daily operations according to the inspection items specified by the original manufacturers or laws. If anomalies exist, they shall be recorded in the operation record and repaired.

(2) Before work begins, check whether the machinery and protective devices are normal; if abnormal sound or other abnormal conditions are found in operation, the machine must be stopped early for inspection; for high-speed, high-pressure machinery, special attention should be paid to compliance and additional protective measures to protect the safety of the operating staff.

(3) Workplaces for mechanical equipment generated by the sound exceeds the legal standards of decibels, to improve the maintenance of machinery and other control methods to reduce noise or noise isolation and wear anti-noise protective equipment (such as ear plugs, earmuffs) to avoid hearing damage.

(4) The workplaces shall be equipped with sufficient respiratory protection equipment. The respiratory protection equipment with any damages, defects or other protection deficiencies may be replaced by filling in and signing the requisition form for personal protective equipment.

(5) In accordance with the regulations for public safety inspection and for filing requirements, a professional company is commissioned to conduct public safety inspections every two years.

(6) In accordance with the Fire Protection Act, we appoint a qualified fire protection vendor to conduct fire protection inspection and filing every year to maintain the safety of the plant's traffic flows.

(7) According to the plant's occupational safety and health code of practice, the maintenance and inspection of high and low voltage electrical equipment,

elevators, air conditioners, automobiles, fire-fighting apparatus and other equipment are conducted on a daily, monthly, tri-monthly or annual basis.

(8) Perform regular education and training (including internal occupational safety and health, as well as license education and training).

(9) Hold regular Occupational Safety Committee meetings, where topics on improvement of working environment, safety, health, improvement of production processes and employee complaints may be proposed.

3. Environmental Safety

(1) The 6s working environment management rules are implemented in working environment and workplace to provide more comfortable working conditions for employees.

(2) We regularly invite qualified vendors to inspect our domestic drinking water and water dispensers to ensure that the equipment and water quality remain in normal condition and meet drinking water standards.

(3) Every six months, we ask the Occupational Safety and Health Administration of the Ministry of Labor to appoint a qualified monitoring organization to conduct various monitoring items (such as noise, dust, illumination, CO_2, etc.) to protect the physical and mental health of our employees in the workplace.

(4) Contractors entering the plant shall comply with the regulations of the plant's contractor management (e.g., the entry hazard notification and other relevant control regulations) and shall be aware of the plant's various hazard areas and equipment in advance so that they can complete their work tasks safely and smoothly.

(5) Tight access surveillance is in place for day and night and we have a contract with a security company to strengthen security at night and on holidays, to maintain plant security and also link up with police and security units for security.

(6) To protect all employees’ safety and health in compliance with laws and regulations, the Company has set up a special level-1 labor security office to handle matters about safety, health and health promotion. A report has been made to the Taichung Labor Protection Office for archiving.

4. Medical Care

(1) The plant employs dedicated health care staff for employees to consult on medical care and health promotion related business, and a doctor to be on-site every month for employees to specifically consult on medical care and evaluate the working environment and countermeasures.

(2) The Company does more than what’s required by the law to allow employees to have regular health checkups and special health checkups for employees in special operations to protect the health of operators and to assess the operating environment and adjust the operating conditions in a timely manner to care for employees' various operating conditions.

(3) Set up a breastfeeding room and create a friendly breastfeeding environment in the workplace in combination with the health welfare policies of the Executive Yuan.

(4) Draft an emergency response plan for infectious diseases to realize the overall anti-epidemic objectives of “preventing and avoiding pollution”, “alleviating impacts and making rapid responses”.

5. Fire Protection Safety

(1) In accordance with the provisions of the Fire Protection Act, we regularly ask qualified vendors to inspect our plants every year and formulate fire protection plans, set up complete fire protection systems, and conduct regular education and training on notification, firefighting, and disaster avoidance in accordance with the law, and report to the fire department on a regular basis.

(2) Draft an emergency response plan, identify all events which might cause serious consequences based on risk evaluation, and organize regular drills and improvements.

6. Sexual Harassment Prevention

We have set up a dedicated window for handling complaints and established rules and penalties to protect the safety of our employees at work.

V. Labor relations

(I) List the Company's employee welfare measures, training, education and retirement systems and their implementation, as well as the agreements between management and employees and measures to protect the rights and interests of employees

1. The Company’s employee welfare measures

(1) Insurance: In addition to the statutory labor and health insurance, we also provide group insurance (life insurance, accident insurance, and hospitalization insurance) for our employees.

(2) Health and Safety:

A. The Company sponsors a free employee health checkup once a year and assists in the follow-up treatment or observation of employees with abnormal health checkup results or special conditions to ensure the health of our employees.

B. Appoint nurse practitioners and arrange physicians to provide services on site on the first day of each month so that the employees can consult about related issues, including personal health and drug use.

C. Implement health promotion programs, such as quit smoking, nutrition management, weight loss classes, physical fitness testing, stress management, and other health-related seminars, and organize various health promotion activities such as hiking, dodgeball tournaments, and badminton tournaments.

D. Install Automated External Defibrillator (AEDs) and arrange annual training to teach employees how to use them in case of emergency.

E. Set up parking spaces for pregnant women; protect the safety and health of the female employees.

(3) About leisure and recreation:

Build an Employee Welfare Committee, where the grassroots employees act as committee members to dominate operations, in order to satisfy employee needs. The Employee Welfare Committee takes charge of the following businesses:

A. Organize employee travels and different leisure activities.

B. Provide wedding and funeral allowances, New Year/festival consolations, birthday gifts, year-end party, maternity allowance, emergency rescue, and franchising, etc.

C. Fund activities of social clubs.

(4) Social club:

The Company has established a bicycle club to encourage employees and executives to join. The welfare committee subsidizes operations of this club to encourage the employees to embark on proper and healthy leisure activities after work.

(5) Leave of absence:

With reference to different types of leave granted under the Labor Standards Act, the employees can independently search their leave status and remaining hours in the leave system. The executives can also instantly look up and care for the employees' leave status, to help the employees maintain a balance between their work and life.

(6) Others: Hand out summer/winter uniforms; provide employee canteens, which serve free lunch and supper.

2. Further training, education and implementation

Offer employees education and training programs at the right time, including education and training for new employees, development of executives' and leaders' occupational skills, training for research and development personnel, quality management promotion and enhancement of work skills. Strengthen professional knowledge or skills training for employees embarking on different jobs at the right time.

(1) Education and training for new employees

In order that the new employees could smoothly integrate themselves into the work environment, the Human Resources Department organizes related education and training programs for the new employees when they take office. At work, the new employees are also given on-the-job training and guidance as well as assistance by other senior employees.

(2) Management Leadership Development

According to the function of each management, we design and plan the leadership program, and devise the related management courses accordingly.

(3) R&D Staff Development

Confirm our core technologies and R&D capabilities, integrate professional knowledge, and establish systematic physical training programs to strengthen and pass on the professional technical skills of our R&D staff and create the utility of knowledge sharing and management.

(4) Quality Management Promotion

In order to build the quality concept of our employees, we not only promote quality-related activities, but also plan relevant quality management training courses to pursue excellent quality industrial safety and environmental protection standards to comply with governmental environmental protection laws and regulations and to be in line with the international trend of environmental protection, and with the goal of "zero disaster" and "zero pollution" according to Industrial Safety and Environmental Protection requirements. We also plan and practice related education and training programs to raise employees' awareness of environmental protection and ensure industrial safety knowledge and skills.

(5) Job Skill Enhancement

In order to assist our employees to enhance their work skills and improve their efficiency, we plan various courses on job-related skills and general management.

3. Implementation of retirement system

The Company handles matters regarding retirement of the labor workers based on the Labor Standards Act and the Labor Pension Act. The Company has a complete financial system for ensuring that the employees will be appropriated and paid stable and fixed pension, to further encourage the employees to make long-term plans and contributions for serving the Company. In 2022, no employee retired from the Company, and 32 employees are expected to retire in 2023.

4. Agreement between labor and management

We hold regular labor-management meetings and set up a complaint channel to help employees solve their problems and protect their legitimate rights and interests, and to effectively handle employee complaints.

5. Employee rights protection measures

(1) The Company regularly holds labor-management meetings to build good labor-management trust.

(2) The Company regularly performs workplace safety inspection, labor safety education and training, and health examination for employees. Specialist physicians are monthly arranged to the plant to provide consultations on medical or health issues, in order to provide safe and healthy work environment for the employees.

(3) The Company formulates pertinent administrative measures, including Administrative Measures for Female Labor Workers’ Maternity and Health Protection and Administrative Measures for Preventing Illegal Infringement in Performing Duties, to protect employee rights and interests.

(II) List the losses suffered from labor disputes in the most recent year and the current year up to the date of publication of the annual report, and disclose the estimated amount of current and potential future losses and countermeasures:

1. Losses suffered from labor disputes in the most recent year and the current year up to the date of publication of the annual report: None.

2. The Company has always attached great importance to compliance with labor laws and regulations and the care of employee welfare, and has emphasized communication and coordination with employees, so the possibility of labor disputes is extremely low.

VI. Information security management

(I) The Information Management Department is responsible for information security in the Company. This department has one executive, several professional information engineers and equipment engineers, who take charge of formulating corporate information security policies, information security measures, systematic operations strategies, implementing equipment operation and maintenance projects, analyzing data decisions, executing management actions for routine maintenance and operation, and protecting security of related information operations. Considering that information security arouses great concerns, the responsible department regularly reports the Company's information security governance and execution to the Board of Directors every year.

(II) Objectives of information security management

1. Maintain effectiveness and constant operation of the information system
2. Prevent the system environment and information infrastructure from being invaded or impaired by hackers or viruses
3. Prevent improper human intents and illegal use of information services
4. Prevent inappropriate disclosure of confidential and sensitive data
5. Avoid accidents arising from human errors
6. Protect safety of working environment

(III) Information security rules and administrative measures for information facilities

1. Management of server hosts and machine room equipment

(1) Equip the special machine room with different system hosts, servers and equipment. The access of the machine room is controlled with a password lock. Maintain access records for inquiry.

(2) Mount an independent air conditioner inside the machine room to maintain appropriate temperature and humidity for the computer equipment. Mount fire extinguishers for general or electrical fire.

(3) Configure equipment with uninterrupted power and stable voltage, and connect it to the self-prepared power generator system, to avoid system failure for accidental instantaneous power outage, and ensure that the networks of the server and the computer room won't be suspended from working in case of temporary power outage, in order to make responses.

2. Network security management rules

(1) Configure corporate firewalls, to ensure that external network connections demonstrate protection capabilities and block illegal invasion.

(2) Taichung head office and Dongguan production base have constructed MPLS VPN lines, which prevent data from being illegally captured in the process of transfer in combination with data encryption.

(3) Plan policies on application for and use of VPN accounts. Provide services for

remote access to the Company's internal network, to make it convenient to access the ERP system and related job resources during remote operations. Maintain corresponding access records for further check.

(4) Mount Internet access management and filtration equipment to control access to the Internet. Shield access to harmful websites and services or those banned by policies. Enhance cybersecurity and prevent improper occupation of bandwidth resources.

3. Virus protection and management rules

(1) Endpoint security software is installed for system servers and computers at work terminal for automatically updating central management of virus codes and management policy servers, to make sure of blocking new viruses. Besides, the software can detect and prevent installations with potential threats. It can shield illegal connections of external storage devices to terminal computers, to prevent data disclosure and viral infection.

(2) The email server blocks viruses or spam from entering users' PC in combination with email anti-virus function, spam filtration mechanism abnormal access blocking and detection. Combined with the anti-virus software of the office computers, it enhances the ability to protect the working environment.

4. System access control strategies.

(1) The Information Management Department creates system accounts with the approval of the responsible executives according to the Company's standardized application procedures for system accesses, sign-off and verification procedures. The system administrators or operators may access relevant services only after obtaining the function permissions.

(2) The account password must consist of the specified number of characters, which must be a combination of letters, numbers and special symbols for ensuring appropriate password intensity.

(3) In handling resignation formalities, the employees have to delete all system accounts, return and reset equipment together with the Information Management Department according to the specified procedures, in order to reduce risks of improper accesses to the systems.

5. Policies for sustainable system operations.

(1) System/data backup: Create multi-point strategies, daily or monthly backups according to material characteristics. Save data with magnetic tapes in addition to creating backups with NAS. Ensure that all saved duplicates and media are deposited in several places to ensure security of system data and reduce risks of natural disasters.

(2) Disaster recovery drills: Perform a drill for each system once a year. After selecting the basis point of the recovery date, the backup media saves the data in the system host, and subsequently, the user confirms correctness of the reply data, to ensure correctness and effectiveness of the backup media.

(3) For external connections, multiple data lines of several telecommunication

companies are used as backup strategies. Multiple lines are utilized as backups for alternative use, to ensure that external network communications will not be interrupted and lower the risks of unexpected disconnections.

6. Information security promotion and implementation rules

(1) Promotion by announcements: Announcements are made from time to time for information security promotion or impartation of new knowledge about information security, to increase the employees' awareness of information security.

(2) Promotion by lectures: Organize regular education and training lectures related to information security, and provide the employees with learning environment.

(3) System rules: Establish compulsory principles through system parameters and actively make requests on password length/complexity and regular password replacement, to protect account security.

7. Information equipment management

(1) List and manage information equipment through the ERP system, and update system records at the time of equipment transfer.

(2) Anti-virus software shall be mounted for all terminal devices, which shall be connected to the management server for updating and accepting management by the information security strategies.

(3) In combination with VDI, the users with specific needs use the working environment of VDI for more flexible application of the devices.

(IV) Indicate the losses resulting from major information security events, possible impacts and countermeasures in the most recent years and as of the publication date of the annual report. If the losses cannot be reasonably estimated, explain the reason: None.

VII. Important contracts

List the parties to the purchases and sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts and other contracts of material importance to shareholders' equity that were in effect as of the publication date of the annual report and that expired in the most recent year, their principal contents, restrictive clauses and dates of commencement and expiration of the contracts:

Nature of the contracts	The parties involved	Dates of commencement and expiration of the contracts	Principal contents	Restrictive clauses
Long-term loan	King's Town Bank	June 9, 2021 - June 9, 2024	Unsecured loans	None
Long-term loans	King's Town Bank	January 7, 2022 - January 6, 2025	Secured loan	None
Long-term loans	King's Town Bank	June 8, 2022 - June 8, 2025	Unsecured loans	None
Long-term loans	First Commercial Bank	2020.07.30-2025.06.30	Secured loan	None
Long-term loans	The Shanghai Commercial & Savings Bank	November 8, 2021 - October 8, 2024	Secured loan	None
Long-term loans	The Shanghai Commercial & Savings Bank	October 5, 2022 - October 5, 2025	Secured loan	None
Long-term loans	Jih Sun Lease	September 8, 2022 - September 15, 2024	Secured loan	None
Long-term loans	ICBC Lease	October 28, 2022 - October 28, 2024	Secured loan	None
Long-term loans	Warehouse Lease	November 30, 2022 - November 30, 2024	Secured loan	None

Six. Finance overview

I. Condensed balance sheet and comprehensive income statement for the most recent 5 years

(I) Condensed balance sheet - IFRS

Unit: NTD thousand

Item \ Year		Financial information for the most recent 5 years (Note 1)					Financial information as of March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		3,210,922	2,905,619	2,797,191	3,648,047	5,044,586	4,878,598
Property, plant and equipment (Note 2)		670,912	611,965	591,907	572,532	625,917	634,975
Intangible assets		4,731	214,012	204,483	198,755	219,437	217,154
Other assets (Note 2)		943,307	909,132	853,338	815,657	672,317	694,530
Total Assets		4,829,872	4,640,728	4,446,919	5,234,991	6,562,257	6,425,257
Current liabilities	Before distribution	2,909,929	2,268,686	2,458,908	2,813,712	3,389,071	3,313,807
	After distribution	2,909,929	2,268,686	2,458,908	2,813,712	Note 4	Note 4
Non-current liabilities		797,675	1,142,555	622,562	423,722	772,493	749,526
Total Liabilities	Before distribution	3,707,604	3,411,241	3,081,470	3,237,434	4,161,564	4,063,333
	After distribution	3,707,604	3,411,241	3,081,470	3,237,434	Note 4	Note 4
Equity attributable to shareholders of parent company		1,107,502	1,229,487	1,365,449	1,997,557	2,400,693	2,361,924
Capital stock		2,203,582	2,342,508	2,432,787	2,996,009	3,017,243	3,017,243
Capital surplus		83,670	61,122	92,940	125,427	132,317	132,317
Retained earnings	Before distribution	(782,357)	(739,048)	(731,204)	(646,616)	(310,113)	(354,996)
	After distribution	(782,357)	(739,048)	(731,204)	(646,616)	Note 4	Note 4
Other equity		(397,393)	(435,095)	(429,074)	(477,263)	(438,754)	(432,640)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		14,766	-	-	-	-	-
Total equity	Before distribution	1,122,268	1,229,487	1,365,449	1,997,557	2,400,693	2,361,924
	After distribution	1,122,268	1,229,487	1,365,449	1,997,557	Note 4	Note 4

Note 1: All financial information for the aforementioned years have been reviewed and attested by CPAs.

Note 2: Those performing asset revaluation shall indicate the revaluation date and surplus.

Note 3: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPA as of the publication date of the annual report.

Note 4: Indicate the aforementioned post-distribution figures according to the resolutions of the Board of Directors or the shareholders' meeting of the following year.

Note 5: Where the financial information has to be independently corrected or reedited as notified by competent authorities, the corrected figures shall be indicated. Also, indicate corresponding circumstances and causes.

Information on condensed consolidated income statement - IFRS

Unit: NTD thousand

Item \ Year	Financial information for the most recent 5 years (Note 1)					Financial information as of March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenues	3,929,836	4,056,886	4,022,938	4,613,524	5,591,120	1,110,569
Operating gross profit	300,335	306,676	377,027	544,042	826,903	86,588
Operating profits or losses	(1,096,024)	(307,304)	(8,506)	127,769	357,607	(62,010)
Non-operating revenues and expenditures	(548,835)	20,303	15,847	(7,729)	81,677	8,775
Net profits before tax	(1,644,859)	(287,001)	7,341	120,040	439,284	(53,235)
Net profits for the period from continuing operations	(1,520,107)	(240,301)	11,160	82,591	334,358	(51,768)
Losses from discontinued operations	-	-	-	-	-	-
Net profits (losses) for the period	(1,520,107)	(240,301)	11,160	82,591	334,358	(51,768)
Other comprehensive income (net after tax) for the period	(432,500)	(37,714)	2,705	(46,192)	40,654	12,999
Total comprehensive income for the period	(1,952,607)	(278,015)	13,865	36,399	375,012	(38,769)
Net profits attributable to shareholders of parent company	(1,520,129)	(240,301)	11,160	82,591	334,358	(51,768)
Net profits attributable to non-controlling interests	22	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	(1,952,629)	(278,015)	13,865	36,399	375,012	(38,769)
Total comprehensive income attributable to non-controlling interests	22	-	-	-	-	-
Earnings per share	(8.09)	(1.55)	0.05	0.29	1.11	(0.17)

Note 1: All financial information for the aforementioned years have been reviewed and attested by CPAs.

Note 2: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPA as of the publication date of the annual report.

Note 3: Losses from discontinued operations shall be listed after deduction of the income taxes.

Note 4: Where the financial information has to be independently corrected or reedited as notified by competent authorities, the corrected figures shall be indicated. Also, indicate corresponding circumstances and causes.

Stand-alone condensed balance sheet - IFRS

Unit: NTD thousand

Item \ Year		Financial information for the most recent 5 years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		2,041,078	1,627,913	1,472,640	1,809,878	2,715,884
Property, plant and equipment (Note 2)		254,160	244,775	242,860	258,147	255,479
Intangible assets		867	970	669	1,442	1,737
Other assets		1,993,379	2,211,334	1,881,639	2,191,008	2,277,374
Total Assets		4,289,484	4,084,992	3,597,808	4,260,475	5,250,474
Current liabilities	Before distribution	2,089,589	1,519,361	1,710,276	1,969,508	2,185,169
	After distribution	2,089,589	1,519,361	1,710,276	1,969,508	Note 3
Non-current liabilities		1,092,393	1,336,144	522,083	293,410	664,612
Total Liabilities	Before distribution	3,181,982	2,855,505	2,232,359	2,262,918	2,849,781
	After distribution	3,181,982	2,855,505	2,232,359	2,262,918	Note 3
Equity		1,107,502	1,229,487	1,365,449	1,997,557	2,400,693
Share capital		2,203,582	2,342,508	2,432,787	2,996,009	3,017,243
Capital surplus		83,670	61,122	92,940	125,427	132,317
Retained earnings	Before distribution	(782,357)	(739,048)	(731,204)	(646,616)	(310,113)
	After distribution	(782,357)	(739,048)	(731,204)	(646,616)	Note 3
Other equities		(397,393)	(435,095)	(429,074)	(477,263)	(438,754)
Treasury stock		-	-	-	-	
Total equities	Before distribution	1,107,502	1,229,487	1,365,449	1,997,557	2,400,693
	After distribution	1,107,502	1,229,487	1,365,449	1,997,557	Note 3

Note 1: All financial information for the aforementioned years have been reviewed and attested by CPAs.

Note 2: Those performing asset revaluation shall indicate the revaluation date and surplus.

Note 3: Indicate the aforementioned post-distribution figures according to the resolutions of the Board of Directors or the shareholders' meeting of the following year.

Note 4: Where the financial information has to be independently corrected or reedited as notified by competent authorities, the corrected figures shall be indicated. Also, indicate corresponding circumstances and causes.

Information on condensed standalone income statement - IFRS

Unit: NTD thousand

Item \ Year	Financial information for the most recent 5 years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenues	2,035,562	1,912,789	1,901,845	2,383,253	3,191,538
Operating gross profit	133,308	114,886	84,123	147,360	336,452
Operating profits or losses	(613,767)	(140,906)	(91,191)	(8,553)	149,119
Non-operating revenues and expenditures	(1,023,963)	(165,865)	87,785	101,396	282,106
Net profit before tax (net loss)	(1,637,730)	(306,771)	(3,406)	92,843	431,225
Profits and losses from continuing operations	(1,520,129)	(240,301)	11,160	82,591	334,358
Profits and losses from discontinued operations	-	-	-	-	-
Net profits (net losses) for the period	(1,520,129)	(240,301)	11,160	82,591	334,358
Other comprehensive profits and losses for the period	(432,500)	(37,714)	2,705	(46,192)	40,654
Total comprehensive income for the period	(1,952,629)	(278,015)	13,865	36,399	375,012
Earnings per Share	(8.09)	(1.55)	0.05	0.29	1.11

Note 1: All financial information for the aforementioned years have been reviewed and attested by CPAs.

Note 2: Losses from continuing and discontinued operations shall be listed after deduction of the income taxes.

Note 3: Where the financial information has to be independently corrected or reedited as notified by competent authorities, the corrected figures shall be indicated. Besides, indicate corresponding circumstances and causes.

(II) Attesting CPA and audit opinions for the most recent 5 years

Year	Attesting CPA	Audit opinion	Reason for change of CPA
2018	Deloitte & Touche Taiwan CPA Su-Li Fang, Dong-Hui Ye	Unqualified opinion with emphasis matters and other matters paragraphs	Considering the business development and internal management needs of the Company For internal management
2019	Deloitte & Touche Taiwan CPA Su-Li Fang, Dong-Hui Ye	Highlighted and other matters with unqualified opinions	None
2020	Deloitte & Touche Taiwan CPA Su-Li Fang, Dong-Hui Ye	Highlighted and other matters with unqualified opinions	None
2021	Deloitte & Touche Taiwan CPA Su-Li Fang, Dong-Hui Ye	Highlighted and other matters with unqualified opinions	None
2022	Deloitte & Touche Taiwan CPA Su-Li Fang, Dong-Hui Ye	Unqualified opinions	None

II. Financial analysis for the most recent 5 years

(I) Consolidated financial analysis - IFRS

Analysis (Note 3) \ Year (Note 1)		Financial information of the most recent five years					Financial information as of March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Capital structure	Debt to assets ratio (%)	76.76	73.51	69.29	61.84	63.41	63.24
	Long-term capital to property, plant and equipment ratio (%)	256.72	330.20	335.86	422.90	506.96	447.71
Solvency	Current ratio (%)	110.34	128.07	113.76	129.65	148.84	147.22
	Quick ratio (%)	65.07	72.50	64.19	55.55	63.48	61.56
	Interests coverage multiplier	(2759.78)	(348.71)	116.59	435.05	874.36	(134.95)
Operating performance	Accounts receivable turnover rate (times)	2.34	4.06	4.89	6.53	5.59	0.91
	Average collection days	155.98	89.90	74.64	55.89	65.29	401.09
	Inventory turnover rate (times)	3.24	3.11	3.20	2.66	2.02	0.37
	Accounts payable turnover rate (times)	4.79	5.71	4.64	4.46	5.40	1.43
	Average sales days	112.65	117.36	114. 06	137.21	180.69	986.48
	Property, plant and equipment turnover rate (times)	5.86	6.63	6.80	8.05	8.93	1.74
	Total assets turnover rate (times)	0.81	0.87	0.90	0.88	0.85	0.17
Profitability	Return on assets (%)	(26.91)	(3.99)	1.02	2.29	6.43	(0.51)
	Return on equity (%)	(81.80)	(20.57)	0.86	4.91	15.20	(2.17)
	Net profits before tax to paid-in capital (%) (Note 8)	(87.04)	(14.58)	0.35	4.53	16.20	(1.95)
	Net profit margin (%)	(38.68)	(5.92)	0.28	1.79	5.98	(4.66)
	Earnings per Share (NTD)	(8.09)	(1.55)	0.05	0.29	1.11	(0.17)
Cash flow	Cash flow ratio (%)	(31.08)	4.31	22.97	(18.51)	(25.42)	(3.17)
	Cash flow adequacy ratio (%)	(439.81)	138.71	21.25	(51.63)	(76.83)	(129.77)
	Cash reinvestment ratio (%)	(72.75)	6.48	27.98	(20.51)	(24.87)	(3.11)
Leverage	Operating leverage	93.61	77.60	(551.38)	143.46	115.57	68.62
	Financial leverage	95.01	81.55	16.13	138.96	118.85	73.23

Explanation on causes of changes in financial ratios in the most recent two years (no need to analyze for increase or decrease of no more than 20%)

1. Interests coverage multiplier: Attributable to increase in the net profits for the period.
2. Inventory turnover rate, days sales outstanding: Attributable to the increase in the inventories for the period.
3. Accounts payable turnover rate (times): Attributable to increase in the costs of goods sold for the period.
4. Return on assets, return on equity: Attributable to the increase in the net profits for the period.
5. Operating profits to paid-in capital: Attributable to the increase in the operating profit for the period.
6. Net profits before tax to paid-in capital: Attributable to the increase in the net profits before tax.
7. Net profit margin, earnings per share: Attributable to the increase in the net profits for the period.
8. Cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: Attributable to the decrease of the net cash inflow from operating activities in the period.

Note 1: The financial information for the years mentioned above have been audited and attested by CPAs.

Note 2: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPA as of the publication date of the annual report.

Note 3: The following calculation formula should be shown at the end of this schedule in the annual report.

1. Capital structure
   (1) Debt to assets ratio = total liabilities/total assets
   (2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities
   (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities
   (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period
3. Operating performance
   (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
   (2) Average collection days = 365/accounts receivable turnover rate
   (3) Inventory turnover rate = costs of goods sold/average inventory
   (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
   (5) Average sales days = 365/inventory turnover rate
   (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment
   (7) Total assets turnover rate = net sales/average total assets
4. Profitability
   (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets
   (2) Return on equity = net profits after tax/average total equity
   (3) Net profit margin = net profits after tax/net sales
   (4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals). (Note 5)
6. Leverage
   (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profits. (Note 6)
   (2) Financial leverage = operating profits / (operating profits - interest expense).

Note 4: Special attention should be paid to the following when measuring earnings per share with the above calculation formula:

1. Based on the weighted-average number of common shares rather than the number of shares outstanding at the end of the year.
2. Where there is cash capital increase or treasury stock transactions, the weighted average number of shares should be used considering the period of circulation.
3. Where there is a capital increase by retained earnings or capital surplus, when calculating the annual or semi-annual earnings per share for previous years, retrospective adjustments should be made in proportion to the capital increase, regardless of the issuance period of such capital increase.
4. If the preferred shares are non-convertible and cumulative, their dividends for the current year (whether paid or not) should be deducted from the net profits after tax, or added to the net losses

after tax. If the preferred shares are non-cumulative, their dividends should be deducted from net profits after tax if there are net profits after tax; if there are net losses, no adjustment is required.

Note 5: Special attention should be paid to the following in performing cash flow analysis.

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increase in inventory is included only if the ending balance is greater than the beginning balance, or zero if inventory decreases at the end of the year.
4. Cash dividends include cash dividends on common stock and preferred stock.
5. Gross property, plant and equipment represent the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgments are involved, pay attention to the reasonableness and maintain consistency.

Note 7: If the Company's stock has no face value or the face value per share is not NT$10, the ratios related to paid-in capital in the preceding paragraph should be replaced with the ratio of equity attributable to shareholders of the parent in the balance sheet.

Stand-alone financial analysis - IFRS

Analysis (Note 3) \ Year (Note 1)		Financial information of the most recent five years				
		2018	2019	2020	2021	2022
Capital structure	Debt to assets ratio (%)	74.18	69.9	62.05	53.11	54.28
	Long-term capital to property, plant and equipment ratio (%)	988.99	1048.16	772.20	887.46	1199.83
Solvency	Current ratio (%)	97.68	107.14	86.11	91.89	124.29
	Quick ratio (%)	76.17	83.58	61.39	47.91	66.24
	Interests coverage multiplier	(4,556.35)	(679.85)	88.68	486.28	1182.09
Operating performance	Accounts receivable turnover rate (times)	2.89	2.84	3.27	4.70	4.01
	Average collection days	126	128	112	77	91
	Inventory turnover rate (times)	4.64	4.86	5.06	3.74	2.84
	Accounts payable turnover rate (times)	5.16	5.42	4.57	4.62	6.36
	Average sales days	78.68	75.16	72.16	97.60	128.56
	Property, plant and equipment turnover rate (times)	8.01	7.81	7.83	9.23	12.49
	Total assets turnover rate (times)	0.47	0.47	0.53	0.56	0.61
Profitability	Return on assets (%)	(32.82)	(4.96)	0.92	2.59	7.70
	Return on equity (%)	(83.65)	(18.13)	0.86	4.91	15.20
	Net profits before tax to paid-in capital (%)	(27.85)	(7.16)	(4.35)	(0.32)	5.50
	Net profits before tax to paid-in capital (%)	(86.66)	(15.58)	(0.16)	3.51	15.91
	Net profit margin (%)	(74.68)	(12.56)	0.59	3.46	10.48
	Earnings per Share (NTD)	(8.09)	(1.55)	0.05	0.29	1.11
Cash flow	Cash flow ratio (%)	(23.02)	15.63	14.21	(8.82)	(36.68)
	Cash flow adequacy ratio (%)	(20.87)	144.42	151.87	(18.74)	(105.43)

	Cash reinvestment ratio (%)	(22.96)	12.60	15.56	(8.65)	(27.28)
Leverage	Operating leverage	96.52	93.9	85.27	(94.87)	110.07
	Financial leverage	94.58	78.18	75.20	26.24	136.47

Explanation on causes of changes in financial ratios in the most recent two years (no need to analyze for increase or decrease of no more than 20%)

1. Long-term capital to fixed assets: Attributable to the increase in the net shareholder equity and non-current liabilities in the period.
2. Current ratio, quick ratio: Attributable to the increase in the current assets.
3. Interests coverage multiplier: Attributable to increase in the net profits for the period.
4. Inventory turnover rate, days sales outstanding: Attributable to the increase in the inventories for the period.
5. Accounts payable turnover rate (times): Attributable to the increase in the costs of goods sold for the period.
6. Fixed asset turnover ratio: Attributable to the increase in the net sales for the period.
7. Return on assets, return on equity: Attributable to the increase in the net profits for the period.
8. Operating profits and net profits before tax to paid-in capital: Attributable to the increase in the operating profits and net profits before tax.
9. Net profit margin, earnings per share: Attributable to the increase in the net profits for the period.
10. Cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: Attributable to the decrease of the net cash inflow from operating activities.
11. Operating and financial leverage: Attributable to the increase in the operating profits.

Note 1: The financial information for the years mentioned above have been audited and attested by CPAs.

Note 2: The following calculation formula should be shown at the end of this schedule in the annual report.

1. Capital structure
   (1) Debt to assets ratio = total liabilities/total assets
   (2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment
2. Solvency
   (1) Current ratio = current assets/current liabilities
   (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities
   (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period
3. Operating performance
   (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
   (2) Average collection days = 365/accounts receivable turnover rate
   (3) Inventory turnover rate = costs of goods sold/average inventory
   (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
   (5) Average sales days = 365/inventory turnover rate
   (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment
   (7) Total assets turnover rate = net sales/average total assets
4. Profitability
   (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets
   (2) Return on equity = net profits after tax/average total equity
   (3) Net profit margin = net profits after tax/net sales

(4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding (Note 4)

5. Cash flow

(1)Cash flow ratio = net cash flow from operating activities/current liabilities.

(2)Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years (Note 5)

(3)Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals).

6. Leverage

(1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profits. (Note 6)

(2) Financial leverage = operating profits / (operating profits - interest expense).

Note 3: Special attention should be paid to the following when measuring earnings per share with the above calculation formula:

1. Based on the weighted-average number of common shares rather than the number of shares outstanding at the end of the year.
2. Where there is cash capital increase or treasury stock transactions, the weighted average number of shares should be used considering the period of circulation.
3. Where there is a capital increase by retained earnings or capital surplus, when calculating the annual or semi-annual earnings per share for previous years, retrospective adjustments should be made in proportion to the capital increase, regardless of the issuance period of such capital increase.
4. If the preferred shares are non-convertible and cumulative, their dividends for the current year (whether paid or not) should be deducted from the net profits after tax, or added to the net losses after tax. If the preferred shares are non-cumulative, their dividends should be deducted from net profits after tax if there are net profits after tax; if there are net losses, no adjustment is required.

Note 4: Special attention should be paid to the following in performing cash flow analysis.

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increase in inventory is included only if the ending balance is greater than the beginning balance, or zero if inventory decreases at the end of the year.
4. Cash dividends include cash dividends on common stock and preferred stock.
5. Gross property, plant and equipment represent the total amount of property, plant and equipment before accumulated depreciation.

Note 5: The issuer should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgments are involved, pay attention to the reasonableness and maintain consistency.

III. Audit Report of the Audit Committee on Financial Reports of the Most Recent Years

Ideal Bike Corporation

Audit Report of the Audit Committee

For the 2022 consolidated and standalone financial statements presented by the Board of Directors of the Company, an audit report has been issued upon auditing by CPA Su-Li Fang and Dong-Hui Ye of Deloitte & Touche Taiwan. The Audit Committee has audited the above financial statements, business report and profit & loss statement, and no inconsistency has been detected. A report has been prepared in accordance with Clause 4, Article 14 of the Securities Exchange Act and Article 219 of the Company Act for your verification.

Best regards

2023 General Shareholders' Meeting of the Company

Ideal Bike Corporation

Convener of the Audit Committee:__________

March 13, 2023

Independent Auditors' Report

To IDEAL BIKE CORPORATION:

Audit opinion

We have audited the parent company only balance sheet of Ideal Bike Corporation as of December 31, 2022 and 2021, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flow for the period from January 1 to December 31, 2022 and 2021, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the said parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the financial position of Ideal Bike Corporation as of December 31, 2022 and 2021, and the parent company only financial performance and parent company only cash flow for the period from January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the parent company only financial statements" section in this report. We were independent of Ideal Bike Corporation in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing Ideal Bike Corporation's parent company only financial statements for 2022. Such matters were addressed during the overall audit of the parent company only financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately towards such matters.

The key audit matters for Ideal Bike Corporation's parent company only financial statements for 2022 are described as follows:

Recognition of sales revenue

Ideal Bike Corporation mainly sold bicycles and parts. The company recognized NTD3,191,538,000 as sales revenue in 2022. Please refer to Note 23. Considering the change to the bike market in recent years, the risk of inflated sales revenue at a significant amount from new customers might be increased and produce a significant effect on the parent company only financial statements. Thus, we found that the existence and occurrence of increase in the aforementioned sales revenue were the important matters to be audited in the current year.

Our audit procedure included (but was not limited to) evaluating the appropriateness of Ideal Bike Corporation's accounting policy in recognition of revenues, understanding and testing the effectiveness of internal control with respect to order handling and shipping procedures, and conducting spot check of relevant sales revenue certificates and other documents and making sure there were no abnormalities involved in any sales targets and any parties from whom payments were collected.

Responsibility of the management and governance unit for the parent company only financial statements

The management was responsible for preparation of the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements were free of material misstatements due to fraud or errors.

During preparation of the parent company only financial statements, the management was also responsible for evaluating Ideal Bike Corporation's ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make Ideal Bike Corporation enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

Ideal Bike Corporation’s governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA’s responsibility for the audit of the Parent Company Only Financial Statements

We audited the parent company only financial statements for the purpose of obtaining reasonable assurance about whether the parent company only financial statements were free of material misstatements due to fraud or errors and issuing an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the parent company only financial statements. The misstatements might be due to fraud or errors. If an individual or total amount misstated was reasonably expected to have a impact on the economic decision-making of users of the parent company only financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the generally accepted auditing standards. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the parent company only financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. 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. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions towards the effectiveness of Ideal Bike Corporation’s internal control.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness of application of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about Ideal Bike Corporation’s

ability of going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the parent company only financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Ideal Bike Corporation would no longer have the ability of going concern.

5. We evaluated the overall presentation, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising Ideal Bike Corporation to provide opinions towards the parent company only financial statements. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on Ideal Bike Corporation.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Ideal Bike Corporation's parent company only financial statements for 2022 based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the audit report.

Deloitte & Touche Taiwan

CPA: Su-Li Fang

No. of approval official letter from the Financial Supervisory Commission: Jin-Guan-Zheng-Liu-Zi No. 0940161384

CPA: Yeh Tung-Hui

No. of approval official letter from the Financial Supervisory Commission: Jin-Guan-Zheng-Shen-Zi No. 0980032818

March 13, 2023

IDEAL BIKE CORPORATION

Parent Company Only Balance Sheet

December 31, 2022 and 2021

Unit: NTD thousand

Code	Asset	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash (Note 4, 6 and 28)	$ 289,546	6	$ 394,528	9
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7, and 28)	13,881	-	21,597	1
1170	Notes and accounts receivable, net (Notes 4, 5, 10, 23, and 28)	670,454	13	276,633	6
1180	Accounts receivable – related party, net (Notes 4, 23, 28, 29, and 31)	436,716	8	209,284	5
1200	Other receivables (Note 10 and 28)	12,645	-	7,745	-
1210	Other receivables – related party (Notes 28, 29, and 31)	21,880	1	27,358	1
1220	Current income tax assets (Note 4, 5 and 25)	228	-	168	-
130X	Inventory (Note 4, 5 and 11)	1,198,418	23	812,774	19
1410	Prepayment (Note 16)	70,058	1	53,352	1
1470	Other current assets (Note 16)	2,058	-	6,439	-
11XX	Total current assets	2,715,884	52	1,809,878	42
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income non-current (Notes 4, 8, and 28)	12,638	-	97	-
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 28, and 30)	171,836	3	294,892	7
1550	Investment under equity method (Notes 4, 12, 30, and 31)	1,886,058	36	1,655,950	39
1600	Property, plant, and equipment (Notes 4, 13 and 30)	255,479	5	258,147	6
1755	Right-of-use assets (Note 14)	25,347	1	546	-
1780	Intangible assets (Note 4 and 15)	1,737	-	1,442	-
1840	Deferred income tax assets (Note 4, 5 and 26)	169,293	3	229,610	6
1900	Other non-current assets (Note 3 and 16)	12,202	-	9,913	-
15XX	Total non-current assets	2,534,590	48	2,450,597	58
1XXX	Total assets	$ 5,250,474	100	$ 4,260,475	100

Code	Liability and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term loans (Note 17 and 28)	$ 1,182,719	23	$ 775,765	18
2120	Financial liabilities measured at fair value through profit or loss – current (Notes 4, 7, and 28)	-	-	1,459	-
2130	Contractual liabilities - current (Note 3 and 23)	25,217	-	38,202	1
2170	Notes and accounts payable (Note 19 and 28)	362,239	7	389,184	9
2180	Accounts payables – related party (Notes 28, 29, and 31)	43,419	1	102,824	2
2280	Lease liabilities - current (Note 14)	15,110	-	559	-
2219	Other payables (Note 20 and 28)	104,414	2	73,709	2
2220	Other payables - related party (Note 28 and 29)	17,863	-	10,213	-
2320	Long-term loans and corporate bonds maturing within one year (Notes 4, 7, 17, 18, 28, and 30)	429,645	8	575,560	14
2300	Other current liabilities (Note 30)	4,543	-	2,033	-
21XX	Total current liabilities	2,185,169	41	1,969,508	46
	Non-current liabilities				
2540	Long-term loans (Note 17, 28 and 30)	493,120	10	159,348	4
2570	Deferred income tax liabilities (Note 4 and 25)	145,124	3	115,447	3
2580	Lease liabilities - non-current (Note 14)	10,337	-	-	-
2640	Net defined benefit liabilities (Note 4 and 21)	16,031	-	18,615	-
25XX	Total non-current liabilities	664,612	13	293,410	7
2XXX	Total liabilities	2,849,781	54	2,262,918	53
	Equity (Note 4 and 22)				
	Share capital				
3110	Common stock capital	3,017,243	57	2,996,009	70
3200	Capital reserves	132,317	3	125,427	3
	Cumulative loss				
3310	Legal reserves	212,090	4	212,090	5
3320	Special reserves	78,308	1	78,308	2
3350	Losses to be covered	(600,511)	(11)	(937,014)	(22)
3400	Other equities	(438,754)	(8)	(477,263)	(11)
3XXX	Total equities	2,400,693	46	1,997,557	47
	Total liabilities and equities	$ 5,250,474	100	$ 4,260,475	100

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang CEO:Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION

Parent Company Only of Comprehensive Income

January 1 through December 31, 2022 and 2021

Unit: NTD thousand, except Earnings Per Share expressed in NTD1

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	Net operating revenue (Note 4, 23 and 29)	$ 3,191,538	100	$ 2,383,253	100
5000	Operating cost (Note 4, 11, 24 and 29)	2,855,086	90	2,235,893	94
5900	Operating gross profit	336,452	10	147,360	6
5910	(Unrealized) realized loss from sales involving subsidiaries and affiliates (Note 4)	(13,988)	-	(3,827)	-
5950	Realized operating gross profit	322,464	10	143,533	6
	Operating expense (Note 4, 24 and 29)				
6100	Marketing expense	84,593	2	73,734	3
6200	Administrative expense	88,985	3	79,215	3
6450	Expected gains on reversal of ECL	(233)	-	(863)	-
6000	Total operating expenses	173,345	5	152,086	6
6900	Operating profit (loss)	149,119	5	(8,553)	-
	Non-operating revenue and expense				
7100	Interest income (Note 24)	824	-	258	-
7010	Other incomes (Note 24 and 29)	35,310	1	18,836	1
7020	Other profits and losses (Note 24)	68,246	2	1,985	-
7050	Financial costs (Note 4 and24)	(39,851)	(1)	(24,035)	(1)
7070	Share of profit/loss of subsidiaries and associates under equity method (Note 4 and 12)	217,577	7	104,352	4
7000	Total non-operating revenues and expenses	282,106	9	101,396	4

(Next page)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
7900	Pre-tax profit	$ 431,225	14	$ 92,843	4
7950	Income tax expenses (Note 4, 5 and 25)	(96,867)	(3)	(10,252)	-
8200	Net profit for the year	334,358	11	82,591	4
	Other comprehensive income				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	2,145	-	1,997	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	(5,697)	-	-	-
8360	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences from translation of foreign financial statements (Note 4 and 22)	37,333	1	(40,158)	(2)
8399	Income tax related to titles potentially being reclassified	6,873	-	(8,031)	-
8300	Other comprehensive income (after tax) for the year	40,654	1	(46,192)	(2)
8500	Total comprehensive income for the year	$ 375,012	12	$ 36,399	2
	Earnings per share (Note 26)				
9710	Basic EPS	$ 1.11		$ 0.29	
9810	Diluted EPS	$ 1.11		$ 0.29	

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION

Parent Company Only Statement of Changes in Equity

January 1 through December 31, 2022 and 2021

Unit: NTD thousand unless otherwise specified.

Code		Share capital: Number of shares (thousand shares)	Share capital: Common stock capital	Capital reserves	Retained earnings (accumulated losses): Legal reserves	Retained earnings (accumulated losses): Special reserves	Retained earnings (accumulated losses): Undistributed earnings (Losses to be covered)	Other equities: Exchange differences from translation of foreign financial statements	Other equities: Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	Total equities
A1	Balance as of December 31, 2021	243,279	$2,432,787	$ 92,940	$ 212,090	$ 78,308	($1,021,602)	($ 134,788)	($ 294,286)	$1,365,449
	Changes in other capital surplus:									
C5	Components of equity recognized upon issuance of convertible corporate bonds	-	-	(4,842)	-	-	-	-	-	(4,842)
C17	Changes in other capital surplus	-	-	129	-	-	-	-	-	129
D1	Net profit for 2021	-	-	-	-	-	82,591	-	-	82,591
D3	Other comprehensive income after tax for 2021	-	-	-	-	-	1,997	(48,189)	-	(46,192)
D5	Total comprehensive income for 2021	-	-	-	-	-	84,588	(48,189)	-	36,399
E1	Follow-on offering	50,000	500,000	10,000	-	-	-	-	-	510,000
I1	Corporate bonds converted to common stock	6,322	63,222	27,200	-	-	-	-	-	90,422
Z1	Balance as of December 31, 2021	299,601	2,996,009	125,427	212,090	78,308	(937,014)	(182,977)	(294,286)	1,997,557
D1	Net profit for 2022	-	-	-	-	-	334,358	-	-	334,358
D3	Other comprehensive income after tax for 2022	-	-	-	-	-	2,145	44,206	(5,697)	40,654
D5	Total comprehensive income for 2022	-	-	-	-	-	336,503	44,206	(5,697)	375,012
I1	Corporate bonds converted to common stock	2,123	21,234	6,890	-	-	-	-	-	28,124
Z1	Balance as of December 31, 2022	301,724	$3,017,243	$ 132,317	$ 212,090	$ 78,308	($ 600,511)	($ 138,771)	($ 299,983)	$2,400,693

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION

Parent Company Only Statement of Cash Flow

January 1 through December 31, 2022 and 2021

Unit: NTD thousand

Code		2022	2021
	Cash flow from operating activities		
A10000	Pre-tax profits	$ 431,225	$ 92,843
A20000	Income and expenses:		
A20100	Depreciation expense	23,836	11,852
A20200	Amortization expense	1,266	989
A20300	Expected gains on reversal of ECL	(233)	(863)
A20400	Net losses (gains) from financial assets and liabilities measured at fair value through profit or loss	9,464	(9,025)
A20900	Financial cost	39,851	24,035
A21200	Interest income	(824)	(292)
A21300	Dividend income	(8,828)	(1,388)
A22400	Share of profit/loss of subsidiaries and associates under equity method	(217,577)	(104,352)
A22500	Gain from disposal of property, plant, and equipment	(33)	-
A23800	Inventory devaluation and obsolescence loss (reversal gain)	12,276	(4,501)
A23900	Unrealized sales loss on inter-affiliate accounts	13,988	3,827
A29900	Loss from redemption of corporate bonds	4,209	4,575
A24100	Unrealized loss (profit) from conversion of foreign currencies	9,708	(4,733)
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts payable (including related party)	(615,752)	44,791
A31180	Other receivables (including related parties)	1,194	210,594
A31200	Inventory	(397,920)	(425,283)
A31240	Other current assets	(10,378)	(21,264)
A32125	Contractual liabilities	(13,120)	15,877
A32150	Notes and accounts payable (including related party)	(89,353)	17,197
A32180	Other payables (including related party)	36,530	(8,050)
A32230	Other current liabilities	3,381	938
A32240	Net defined benefit liabilities	(439)	(4,263)
A33000	Cash inflow (outflow) from operation	(767,529)	(156,496)
A33100	Interest received	824	292
A33200	Dividend received	2,083	1,388
A33300	Interest paid	(36,869)	(16,866)
A33500	Income tax paid	(60)	(12)
AAAA	Net cash outflow from operating activities	(801,551)	(171,694)

(Next page)

(Continued from previous page)

Code		2022	2021
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 18,238)	$ -
B00050	Disposal of financial assets measured at amortized cost	124,201	32,049
B00100	Acquisition of financial assets measured at fair value through profit or loss	(9)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	-	1,659
B01900	Disposal of long-term equity investments under equity method	10,814	-
B01800	Acquisition of long-term equity investments under equity method	-	(364,652)
B02700	Acquisition of property, plant, and equipment	(12,378)	(25,038)
B02800	Disposal of property, plant, and equipment	1,718	-
B03700	Increase in guarantee deposits paid	(2,155)	(1,299)
B04500	Acquisition of intangible assets	(1,561)	(1,762)
B07100	Increase in prepayment for equipment purchase	(134)	(2,189)
B07600	Dividend received	6,745	-
BBBB	Net cash inflow (outflow) from investing activities	109,003	(361,232)
	Cash flow from financing activities		
C00100	Increase in short-term loans	3,503,601	2,120,662
C00200	Decrease in short-term loans	(3,096,647)	(2,030,277)
C01300	Redemption of corporate bonds	(357,255)	(78,740)
C01600	Borrowing of long-term loan	798,432	299,583
C01700	Repayment of long-term loans	(248,782)	(151,063)
C04020	Repayment of lease liabilities	(11,264)	(1,647)
C04600	Follow-on offering	-	510,000
C09900	Other financing activities	-	129
CCCC	Net cash inflow from financing activities	588,085	668,647
DDDD	Effect of changes in exchange rate on cash and cash equivalents	(519)	(1,136)
EEEE	Increase (decrease) in cash and cash equivalents	(104,982)	134,585
E00100	Balance of cash and cash equivalents - beginning of year	394,528	259,943
E00200	Balance of cash and cash equivalents - ending of year	$ 289,546	$ 394,528

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION

Notes to the Parent Company Only Financial Statements

January 1 through December 31, 2022 and 2021

(All amounts are in NTD thousand unless otherwise specified)

I. Company History

Ideal Bike Corporation (hereinafter referred to as the "Company") was organized with approved establishment registration pursuant to the Company Act of the Republic of China in 1980. The Company is mainly dedicated to the manufacture, machining, assembly, and domestic sale and exportation of bicycles, indoor and outdoor training bicycles, kids' bikes, mini scooters and their parts and accessories.

The Company has traded on Taipei Exchange as of March 28, 2001.

The parent company only financial statements are stated in the Company's functional currency, NTD.

II Financial Report Approval Date and Procedures

The Parent Company Only Financial Statements were approved by the Board of Directors meeting dated March 13, 2023.

III. Application Of New Standards, Amendments And Interpretations

(I) First-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations (IFRIC) and the statements of interpretation (SIC) (hereinafter collectively referred to as "IFRSs") approved and released by the Financial Supervisory Commission (hereinafter referred to as "FSC")

No material changes to the accounting policies of the Company are expected after adopting the amended IFRSs approved and released by the FSC.

(II) FSC-endorsed IFRSs effective from 2023

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

Note 1: Effective for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to any changes in accounting estimates or accounting policy on or after January 1, 2023.

Note 3: The amendments require recognition of a deferred tax for all temporary differences related to leases and decommissioning obligations, and are applicable to all transactions occurring on or after January 1, 2022.

As of the publication date of these Parent Company Only Financial Statements, the Company did not expect the amendments to other standards and interpretation to materially impact its financial position or financial performance.

(III) IFRSs issued by the IASB but not yet approved and released by the FSC

New / Amended / Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless otherwise specified, the above-mentioned new/ amended/ revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date for such standards or interpretations.

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

As of the publication date of these Parent Company Only Financial Statements, the Company was still assessing the impact of the amendments to other standards and interpretation, and will disclose the impact after the conclusion of the assessment.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The Parent Company Only Financial Statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(II) Basis of Preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of the planned assets, the Parent Company Only Financial Statements were prepared on the basis of historical cost.

Fair value measurements are classified into Level 1, 2 and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that are accessible on the measurement date (before adjustment).
2. Level 2 inputs: Other than quoted prices included in Level 1, the inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. presumed from the price).
3. Level 3 inputs: The inputs that are not observable for assets or liabilities.

(III) Criteria for classification of current and non-current assets and liabilities

Current assets include:

1. assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. liabilities held mainly for the purpose of trading;

2. liabilities to be settled within 12 months after the balance sheet date, (irrelevant with whether any long-term re-financing or payment re-arrangement agreement has been completed after the balance sheet date but before the date of release of financial statements; such liabilities are still current liabilities); and
3. liabilities whose due date cannot be unconditionally extended to more than 12 months after the balance sheet date. However, the terms and conditions of the liabilities that may, at the option of the counterparty, result in settlement of the liabilities by issuance of equity instruments do not affect the classification of liabilities.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

In preparing the Parent Company Only Financial Statements, transactions using currencies other than the Company's functional currency (foreign currencies) are converted into the functional currency using the exchange rate on the date of transaction.

Monetary items in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period.

Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate on the date of determining the fair value, and the exchange differences resulting therefrom are recognized in profit or loss of the period. However, when changes in the fair value are recognized in other comprehensive income, the exchange differences arising therefrom are recognized in the same.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the Parent Company Only Financial Statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries and associates with countries in which they operate or currencies they use different from those of the Company) are translated into NTD at the exchange rate on each balance sheet date. The income and expense items are translated at the average exchange rate of the period, and the exchange differences resulting therefrom are recognized in other comprehensive income.

(V) Inventory

Inventory includes raw materials, materials, parts and accessories, finished goods, commodities and work-in-progress goods. The inventory is measured based on the lower of the cost or net realizable value. The cost and the net realizable value are compared on the basis of the individual items except for the inventories of the same type. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the work and the estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VI) Investment in subsidiaries

The Company deals with the investment in subsidiaries using the equity method.

A subsidiary refers to an entity controlled by the Company.

Under the equity method, the investment is initially recognized at its costs, and the amount of increase or decrease in the book value of such investment after the date of acquisition depends on the Company’s shares of profits/ losses and other comprehensive income in subsidiaries and the distributed profits. In addition, changes to the Company’s equity in the subsidiaries are recognized based on the shareholding ratio.

Changes to the Company’s equity ownership in the subsidiaries are deemed as equity transactions when they do not result in loss of control. The difference between the book value of investment and the fair value of paid or received consideration is directly recognized in equity.

When the Company’s shares of losses in the subsidiaries are equal to or exceed our equity in the subsidiaries (including the subsidiary’s carrying amount under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the Company in the subsidiary concerned) , we continue recognition for losses based on our shareholding ratio.

When the acquisition cost exceeds the Company's shares of the net fair value of the subsidiaries' identifiable assets and liabilities comprising part of the business on the date of acquisition, such excess is recognized in goodwill which is included in the book value of such investment and may not be amortized; when the Company's shares of the net fair value of the subsidiaries' identifiable assets and liabilities comprising part of the business on the date of acquisition exceed the acquisition cost, such excess is recognized in profit of the period.

For impairment evaluation, the Company took the entire cash generating units in the financial statements into account and made a comparison between the recoverable amount and the book value thereof. If the recoverable amount of assets increases hereafter, the reversal of impairment losses is recognized in profit. However, the assets' book value after the reversal of the impairment losses shall not exceed the assets' book value, without recognition of the impairment losses, less amortization. Impairment losses attributable to goodwill shall not be reversed in the subsequent periods.

When the Company loses control of subsidiaries, the residual investment in the former subsidiaries are measured at fair value on the date of loss of control. The difference between the fair value of the residual investment and any disposal proceeds and the investment book value on the loss of control date is recognized in profit or loss of the period. In addition, the total amounts related to the subsidiaries and recognized in other comprehensive income are dealt with in the accounting system on the basis which our direct disposal of relevant assets or liabilities shall be subject to.

The unrealized profit or loss from the downstream transactions between the Company and subsidiaries is removed in the parent company only financial statements. The profit or loss generated from the upstream and side stream transactions between the Company and subsidiaries is recognized in the parent company only financial statements only when such profit or loss is irrelevant to the Company's equity in the subsidiaries.

(VII) Investment in associates

An associate refers to a company having a significant effect on the Company, but is not a subsidiary or joint venture.

The Company adopts the equity method for investment in associates.

Under the equity method, the investment in associates is initially recognized at its costs, and the amount of increase or decrease in the book value of such investment after the date of acquisition depends on the Company's shares of profit/loss and other comprehensive income in the associates and joint ventures and the distributed profits . In addition, changes to the consolidated company's equity in the associates are recognized based on our shareholding ratio.

When the acquisition cost exceeds the Company's shares of the net fair value of the associates' identifiable assets and liabilities on the date of acquisition, such excess is recognized in goodwill which is included in the book value of such investment and may not be amortized; when the Company's shares of the net fair value of the associates' identifiable assets and liabilities on the date of acquisition exceed the acquisition cost, such excess is recognized in profit/loss of the period.

When the Company does not subscribe to new shares issued by the associates based on our shareholding ratio, resulting in changes to the shareholding ratio and consequently to the net equity value of investment, these changes are used for adjustment of the capital reserve – changes in the net equity of associates recognized under the equity method and investments under equity method. However, if subscription or acquisition of the shares is not based on the shareholding ratio, leading to a decrease in the consolidated company's ownership equity in the associates, the amounts related to the associate in other comprehensive income are reclassified according to the percentage of such decrease and treated with the same accounting treatment basis as the one which the associates' direct disposal of relevant assets or liabilities shall be in accordance with. If the said adjustment shall be debited to capital reserves, and the balance of capital reserves arising from investment under equity method is insufficient to be offset, the difference is debited to retained earnings.

When the Company's shares of losses in the associates are equal to or exceeded our equity in the associates (including the carrying amount of investment in the associate under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the

Company in the associate concerned) , we do not recognize further losses. The Company recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Company made payment on behalf of the associates.

For impairment evaluation, the Company tests the entire investment book value (including goodwill) for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any recognized impairment loss is also part of the investment book value. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

Once the investment is not classified as investment in associates, the Company stops using the equity method and measures the retaining earnings of the former associates at fair value. The differences between the fair value of the retaining earnings, proceeds from disposal and the investment book value on the date when the equity method is discontinued are recognized in profit or loss of the period. Besides, for total amounts related to the associate in other comprehensive income, the basis of accounting treatment thereof is the same as the basis which the associate's direct disposal of relevant assets or liabilities shall be in accordance with.

The profit or loss generated from the upstream, downstream and side stream transactions between the Company and the associates is recognized in the parent company only financial statements only when such profit or loss is irrelevant to the Company's equity in the associates.

(VIII) Property, plant and equipment

The property, plant, and equipment are recognized in accordance with the cost and subsequently measured based on the cost net of accumulated depreciation and impairment losses.

Each significant part of the property, plants, and equipment is separately depreciated on the straight-line basis over its useful life. The Company reviews the estimated useful life, residual value and method of depreciation at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimates.

For derecognition of the property, plant and equipment, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss

(IX) Intangible assets

1. Acquired separately

Intangible assets with definite useful life acquired separately are initially measured in accordance with the cost and subsequently based on the cost net of accumulated amortization and impairment losses. Intangible assets are amortized on the straight-line basis over its useful life. The Company reviews the estimated useful life, residual value and method of amortization at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimates. Intangible assets with indefinite useful life are recognized based on the cost net of accumulated impairment losses.

2. Derecognition

For derecognition of the intangible assets, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss of the period.

(X) Impairments of property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill), and contract cost related assets

In addition to referring to Note 31, the Company assess whether there are any signs indicating that any property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill) may be impaired on each balance sheet date. If there is any of such signs, the recoverable amount of the assets is estimated. When the recoverable amount of individual assets can not be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are amortized on a reasonable and consistent basis to the smallest group of cash-generating units

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually or when there is any sign of impairment.

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is adjusted down to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value does not exceed the book value (less the amortization or depreciation) determined under the circumstance that the impairment loss of the assets or cash-generating units is not recognized in the previous year. The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the Company became a party of the financial instrument contract.

For initial recognition of the financial assets and financial liabilities, when the financial assets or financial liabilities are not measured at fair value through profit or loss, the assets or liabilities are measured at the fair value plus any transaction cost directly attributable to acquisition or issuance of the financial assets or financial liabilities. Any transaction cost measured at fair value through profit or loss directly attributable to the acquisition or issuance of the financial assets or financial liabilities is immediately recognized in profit or loss.

1. Financial assets

The regular transactions of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Type of measurements

The financial assets held by the Company are those measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss indicate those mandatorily and designated to be measured at fair value through profit and loss. The financial assets mandatorily and designated to be measured at fair value through profit and loss include the investment in equity instruments that the Company does not designate to be measured at fair value through other comprehensive income, and the investment in liability instruments that are not qualified to be classified as those measured at amortized cost or measured at fair value through other comprehensive income.

The financial assets measured at fair value through profit or loss are measured at fair value, and any profit or loss (including any dividends or interests generated from the financial assets) from re-measurement of the financial assets is recognized in profit or loss. For determination of the fair value, please refer to Note 28.

B. Financial assets measured at amortized cost

When the Company's invested financial assets met both of the following two conditions, they are classified as financial assets measured at amortized cost:

a. The financial assets held under a business model with the purpose of holding these assets to collect contractual cash flows; and

b. The contractual terms generates cash flows on a specific date that are solely payments of principal and interest.

After the initial recognition, the financial assets measured at amortized cost are measured based on the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any profit or loss from foreign currency translation is recognized in profit or loss.

Except for the following two circumstances, the interest income is calculated as the effective interest rate times the total book value of financial assets:

a. For purchased or originated credit-impaired financial assets, the interest income is calculated as the credit-adjusted effective interest rate times the amortized cost of the financial assets.

b. For financial assets originally not purchased or originated credit-impaired but subsequently becoming credit-impaired, the interest income is calculated as the effective interest rate times the amortized cost of the financial assets in the next reporting period after the credit impairment

Credit-impaired financial assets represent significant financial difficulties confronting the issuer or debtor, default, the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization, or that the active market of financial assets disappears due to financial difficulties.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Company may make an irrevocable election to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Company's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2) Impairment of financial and contractual assets

In addition to referring to Note 31, we assess impairment losses on the financial assets (including accounts receivable) measured at amortized cost based on the expected credit losses on each balance sheet date.

Loss allowance for accounts receivable is recognized based on the lifetime expected credit losses We first assess whether the credit risk on other financial assets significantly increased after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized based on the 12-month expected credit losses; when the increase is significant, it is recognized based on the lifetime expected credit losses.

The expected credit losses are the average credit losses weighted by the risk of default. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when the following circumstance occurred, without consideration of the collateral held:

A. Any internal or external information indicate that a debtor is impossible to pay off the debts.

B. Any payment that is overdue for more than 180 days, unless any reasonable and supportable information demonstrates that a more lagging default criterion is more appropriate.

The impairment loss on all financial assets is deducted from the book value of the financial assets through allowance accounts. However, the loss allowance of the investment in liability instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and the book value is not reduced.

(3) Derecognition of financial assets

The Company removes financial assets only when the contractual rights to the cash flows from the assets become invalid, or the financial assets and almost all the risks and returns over the ownership of the financial assets are transferred to other companies.

If the Company does not transfer or hold almost all the risks and returns over the ownership of the financial assets, but held the control of these assets, the Company continuously recognizes such financial assets within the scope of remaining participation in these assets and recognizes the liabilities related to the amount that may have to be paid. If holding almost all the risks and returns over the ownership of the financial assets, the Company continuously recognizes such financial assets and recognizes the collected amount as secured loans.

For derecognition of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration are recognized in profit or loss. For derecognition of the entire investment in equity instruments measured at fair value through other comprehensive income, the difference between its book value and the total amount of the consideration received plus any cumulative gain or loss recognized in other comprehensive profit or loss is recognized in profit or loss. For derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the definition of real and financial liabilities as well as equity instruments under the terms and conditions of the contracts.

The equity instruments issued by the Company are recognized at the payment net of the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Company, the re-acquisition is recognized as a deduction to equity. Purchase, sale, issuance or cancellation of the equity instruments owned by the Company are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Except for the following circumstances, all financial liabilities are measured at amortized cost under the effective interest method.

A. Financial liabilities measured at fair values through profit or loss

Financial liabilities measured at fair value through profit or loss include those held for transaction and designated to be measured at fair value through profit and loss.

The financial liabilities held for sale are measured at fair value, related profit or loss is recognized in other profits and losses, and the profit or loss (including any dividends or interests paid for the financial liabilities) from re-measurement of the financial liabilities is recognized in profit or loss.

(2) Derecognition of financial liabilities

For removal of financial liabilities, the differences between the book value and the consideration paid (including any non-cash assets transferred and any liabilities assumed) are recognized in profit or loss.

4. Convertible corporate bond

The components of the compound financial instrument (convertible corporate bond) issued by the Company are classified as financial liabilities or equity when they are recognized initially based on the definition of real and financial liabilities as well as equity instruments under the terms and conditions of the contracts.

When recognized initially, the fair value of the debt components is estimated based on the market interest rate of similar nonconvertible instruments at that time and measured at amortized cost calculated under the effective interest method prior to the conversion or maturity date. The debt components classified into embedded non-equity derivatives is measures at fair value.

The conversion option classified as equality is equal to the remaining amount of the entire fair value of the compound instruments less the fair value of the debt components determined individually. It is recognized as equity after deduction of the income tax effect and no re-measurement is conducted subsequently. When the conversion option is executed, related debt components and the amount related to the equity are transferred to share capital and capital reserve - issuance in excess of par value. If the conversion option of the convertible corporate bond is not executed on the maturity date, the amount recognized in the equity is transferred to capital reserve - issuance in excess of par value

The transaction cost related to issuance of convertible corporate bonds is amortized to the components of the debt (recognized in the book value of liabilities) and equity (recognized in equity) of the instrument concerned based on the amortization proportion of the total amount.

5. Derivatives

The derivatives in the contract of the Company include forward exchange rate in order to manage the interest rate and exchange rate risk of the Company.

Derivatives are recognized initially at fair value when the contract of derivatives is entered into and subsequently remeasured at fair value on the balance sheet date. Any profit or loss from the re-measurement is recognized in profit or loss directly. However, for derivatives that are designated as effective hedging instruments, the timing at which they are recognized in profit or loss depends on the underlying hedge arrangement. When the fair value of the derivatives is positive, they are classified as financial assets; when the fair value is negative, they are classified as financial liabilities.

If derivatives are embedded in the main contract of assets within the scope of IFRS 9, the classification of financial assets is determined depending on the contract as a whole. If derivatives are embedded in the main contract of assets not within the scope of IFRS 9 (e.g. embedded in a main contract of financial liabilities) and the embedded derivatives conformed to the definition of derivatives, their risk and feature are not in close relation with the risk and feature of the main contract, and the hybrid contract is not measures at fair value through profit and loss, the embedded derivatives are deemed stand-alone derivatives.

(XII) Recognition of revenue

After our recognition of performance obligations under a contract with clients, we allocate the transaction price to each performance obligation and recognize the allocated amount in revenue after each performance obligation is met.

If more than one contract is entered into with the same customer (or customer's related party) at almost the same time and the commodities or services we are committed to are a single performance obligation, the Company will treat the contracts as a single unit.

For the contract in which transfer of commodities or services and collection of considerations are conducted at an interval within 1 year, the transaction price is not adjusted for significant financing components.

1. Revenue from sale of goods

The revenue from the sale of goods came from the sale of various bicycles, indoor and outdoor training bicycles, kids' bikes, mini scooters and their parts and accessories. Once bicycles, indoor and outdoor training bicycles, kid's bikes, mini scooters, and their parts and accessories are delivered to the customer-designated location or shipping point (depending on the contractual terms), the customer is entitled to the products' price determination and right of use, takes the main responsibility for resale of the products, and took the risk that the products may become out-of-fashion. Therefore, the revenue and accounts receivable are recognized at that point of time.

When export of raw materials for processing, the control over the ownership of processed products is not transferred, and thus the revenue for the export of raw materials is not recognized.

(XIII) Lease

We assess whether an agreement is (or contained) a lease on the date of entering into the agreement.

For the contract containing lease and non-lease components, the merging company shares the consideration specified in the contract based on the relative individual price and dealt with these components separately.

<u>The Company is the lessee</u>

The lease payment from the leases of low-value underlying assets to which the exemption of recognition is applied and short-term lease is recognized in expenses on the straight-line basis over the lease term, while right-of-use assets and lease liabilities with respect to other leases are recognized on the lease commencement date.

The right-of-use assets are initially measured based on the cost (including the initial recognized amount of lease liabilities, the lease payment paid before the lease commencement date less the lease incentives received, the initial direct cost and the cost estimated to restore the underlying asset) and subsequently measured based on the cost net of accumulated depreciation and accumulated impairment losses, and then the remeasurement of the lease liabilities is adjusted. The right-of-use assets are separately presented in the parent company only balance sheet.

The right-of-use assets are depreciated on the straight-line basis over the period from the lease commencement date to the expiration of the useful life or the lease term, whichever is sooner.

The lease liabilities are initially measured based on the present value of lease payments (including fixed payments, substantial payments, variable lease payments depending on certain indexes or rates, the amount to be paid by the lessee under residual value guarantee, the exercise price for purchase options if the consolidated company can be reasonably assured that the right will be exercised, and the fine for termination of the lease if reflects during the lease period less received incentives). If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate can not be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When any changes in the lease term, the amount to be paid under residual value guarantee, the assessment relating the purchase options of underlying assets, or The changes in the index or rate determining the lease payments cause the changes in the future lease payments, we re-measure the lease liabilities and adjust the right-of-use assets accordingly. However, the residual remeasurement is recognized in profit or loss when the book value of right-of-use assets is reduced to zero. The lease liabilities are separately presented in the parent company only balance sheet.

(XIV) Cost of borrowing

The cost of borrowing that can be directly attributable to the assets for which acquisition, building or production meet the requirements is part of the cost of such assets until almost all the required activities for them to reach the intended status of use or sale are completed.

Otherwise, all the costs of borrowing are recognized in profit or loss in the year in which the borrowing occurred.

(XIII) Government subsidies

The government subsidies shall only be recognized when it is reasonable to ensure that the Company will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively.

Government subsidies related to any gains are recognized in other revenue on a systematic basis within the period when the costs to be subsidized by the government are recognized in expenses by the Company.

If the government subsidies are used to make up the expenses or losses that have occurred, or immediately support the finance of the Company and there is no future cost, Such subsidies are recognized in profit or loss during the period when they can be received.

If the government subsidies are provided by transferring non-monetary assets to the Company for use, these subsidies are recognized and measured at fair value of the non-monetary assets.

For the government loans that the Company acquires at a interest rate lower than the market rate, the difference between the fair values of the received loan amount and the loan calculated at the market rate then is recognized in government subsidies.

(XVI) Employee benefits

1. Short-term employee benefits

Liabilities related to employee benefits are measured at non-discounted amount expected to be paid against the services to be provided by the employees.

2. Retirement benefits

Every pension fund contributed under the defined pension appropriation plan is recognized in expenses during the period when employees provide services.

Defined retirement benefit costs (including servicing costs, net interest, and remeasurement) under the defined retirement benefit plan are calculated actuarially using the projected unit credit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized in employee benefit expenses when they are incurred. Remeasurement (including actuarial profits or losses, changes in the effect of asset limits, and return on plan assets net of interest) is recognized in other comprehensive income and presented in accumulated losses when it occurred. It is not reclassified as profit or loss in the subsequent periods.

Net defined benefit liabilities represent the contribution deficit of the defined retirement benefit plan. Net defined benefit assets shall not exceed the present value of contribution refunded from the defined retirement benefit plan or future deductible contribution.

3. Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as the one for the defined retirement benefit plan; however, any relevant remeasurement is recognized in profit or loss.

4. Resignation benefits

The Company does not recognize the benefits as resignation benefit liabilities until the offer of benefits can not be withdrawn or the related reorganization cost is recognized, whichever earlier.

(XVII) Income tax

The tax expenses are the total of current income and deferred income taxes.

1. Current income tax

The Company determines the current revenue (loss) in accordance with the laws and regulations of the Republic of China and, with this as a basis, calculate the income tax payable (receivable).

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

The deferred income tax are calculated based on the temporary difference between the book value of assets and liabilities in the book and the tax base for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when we are likely to have taxable income available to offset the deductible temporary differences and loss carryforwards.

Taxable temporary differences generated from investment in subsidiaries and associates are recognized in deferred income tax liabilities except that the Company can control the timing of reversal of the taxable temporary differences, and that such differences are not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investment are recognized, to the extent that they are expected to be reversed in the foreseeable future, in deferred income tax assets only when we are likely to have taxable income adequate to realize the temporary differences.

The book value of deferred income tax assets are reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have taxable income adequate to return all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized in deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income adequate to return all or part of the assets in the future, the book value thereof is increased.

The deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax on the balance sheet date arising from the method that we except to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

The current and deferred income taxes are recognized in profit or loss other than those related to the titles stated as other comprehensive income or as equity directly, which are recognized in other comprehensive income separately or in equity directly.

V. Judgements in Applying Significant Accounting Policies, Assumptions, and Source of Estimation Uncertainty

For adoption of the accounting policies, our management must make judgments, estimates and assumptions related to the information that cannot be readily acquired from other sources based on historical experience and other relevant factors. The actual results may differ from those estimates.

The Company takes into account the development of the COVID-19 pandemic and its effect on the Taiwan economy when making significant accounting estimates for cash flows, growth rate, discount rate, and profitability. The management will continue to review the estimates and basic assumptions. When the amendments to the estimates only affect the current period, they are recognized in the period in which they are made; when the amendments to the estimates affect the current and future periods at the same time, they are recognized in the period in which they are made and the future period.

The Judgements in Applying Significant Accounting Policies, Assumptions, and Source of Estimation Uncertainty that were adopted for the Parent Company Only Financial Statements are the same as those adopted for the 2021 consolidated financial statements.

Main sources of uncertainties of estimates, and assumptions

(I) Deferred income tax

The realizability of the deferred income tax assets depends on adequate profitability and taxable temporary difference. If the actually produced profit is less than the expected value, the major deferred income tax assets may be reversed as a result, and the reverse is recognized in profit or loss for the period in which it occurs.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 130	$ 132
Bank check and demand deposit	289,416	394,396
	$289,546	$394,528

The intervals of interest rate on bank deposits on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Bank deposit	0.001%~1.05%	0.001%~0.05%

VII. Financial instruments measured at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Non-derivative financial assets		
－Domestic listed (OTC) stocks	$ 13,881	$ 21,597
Financial liabilities - current		
Held-for-sale		
Derivatives:		
－Conversion option (Note 18)	$ -	$ 1,459

VIII. Financial assets measured at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Domestic investment		
Non-listed (Non-OTC) stock		
Huan Hua Securities Finance Corporation	$ 97	$ 97
Foreign investment		
Non-listed (Non-OTC) stock		
PCI International Investment Inc.	12,541	-
	$ 12,638	$ 97

The Company invested in the common shares of Huan Hua Securities Finance Corporation and PCI International Investment Inc. according to its medium- and long-term strategies, and expected to gain profits through such long-term investment.

Since the Company's management deemed that the recognition of short-term changes in the investment's fair value in profit or loss was not consistent with the said long-term investment plan, they opted to have the investment to be measured at fair value through other comprehensive income.

IX. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Noncurrent		
Domestic investment		
Time deposit with an initial maturity date due in more than 3 months (I)	$171,836	$294,892

(I) As of December 31, 2022 and 2021, the interval of interest rate on time deposits with an initial maturity date due in more than 3 months was 0.46%–1.05% and 0.05%–1.40%, respectively.

(II) For more information on the pledge of the financial assets measured at amortized cost, refer to Note 30.

X. Notes receivable, accounts receivable and other receivables

	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Total book value	$675,177	$334,675
Less: Loss allowance	(4,723)	(58,042)
	$670,454	$276,633
Other receivables		
Measured at amortized cost		
Total book value	$ 12,099	$ 12,881
Less: Loss allowance	-	(5,136)
Income tax refund receivable	546	-
	$ 12,645	$ 7,745

Accounts receivable

We provide an average credit period of 14 ~ 150 days for sale of goods and the credit standard is determined based on the characters of the industry in which the trading counterpart operates as well as its business scale and profitability. Interest does not accrue on notes and accounts receivable.

We recognize the loss allowance for accounts receivable based on the lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix with consideration of the customer' historical default record and current financial position, industrial and economic environment, and industrial prospects. Since our historical experience of credit losses show no significant difference in the type of loss between different clients, the customers are not further classified in the provision matrix. We only set the expected credit loss rate based on the days overdue of accounts receivable.

When there is any evidence showing that the trading counterpart is facing serious financial difficulties and we cannot estimate a reasonable recoverable amount (for example, the trading counterpart is undergoing liquidation or any debt has been overdue for more than two years), the Company directly write off related accounts receivable, continue to claim for payment, and recognize the recovered amount therefrom in profit or loss.

Our loss allowance for accounts receivable measured using the provision matrix are as follows:

December 31, 2022

	Not overdue	Overdue for 1–4 months	Overdue for 5–6 months	Overdue for 7–12 months	Overdue for 1–2 years	Overdue for 2–3 years	Overdue for Over 3 years	Total
Total book value	$ 513,672	$ 156,149	$ 633	$ -	$ -	$ -	$ 4,723	$ 675,177
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-	(4,723)	(4,723)
Amortized cost	$ 513,672	$ 156,149	$ 633	$ -	$ -	$ -	$ -	$ 670,454

December 31, 2021

	Not overdue	Overdue for 1–4 months	Overdue for 5–6 months	Overdue for 7–12 months	Overdue for 1–2 years	Overdue for 2–3 years	Overdue for Over 3 years	Total
Total book value	$ 264,600	$ 12,027	$ -	$ 6	$ -	$ 2,446	$ 55,596	$ 334,675
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	(2,446)	(55,596)	(58,042)
Amortized cost	$ 264,600	$ 12,027	$ -	$ 6	$ -	$ -	$ -	$ 276,633

Changes in loss allowance for notes and accounts receivable are as follows:

	2022	2021
Balance at Beginning of Year	$ 58,042	$ 58,896
Less: Actual amount written off in the year	(53,087)	(854)
Less: Impairment loss reversed in the year	(232)	-
Balance at Ending of Year	$ 4,723	$ 58,042

Changes in loss allowance for other accounts receivable are as follows:

	2022	2021
Balance at Beginning of Year	$ 5,136	$ 5,145
Less: Actual amount written off in the year	(5,135)	-
Less: Impairment loss reversed in the year	(1)	(9)
Balance at Ending of Year	$ -	$ 5,136

XI. Inventories

	December 31, 2022	December 31, 2021
Raw material	$ 802,686	$ 654,900
Finished products	229,858	101,487
Work in process	102,098	44,861
Semi-finished products	45,007	10,349
In-transit inventory	18,589	921
Merchandise	180	256
	$1,198,418	$ 812,774

The cost of sales related to inventories in 2022 and 2021 was NTD2,855,086,000 and NTD2,235,893,000, respectively. The cost of sales included inventory devaluation loss (gain from price recovery of inventory) of NTD 12,276,000 and (NTD 4,501,000).

XII. Investment under equity method

	December 31, 2022	December 31, 2021
Investment in subsidiaries	$1,696,114	$1,466,832
Investment in associates	189,944	189,118
	$1,886,058	$1,655,950

(I) Investment in subsidiaries

	December 31, 2022	December 31, 2021
Ideal Bike (SGP) Co. Pte., Ltd.	$ 727,274	$ 634,043
Ideal Europe SP.ZO.O	394,947	353,659
Ideal (Dong Guan) Bike Co., Ltd.	349,016	310,110
Pacific Glory Worldwide Ltd.	101,448	68,716
TOP SPORT INTERANATIONAL LTD. (Note 31)	88,126	55,635
Crown Alliance International Co., LTD.	35,303	34,631
Advanced Sports International - Asia Ltd.	-	10,038
	$1,696,114	$1,466,832

Name of subsidiary	Proportion of Ownership and Voting Right December 31, 2022	December 31, 2021
Ideal Bike (SGP) Co. Pte., Ltd.	100%	100%
Ideal (Dong Guan) Bike Co., Ltd.	33.45%	33.45%
Ideal Europe SP.ZO.O	100%	100%
Advanced Sports International - Asia Ltd.	-	80%
Crown Alliance International Co., LTD.	100%	100%
TOP SPORT INTERANATIONAL LTD.	100%	100%
Pacific Glory Worldwide Ltd.	100%	100%

The Company held 66.55% shares of Ideal (Dong Guan) Bike Co., Ltd. through Ideal Bike (SGP) Co. Pte., Ltd., and, thus, Ideal (Dong Guan) Bike Co., Ltd. is a completed held subsidiary of the Company.

The Company's shares of profits/ losses and other comprehensive income in subsidiaries under the equity method in 2022 and 2021 were recognized based on the financial statements of each subsidiary audited by CPAs in the same period.

(II) Investment in associates

	December 31, 2022	December 31, 2021
Material associates		
Fulltech Fiber Glass Corp.	$189,944	$189,118

Material associates

Company name	Nature of business	Business premises	Proportion of Shareholding and Voting Right December 31, 2022	December 31, 2021
Fulltech Fiber Glass Corp.	Electronic-grade fiber glass	Taiwan	2.62%	2.62%

The associates having Level 1 fair value in open market quotes are as follows:

Company name	December 31, 2022	December 31, 2021
Fulltech Fiber Glass Corp.	$130,983	$195,069

The Company adopts the equity method for the above-mentioned associates.

The following financial information summary is prepared based on the associates' IFRS-based parent company only financial statements. It also reflects the adjustments made after using the equity method.

Fulltech Fiber Glass Corp.

	December 31, 2022	December 31, 2021
Current assets	$ 3,094,927	$ 3,147,737
Non-current assets	9,971,960	10,466,496
Current liabilities	(1,764,167)	(3,340,411)
Non-current liabilities	(3,908,096)	(2,825,108)
Equity	$ 7,394,624	$ 7,448,714
The Company's shareholding percentage	2.62%	2.62%
The Company's equity	$ 193,739	$ 195,156
Other adjustments	(3,795)	(6,038)
Investment book value	$ 189,944	$ 189,118

	2022	2021
Operating income	$4,109,164	$4,497,955
Net profit for the year	$ 31,523	$ 601,349
Other comprehensive income	168,606	29,115
Total comprehensive income	$ 200,129	$ 630,464
Dividend received from Fulltech	$ 6,745	$ -

The Chairman of the Company is also the Chairman of Fulltech; the De facto related party, Yuan-Fu Chang, acts as a director of the Fulltech Fiber Glass Corp. The Company holds less than 20% of the shares of voting rights in Fulltech Fiber Glass Corp. However, as the Company has had a significant effect on Fulltech with such shares since 2010, the equity method is used for measurement.

The equity-accounted investee, Fulltech Fiber Glass Corp., of the Company was measured using the equity method due to cross-holding. The investment gain/loss was calculated suing the treasury stock method.

For the amount of investment in associates pledged as collateral for loans, please refer to Note 30.

XIII. Property, plant, and equipment

	December 31, 2022	December 31, 2021
Internal use	$255,479	$258,147

Internal use

	January 1 through December 31, 2022			
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Balance at Ending of Year
Cost				
Self-owned Land	$ 110,085	$ -	$ -	$ 110,085
Building	207,861	2,510	-	210,371
Machine and equipment	93,765	2,060	(1,685)	94,140
Transport equipment	5,464	430	-	5,894
Furniture and fixtures	18,427	252	(528)	18,151
Other equipment	76,827	6,250	(707)	82,370
	512,429	$ 11,502	($ 2,920)	521,011
Accumulated depreciation				
Building	91,316	$ 4,719	$ -	96,035
Machine and equipment	73,663	4,445	-	78,108
Transport equipment	5,202	130	-	5,332
Furniture and fixtures	16,731	609	(528)	16,812
Other equipment	67,370	2,582	(707)	69,245
	254,282	$ 12,485	($ 1,235)	265,532
Net amount at year end	$ 258,147			$ 255,479

	January 1 through December 31, 2021			
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Balance at Ending of Year
Cost				
Self-owned Land	$ 110,085	$ -	$ -	$ 110,085
Buildings and structures	202,786	5,075	-	207,861
Machine and equipment	81,231	12,534	-	93,765
Transport equipment	5,464	-	-	5,464
Furniture and fixtures	17,442	1,012	(27)	18,427
Other equipment	70,056	6,883	(112)	76,827
	487,064	$ 25,504	($ 139)	512,429

	January 1 through December 31, 2021			
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Balance at Ending of Year
Accumulated depreciation				
Buildings and structures	$ 86,815	$ 4,501	$ -	$ 91,316
Machine and equipment	70,557	3,106	-	73,663
Transport equipment	5,096	106	-	5,202
Furniture and fixtures	16,162	596	(27)	16,731
Other equipment	65,574	1,908	(112)	67,370
	244,204	$ 10,217	($ 139)	254,282
Net amount at year end	$ 242,860			$ 258,147

The depreciation expense was calculated on the straight-line basis over the following useful lives:

House and building	2 to 60 years
Machine and equipment	3 to 10 years
Transport equipment	1.5 to 6 years
Office furniture	1 to 10 years
Other equipment	1 to 35 years

For the amount of our property, plant and equipment pledged as collateral for loans, please refer to Note 30.

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Book value of right-of-use assets		
Building	$ 22,681	$ 410
Transport equipment	2,666	136
	$ 25,347	$ 546

	2022	2021
Increase in right-of-use assets	$ 36,152	$ -
Depreciation expense of right-of-use assets		
Building	$ 10,383	$ 1,232
Transport equipment	968	403
	$ 11,351	$ 1,635

Except recognition of depreciation, the Company did not see material sub-leasing of, or impairment on, its right-of-use assets in 2022 and 2021.

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Book value of lease liabilities		
Current	$ 15,110	$ 559
Non-current	$ 10,337	$ -

Range of discount rate for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Building	2.19~2.80%	2.19~2.42%

	December 31, 2022	December 31, 2021
Transport equipment	2.19~3.00%	2.19%~2.60%

(III) Material lease activities and terms

We rent some buildings and transport equipment for business operation with a lease term of 1 – 3 years. There are no terms of renewal or purchase in the lease agreement with respect to expiration of the lease term.

(IV) Other lease information

	2022	2021
Short-term lease expense	$ 1,983	$ 341
Less: Leases expense of low-value assets	$ 326	$ 351
Total cash (outflow) amount for lease	($ 13,573)	($ 2,339)

The Company opt to apply the exemption of recognition to the lease of office equipment, computer equipment, and transport equipment which meet the short-term lease, and does not recognize right-of-use assets and lease liabilities with respect to such lease.

XV. Intangible assets

	January 1 through December 31, 2022			
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Balance at Ending of Year
Cost				
Computer software	$ 13,965	$ 1,561	$ -	$ 15,526
Accumulated amortization				
Computer software	12,523	$ 1,266	$ -	13,789
	$ 1,442			$ 1,737

	January 1 through December 31, 2021			
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Balance at Ending of Year
Cost				
Computer software	$ 12,203	$ 1,762	$ -	$ 13,965
Accumulated amortization				
Computer software	11,534	$ 989	$ -	12,523
	$ 669			$ 1,442

The amortization expense was calculated on the straight-line basis over the following useful lives:

Computer software	1 to 5 years

XVI. Other assets

	December 31, 2022	December 31, 2021
Current		
Inventory of supplies	$ 1,191	$ 1,403
Prepayments		
Prepayment for purchase	32,854	44,461
Other prepaid expenses	29,847	5,622
Prepaid insurance	6,166	1,866
Others	2,058	6,439
Total	$ 72,116	$ 59,791
Noncurrent		
Guarantee deposits paid	$ 8,562	$ 6,407
Prepayment for equipment purchase	3,640	3,506
	$ 12,202	$ 9,913

XVII. Loans

(I) Short-term loan

	December 31, 2022	December 31, 2021
Secured loan (Note 30)		
Bank loan	$ 738,000	$ 548,000
Loan for purchase of material	161,625	162,885
Unsecured loan		
Credit loan	258,000	10,000
Loan for purchase of material	25,094	54,880
	$1,182,719	$ 775,765
Range of interest rates	1.06%~6.29%	1.04%~2.37%

(II) Long-term loan

	December 31, 2022	December 31, 2021
Secured loan (Note 30)		
Bank loan	$767,019	$274,305
Unsecured loan		

Bank loan	150,690	78,740
	917,709	353,045
Less: Due within one year	(424,589)	(193,697)
Long-term loans	$493,120	$159,348
Range of interest rates	2.60%~4.66%	2.00%~2.50%

	Period	December 31, 2022	December 31, 2021
Secured NTD loans	January 2022 to January 2025	$ 267,273	$ -
Secured NTD loans	November 2022 to November 2024	200,000	-
Unsecured NTD loans	October 2022 to June 2025	103,445	-
Secured NTD loans	October 2021 to June 2023	-	100,000
Secured NTD loans	October 2022 to October 2025	80,000	-
Secured NTD loans	October 2020 to October 2025	70,780	99,305
Secured NTD loans	September 2022 to September 2024	70,400	-
Unsecured NTD loans	June 2021 to June 2024	47,244	78,740
Secured NTD loans	October 2022 to October 2024	45,233	-
Secured NTD loans	November 2021 to November 2024	33,334	50,000
Secured NTD loans	October 2020 to October 2022	-	25,000
Less: Due within one year		(424,589)	(193,697)
Total long-term loans		$ 493,120	$ 159,348

XVIII. Corporate bond payable

	December 31, 2022	December 31, 2021
4th domestic secured convertible corporate bond (I)	$ -	$278,338
5th domestic unsecured convertible corporate bond (II)	5,056	103,525
	5,056	381,863
Less: Due within one year	(5,056)	(381,863)
	$ -	$ -

(I) 4th domestic secured convertible corporate bond

Subject to the approval of the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa-Zi No. 1050051194 on December 22, 2016, we offered and issued the 4th domestic secured convertible corporate bonds amounting to NTD 300,000,000 with a coupon rate of 0% and a period of 5 years from January 17, 2017 to January 17, 2022.

The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve - stock option. The initially recognized effective interest rate with respect to the liabilities is 1.2862%.

Issuance considerations (subtracting the transaction cost of NTD 18,570,000)	$281,430
Interest based on effective rate of 1.2862%	17,395
Corporate bond payable converted to common stock	(20,487)
Liability components on December 31, 2021	278,338
Interest based on effective rate of 1.2862%	149
Redemption of corporate bonds	(278,487)
Liability components on December 31, 2022	$ -

(II) 5th domestic unsecured convertible corporate bond

With the approval of the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa-Zi No. 1070314271 on May 15, 2018, we offered and issued the 5th domestic secured convertible corporate bonds amounting to NTD 400,000,000 with a coupon rate of 0% and a period of 5 years from June 8, 2018 to June 8, 2023.

Early redemption of the convertible bonds

From the date (September 9, 2018) following expiration of three months upon offering of the convertible corporate bonds until 40 days prior to expiration of the duration (April 29, 2023), if the closing price of the Company's common shares exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may send the “Notice of Call” to be matured in 30 days (the time limit shall commence from the Company's service date, and the record date of the call shall be the date when the time limit expires, and the conversion suspension period specified in Article 9 shall not fall in the time limit) to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Call, while the holders who acquire the corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail within 30 business days thereafter. Meanwhile, the Company shall ask Taipei Exchange in writing to post a public announcement, and shall call all the corporate bonds at the face value in cash. The Company shall call the corporate bonds in cash within five (5) business days upon the record date.

From the date (September 9, 2018) following expiration of three months upon offering of the convertible corporate bonds until 40 days prior to expiration of the duration (April 29, 2023), if the balance of outstanding convertible bonds of the Company are lower than its original issue size by 10% or more, the Company may send the “Notice of Call” to be matured in 30 days (the time limit shall commence from the Company’s service date, and the record date of the call shall be the date when the time limit expires, and the conversion suspension period specified in Article 9 shall not fall in the time limit) to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Call, while the holders who acquire the corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail at any time. Meanwhile, the Company shall ask Taipei Exchange in writing to post a public announcement, and shall call all the corporate bonds at the face value in cash. The Company shall call the corporate bonds in cash within five (5) business days upon the record date.

If any creditors do not give a written reply (effective immediately upon service or upon the date on the postmark if sent by mail) to the stock affairs department of the Company prior to the record date indicated on the “Notice of Call”, the Company shall call the corporate bonds at the face value in cash within five (5) business days upon the record date.

Creditor held put option

The bondholders may exercise the put option on the record dates thereof, namely, June 8, 2021, and June 8, 2022, upon expiration of three and four years, respectively, after issuance of the bonds. The Company may send the “Notice of Put Option” to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Put Option, while the holders who acquire the convertible corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail 30 business days prior to the record date. The Company shall ask Taipei Exchange in writing to post a public announcement disclosing holders request for exercise of put options of the convertible corporate bonds. The bondholders may give a written notice to the stock affairs department of the Company within 30 days after the announcement (effective immediately upon service or upon the date on the postmark if sent by mail) and ask the Company to redeem the convertible corporate bonds they hold at the face value plus an interest compensation [104.5678% of the face value for the expiration of three years (a real yield of 1.5%) or 106.9753% of the face value for the expiration of four years (a real yield of 1.7%)]. The Company shall respond to the exercise of put option by redeeming the convertible corporate bonds in cash within five (5) business days upon the record date. If the above-mentioned date is a nonbusiness day of the stock exchange market in Taipei City, the date will be extended to the next business day.

Conversion period

Unless (1) the period for suspension of transfer registration of common stock required by laws, (2) the period from 15 business days prior to the date for suspension of transfer registration of allocated dividends requested by the Company, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase to the record date for allocation of rights, and (3) from the record date for capital decrease to the day immediately prior to the trading date of stocks swapped upon capital decrease, the bondholders may inform Taiwan Depository & Clearing Corporation (TDCC) (hereinafter referred to as the "Depository Corporation") via the securities firm to ask the Company's stock affairs department to convert the convertible corporate bonds into the Company's common shares pursuant to the Regulations at any time from the day following expiration of three months after the convertible corporate bonds are issued (September 9, 2018) to the expiration date (June 8, 2023), and may act in accordance with Article 10, 11 and 15 of the Regulations.

Conversion price and its adjustment

The conversion price of the convertible corporate bonds was determined, with May 31, 2018 as the temporary record date of conversion price. The price is NTD 11.3 per share. In case the number of the Company's issued common stocks increases after issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula specified in the issuance terms. The conversion price was adjusted to NTD 13.70 as of December 31, 2022.

Rights and obligations after conversion

According to the conversion regulations, the rights and obligations of the bondholder with respect to the common shares after the effective conversion as requested are the same as those of the issued common stocks of the Company.

Provided as Guarantees

The convertible corporate bonds are unsecured. However, if the Company additionally issues other secured corporate bonds with warrants or convertibility after issuance of such corporate bonds, these shall be arranged with the creditor's rights of the same level or the real rights for security of the same sequence.

The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve - stock option. The initially recognized effective interest rate with respect to the liabilities is 1.970892%.

Issuance considerations (less the transaction cost of NTD 37,508,000)	$362,492
Interest based on the effective rate of 1.970892%	21,057
Redemption of corporate bonds	(72,447)
Corporate bond payable converted to common stock	(207,577)
Liability components on December 31, 2021	103,525
Interest based on the effective rate of 1.970892%	1,017
Redemption of corporate bonds	(99,486)
Liability components on December 31, 2022	$ 5,056

XIX. Notes and accounts payable

	December 31, 2022	December 31, 2021
Accounts payable	$362,239	$389,184

The Company establishes the financial risk management policies to ensure that all payables can be paid back within the pre-agreed term of credit.

XX. Other liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Bonus payable	$37,982	$32,853
Salary payable	15,011	14,392
Insurance payable	9,593	6,688
Processing fee payable	6,340	3,689
Service fee payable	5,707	4,951
Equipment payable	408	1,284
Others	29,373	9,852
	$104,414	$73,709
Other liabilities		
Receipts under custody.	$ 4,117	$ 1,975
Temporary receipts	426	58
	$ 4,543	$ 2,033

XXI. Retirement benefit plans

(I) Defined contribution plan

The pension system specified in the "Labor Pension Act" and adopted by the Company is the defined pension contribution plan managed by the government. A pension equal to 6% of employee's monthly wage shall be contributed to the personal labor pension account at the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system adopted by the Company according to the "Labor Standards Act" is a defined retirement benefit plan managed by the government. The years of service rendered and the average wage of six months prior to the approved retirement date shall be the reference for calculation of the pension to be paid to the employee. We appropriate 2% of the total monthly wage of an employee as the pension and remit the amount to the labor pension reserve funds account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, we will make up for the shortage in one appropriation before the end of the following March. The account is managed by the Bureau of Labor Funds, Ministry of Labor and we do not have the right to influence the investment management strategies.

The amounts of the defined benefit plan based on the actuarial report are listed as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 34,810	$ 35,434
Fair value of plan assets	(18,779)	(16,819)
Net defined benefit liabilities	$ 16,031	$ 18,615

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of December 31, 2021	$ 38,143	($ 13,268)	$ 24,875
Cost of defined benefit			
Current service cost	212	-	212
Interest expense	229	-	229
Interest income	-	(92)	(92)
Recognized in profit or loss	441	(92)	349
Re-measurement			

Return on planned assets	-	(129)	(129)
Actuarial gain – experience adjustment	(1,404)	-	(1,404)
Actuarial gain – financial assumption adjustment	(464)	-	(464)
Recognition in other comprehensive income	(1,868)	(129)	(1,997)
Contribution by employer	-	(3,330)	(3,330)
Payment of benefits	(1,282)	-	(1,282)
Balance as of December 31, 2021	35,434	(16,819)	18,615
Cost of defined benefit			
Current service cost	108	-	108
Interest expense	266	-	266
Interest income	-	(139)	(139)
Recognized in profit or loss	374	(139)	235
Re-measurement			
Return on planned assets	-	(1,147)	(1,147)
Actuarial gain – experience adjustment	459	-	459
Actuarial gain – financial assumption adjustment	(1,457)	-	(1,457)
Recognition in other comprehensive income	(998)	(1,147)	(2,145)
Contribution by employer	-	(674)	(674)
Balance as of December 31, 2022	$ 34,810	($ 18,779)	$ 16,031

Amounts related to the defined benefit plan recognized in profit or loss are summarized by function as follows:

	2022	2021
Operating cost	$ 151	$ 217
Marketing expense	56	80
Administrative expense	28	52
	$ 235	$ 349

The Company is exposed to the following risks due to the pension system under the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Company’s plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds and corporate bonds leads to increase the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased accordingly. The net defined benefit liabilities may be partially offset by both increases.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit obligation would be increased by an increase in the plan participants’ salary.

The Company’s present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.35%	0.75%
Rate of expected salary increase	1.00%	1.00%

If there was any reasonably possible changes to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 575)	($ 750)
Decrease by 0.25%	$ 593	$ 780
Rate of expected salary		

increase		
Increase by 1.00%	$ 2,478	$ 3,269
Decrease by 1.00%	($ 2,221)	($ 2,856)

Since the actuarial assumptions might be correlated to each other and it was unlikely that the changes were only in a singe assumption, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2022	December 31, 2021
Expected contribution within 1 year	$ 674	$ 3,329
Average maturity of defined benefit obligations	11.3 years	13.2 years

XXII. Equity

(I) Capital stock

1. Common stock

	December 31, 2022	December 31, 2021
Number of authorized shares (thousand shares)	350,000	350,000
Authorized capital	$3,500,000	$3,500,000
Number of issued shares with adequate capital received (thousand shares)	301,724	299,601
Issued capital	$3,017,243	$2,996,009

A share of issued common stock had a par value of NTD10 and was entitled to one voting right and dividends.

In 2022 and 2021, the Company’s convertible corporate bonds that had been converted into common stocks amounted to 2,123,000 shares and 6,322,000 shares, respectively.

To enhance the overall operating plan and competitiveness, the Company held a Board of Directors meeting on March 16, 2018 and adopted the private placement specified in Article 43-6 of the Securities and Exchange Act by issuing 40,000,000 common stocks at the price of NTD 7.6 per stock. The total amount of the private placement was NTD

304,000,000 and the record date of capital increase was October 17, 2018.

The Company's board of directors approved a private placement on December 24, 2019 by issuing 80,000,000 common stocks at the price of NTD 5 per stock. The total amount of the private placement was NTD 400,000,000 and the record date of capital increase was December 26, 2019.

The rights and obligations of the aforesaid common stocks issued for private placement were the same as the issued common stocks of the Company. They should not be transferred freely within 3 years after the delivery, except as otherwise specified in laws and regulations for special circumstances. The board of directors was authorized to finish the public offering procedure ex post facto with the competent authority and apply for tracing on the exchange or OTC market.

In addition, as of April 26, 2021, the share subscription proceeds of NTD510,000,000 were fully collected by the Company, with the capital increase record date set on April 26, 2021.

(II) Capital reserves

	December 31, 2022	December 31, 2021
Available for makeup of loss, distribution of cash dividends or transfer into capital (1)		
Corporate bond conversion premium	$114,519	$ 92,414
Common stock premium	10,000	10,000
Donated assets received	69	69
Employee stock options	4,483	4,483
	129,071	106,966
Only available for makeup of loss		
Changes in net worth of equity of affiliates recognized under equity method (2)	2,562	2,562
Others (return of unclaimed dividends)	129	129
	2,691	2,691
Not available for any purposes		

Stock option	555	15,770
	$132,317	$125,427

1. These capital reserves may be used to make up losses or to distribute cash dividends or be transferred into the capital if the Company does not incur a loss. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.
2. These capital reserves are the adjustments for the Company to recognize subsidiaries' capital reserves under the equity method.

(III) Retained earnings and dividend policy

According to the Company's earnings distribution policy specified on its Articles of Incorporation, if the Company has a profit at the year's final accounting, it shall first pay taxes and make up for any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserves, and also make provision/reversal of special reserves pursuant to the laws. The residual balance shall be added to the accumulated undistributed earnings, and the board of directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for approval of allocation of shareholder dividends and bonus. For the distribution policy of employee and director/supervisor remuneration specified in the Company's Articles of Incorporation, please refer to (7) Remuneration to employees, directors and supervisors in Note 24.

According to the Articles of Incorporation of the Company, the dividend policy is adopted by the Company in consideration of the current and future development plans, investment environment, financing needs and domestic and international competition as well as the shareholders' interests and other factors. The Company's shareholders' dividends are allocated in the form of cash or stock dividends. The cash dividend shall be more than 20% of the total shareholders' dividends.

Legal reserves shall be prepared to the amount at which the balance of the legal reserves reaches to the total paid-in capital. Legal reserves may be used to make up loss. Where the Company does not sustain loss, the part of the legal reserves that exceeds 25% of total paid-in capital may be appropriated as capital or distributed by cash.

(IV) Special reserves

	2022	2021
Balance at Ending of Year	$ 78,308	$ 78,308

(V) Other equities

1. Exchange differences from translation of foreign financial statements

	2022	2021
Balance at Beginning of Year	($182,977)	($134,788)
Amounts incurred in the year		
Exchange differences from foreign operations	44,206	(48,189)
Balance at Ending of Year	($138,771)	($182,977)

2. Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income

	2022	2021
Balance at Beginning of Year	($294,286)	($294,286)
Amounts incurred in the year		
Unrealized gains and losses		
Equity instrument	(5,697)	-
Balance at Ending of Year	($299,983)	($294,286)

XXIII. Income

(I) Customer contract income

	2022	2021
Revenue from sale of products	$3,169,771	$2,362,513
Revenue from commission	21,767	20,740
	$3,191,538	$2,383,253

(II) Balance of contract amount

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (including those due from related parties) (Notes 10 and 29)	$1,107,170	$ 485,917	$ 527,457
Contractual liabilities			
Sale of products	$ 25,217	$ 38,202	$ 21,863

(III) Customer contract income breakdown

	2022	2021
Major market by region		
Europe	$1,510,995	$1,222,794
Asia	971,984	587,562
America	668,720	527,285
Oceania	38,500	45,508
Others	1,339	104
	$3,191,538	$2,383,253
Main product		
Bicycle and parts	$3,169,771	$2,362,513
Others	21,767	20,740
	$3,191,538	$2,383,253

XXIV. Net profit (loss) of continuing operations

(I) Interest income

	2022	2021
Interest income	$ 824	$ 258

(II) Other revenue

	2022	2021
Dividend income	$ 8,828	$ 1,388
Rent income	694	110
Government subsidy income	153	8
Others	25,635	17,330
	$35,310	$18,836

(III) Other gains (losses)

	2022	2021
Total gain (loss) from conversion of foreign currencies	$83,903	($ 1,706)
Gain from disposal of property, plant, and equipment	33	-
VII. Gain (loss) from financial instruments measured at fair value through profit or loss	(9,464)	9,025
Other losses	(6,226)	(5,334)
	$68,246	$ 1,985

(IV) Financial cost

	2022	2021
Bank loan interest	$38,629	$17,208
Amortization of convertible corporate bonds	1,165	6,791
Interest on lease liabilities	57	36
	$39,851	$24,035

(V) Depreciation and amortization

	2022	2021
Summary of depreciation expenses by function		
Operating cost	$16,478	$ 4,586
Operating expense	7,358	7,266
	$23,836	$11,852
Summary of amortization expenses for intangible assets by function		
Operating cost	$ -	$ -

Operating expense	1,266	989
	$ 1,266	$ 989

(VI) Employee benefit expense

	2022	2021
Retirement benefits (Note 21)		
Defined contribution plan	$ 8,079	$ 6,459
Defined benefit plan	235	349
	8,314	6,808
Other employee benefits	230,159	186,659
Total employee benefit expenses	$238,473	$193,467
Summarized by function		
Operating cost	$134,105	$105,662
Operating expense	104,368	87,805
	$238,473	$193,467

(VII) Remuneration to employees, directors and supervisors

According to the Articles of Incorporation, the Company shall appropriate 2% to 10% of the profit on the annual final account, if any, as the remuneration to the employees and up to 5% of the profit as the remuneration to the directors and supervisors. However, when the Company still has losses accumulated in the previous year, an amount equal to the losses shall be first reserved from the profit before the profit can be appropriated in accordance with the said percentages. Since there are losses in 2022 and 2021, no estimates were made for the remuneration to the employees or directors and supervisors.

The information about remuneration to the employees and directors/supervisors in 2022 and 2021 approved by the Board of Directors may be viewed at the “MOPS” of TWSE.

(VIII) Foreign exchange gain (loss)

	2022	2021
Total profit from translation of foreign currencies	$130,615	$ 52,402
Total loss from translation of foreign currencies	(46,712)	(54,108)
Net gain (loss)	$ 83,903	($ 1,706)

XXV. Income tax of continuing operations

(I) Income tax recognized in profit or loss

Major components of the income tax expenses recognized:

	2022	2021
Current income tax		
Tax incurred in the year	$ -	$ -
Deferred income tax		
Tax incurred in the year	96,867	10,252
Income tax expense recognized in profit or loss	$ 96,867	$ 10,252

Reconciliation of accounting income and income tax (profit) is as follows:

	2022	2021
Net profit before tax of continuing operations	$431,225	$ 92,843
Income tax derived by applying net profit before tax to the statutory tax rate	$ 86,245	$ 18,569
Expense and loss not deductible from tax	(1,744)	227
Unrecognized deductible temporary difference	12,366	(8,544)
Income tax expense recognized in profit or loss	$ 96,867	$ 10,252

(II) Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax		
Tax incurred in the year		
－Translation from foreign operations	$ 6,873	($ 8,031)
Income tax loss recognized in other comprehensive income	$ 6,873	($ 8,031)

(III) Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets		
Income tax refund receivable	$ 228	$ 168

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	Balance at Beginning of Year	Recognized in profit or loss	Recognized in Other comprehensive income	Balance at Ending of Year
Deferred income tax assets				
Temporary difference				
Unrealized exchange loss	($ 1,041)	$ 1,942	$ -	$ 901
Unrealized inventory devaluation loss	1,387	2,455	-	3,842
Unpaid pension	4,792	(88)	-	4,704
Unrealized gross profit	2,236	2,798	-	5,034
Expected deferred excessive credit impairment loss	74,255	(12,312)	-	61,943
Investment loss under equity method	19,603	(19,603)	-	-
Exchange differences from foreign operations	(3,877)	-	3,877	-
Financial assets impairment loss measured at fair value through other comprehensive income	67,708	-	-	67,708
Loss carryforwards	64,547	(39,386)	-	25,161
	$ 229,610	($ 64,194)	$ 3,877	$ 169,293
Deferred income tax liabilities				
Temporary difference				
Foreign investment profit under equity method	($ 67,878)	($ 33,021)	$ -	($ 100,899)
Unrealized valuation loss of corporate bonds	(3,796)	348	-	(3,448)
Land incremental tax	(21,605)	-	-	(21,605)
Exchange differences from foreign operations	(22,168)	-	2,996	(19,172)
	($ 115,447)	($ 32,673)	$ 2,996	($ 145,124)

2021

	Balance at Beginning of Year	Recognized in profit or loss	Recognized in Other comprehensive income	Balance at Ending of Year
Deferred income tax assets				
Temporary difference				
Unrealized exchange loss	$ 1,832	($ 2,873)	$ -	($ 1,041)
Unrealized inventory devaluation loss	2,287	(900)	-	1,387
Unpaid pension	5,388	(596)	-	4,792
Unrealized gross profit	1,471	765	-	2,236
Expected deferred excessive credit impairment loss	72,761	1,494	-	74,255
Investment loss under equity method	23,846	(4,243)	-	19,603
Exchange differences from foreign operations	2,854	-	(6,731)	(3,877)
Financial assets impairment loss measured at fair value through other comprehensive income	67,708	-	-	67,708
Loss carryforwards	57,853	6,694	-	64,547
	$ 236,000	$ 341	($ 6,731)	$ 229,610
Deferred income tax liabilities				
Temporary difference				
Foreign investment profit under equity method	($ 58,235)	($ 9,643)	$ -	($ 67,878)
Unrealized valuation loss of corporate bonds	(2,846)	(950)	-	(3,796)
Land incremental tax	(21,605)	-	-	(21,605)
Exchange differences from foreign operations	(20,868)	-	(1,300)	(22,168)
	($ 103,554)	($ 10,593)	($ 1,300)	($ 115,447)

(IV) Amount of deductible temporary difference of the deferred income tax assets unrecognized in balance sheet

	December 31, 2022	December 31, 2021
Deductible temporary difference	$1,004,693	$ 896,987

(V) Information on loss carryforwards

The information on the loss carryforwards of the Company up to December 31, 2022 is as follows:

Balance to be credited	Last year of credit
$ 88,798	2030
37,009	2031
$125,807	

(VI) Authorization of income tax

The Company's profit-seeking business income tax filings have been approved by the tax authority up until 2018.

XXVI. Earnings per share

	2022	2021
Basic EPS	$ 1.11	$ 0.29
Diluted EPS	$ 1.11	$ 0.29

The net profit and the weighted average number of common stocks used for calculating earnings per share are as follows:

Net profit for the year

	2022	2021
Net profit used for calculation of earnings per share	$334,358	$ 82,591

Number of shares (thousand shares)

	2022	2021
Weighted average number of common stocks used for calculating basic EPS	301,458	281,803
Effect of potential diluted common stocks:		
Convertible corporate bond	29	3,739
Weighted average number of common stocks used for calculating diluted EPS	301,487	285,542

XXVII. Capital risk management

The Company conducts capital management to ensure the Company can keep operating and growing while maximizing shareholders’ return by optimizing the liability and equity balances.

For the capital structure and management strategy, the Company takes into account the scale and growing potential of the industry to which the Company belongs, the defined product development blueprint, and the market share. With these as a basis, the Company makes overall plans regarding required capacity, corresponding capital expenses, and assets needed for long-term development of the Company. Finally, we estimate potential gross profit of our products, operating profit rate, and cash flow based on the competitive strength of the Company, and determine the appropriate capital structure in consideration of the fluctuation in business cycle, life cycle of products, and other risk factors.

The management of the Company reviews the capital structure on a regular basis and measures the cost and risk of different capital instruments. In general, the Company adopts deliberately designed risk management strategies.

XXVIII. Financial instruments

(I) Fair value information－financial instruments not measured at fair value

	December 31, 2022		December 31, 2021	
	Book value	Fair Value	Book value	Fair Value
Financial liabilities				
Financial liabilities measured at amortized cost				
－Convertible corporate bond	$ 5,056	$ 9,010	$ 381,863	$ 396,815

(II) Fair value information－financial instruments measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stocks	$ 13,881	$ -	$ -	$ 13,881
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 97	$ 97

- Foreign non-listed (non-OTC) stocks	-	-	12,541	12,541
	$ -	$ -	$ 12,638	$ 12,638

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stocks	$ 21,597	$ -	$ -	$ 21,597
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 97	$ 97
Financial liabilities measured at fair value through profit or loss				
Derivatives:	$ -	$ -	$ 1,459	$ 1,459

There was no transfer of fair value measurements between Level 1 and Level 2 in 2022 and 2021.

2. Adjustments to the financial instruments measured at Level 3 fair value

	Financial assets measured at fair value through profit or loss	
Equity instrument of financial assets	2022	2021
Balance at Beginning of Year	$ 97	$ 1,756
Increase in the year	18,238	-
Recognition in other comprehensive income	(5,697)	-
Disposal	-	(1,659)
Balance at Ending of Year	$ 12,638	$ 97

	Financial liabilities measured at fair value through profit or loss	
Derivatives – convertible bonds	2022	2021

Derivatives – convertible bonds	Financial liabilities measured at fair value through profit or loss	
	2022	2021
Balance at Beginning of Year	$ 1,459	$ 7,932
Recognition in profit or loss (other profits and losses)	(1,459)	(6,473)
Balance at Ending of Year	$ -	$ 1,459

3. Evaluation technology and inputs measured at Level 3 fair value

   Derivatives - The fair value of the call and put options of convertible corporate bonds is estimated using the binary tree–based model for convertible bond valuation. The significant unobservable input used is the stock price volatility. The fair value of the derivatives becomes higher when the stock price volatility increases.

(III) Type of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measurement at fair value through profit or loss		
Designated to be measured at fair value through profit or loss	$ 13,881	$ 21,597
Financial assets measured at amortized cost (Note 1)	1,611,639	1,216,847
Financial assets measured at fair value through other comprehensive income - non-current		
Investment in equity instruments	12,638	97
Financial liabilities		
Measurement at fair value through profit or loss		
Held-for-sale	-	1,459
Measurement at amortized cost (Note 2)	2,633,419	2,086,603

Note 1: The balance included the financial assets measured at amortized cost, such as cash, notes and accounts receivable (including related parties), other receivables (including related parties), and guarantee deposits paid.

Note 2: The balance included the financial liabilities measured at amortized cost, such as short-term loans, notes and accounts payable (including those due to related parties), other payables (including those due to related parties), corporate bonds payable, and long-term loans (including those maturing within 1 year).

(IV) Financial risk management purpose and policy

(1) The Company's financial risk management aims to manage the market risk, credit risk and liquidity risk related to management and business operating activities. To reduce financial risk, the Company is dedicated to identify, assess and avoid market uncertainties to minimize potential adverse effect of the market fluctuation on the financial performance of the Company.

The important financial activities of the Company are audited and approved by the management according to related regulations and the internal control system. The Company strictly follows relevant financial operation procedures during planning and implementation of financial plans.

1. Market risk

The major financial risks that the operating activities imposed on the Company are the exchange rate fluctuation risk (s. (1) below), interest rate fluctuation risk (s. (2) below), and other price risks (s. (3) below).

(1) Exchange rate risk

The Company is engaged in sales and purchase transactions in foreign currency, borrowing, and net investment in foreign operations. These activities expose the Company to the exchange rate fluctuation risk. The Company uses forward exchange contracts to manage the exchange rate risk within the policies. Since the net investment in foreign operations is a strategic investment, the Company does not take hedging measures for this investment.

Sensitivity analysis

The Company is affected primarily by fluctuation in the exchange rate of USD and JPY.

The sensitivity analysis on the consolidated company's exchange rate risk is primarily focused on the calculation not valuated with the functional currency at the end of the financial reporting period. The positive number in the following table means the increased amount of the pre-tax net profit when NTD (functional currency) depreciates by 1% against each related currency; when NTD depreciates by 1% against each related currency, the effect on the pre-tax net profit is represented with a negative number of the same amount. This rate of change is the sensitivity ratio used by the Company when reporting the exchange rate risk to the management.

	Effect of USD		Effect of JPY	
	2022	2021	2022	2021
Pre-tax profit	$ 8,633	$ 6,537	$ 1,221	$ 338

(2) Interest rate risk

The interest rate risk exposure occurs because the Company borrowed funds at fixed and floating rates at the same time. The Company maintains an adequate portfolio of fixed and floating interest rates to manage the interest rate risk. The book values of the financial assets and liabilities of the Company exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
With fair value interest rate risk		
－Financial liability	$ 341,080	$ 382,422
With cash flow interest rate risk		
－Financial asset	461,252	689,288
－Financial liability	1,789,851	1,128,810

Sensitivity analysis

The sensitivity analysis on the interest rate risk is primarily focused on the calculation based on the fluctuation of the floating rate with respect to the cash flow of the financial assets and liabilities at the end of the financial reporting period.

If the interest rate increases/decreases by 50 basis points, the net profit before tax of the Company in 2022 and 2021 would decrease/increase by NTD6,643,000 and NTD2,198,000 respectively.

(3) Other price risks

The Company sustained equity price risk exposure due to investment in publicly quoted equity securities. This investment is not held for trading but a strategic investment. The Company does not trade this investment spontaneously.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the profit before tax in 2022 and 2021 would increase/decrease by NTD139,000 and NTD201,000, respectively, due to increase/decrease of the fair value of the financial assets (liabilities) measured at fair value through profit or loss. If the equity price increased/decreased by 1%, other comprehensive incomes before tax in 2022 and 2021 would increase/decrease by NTD126,000 and NTD1,000, respectively, due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

2. Credit risk

As stated in Note 31, the credit risk refers to the risk of financial loss to the Company because the trading counterpart delays in the fulfillment of the contractual obligations.. The credit risk of the Company mainly comes from the accounts receivable incurred from the operating activities, bank deposits, and other financial instruments. The operation-related credit risk and financial credit risk are managed separately.

Operation-related credit risk

The Company has established the management procedure of operation-related credit risk to maintain the quality of accounts receivable.

The considerations of risk assessment with respect to individual customers include many factors that may affect their solvency, such as their financial status, the rating of the credit rating institutions, the internal credit rating of the Company, historic trading records, and current economic conditions. The Company also applies some credit enhancement instruments (e.g. advance sale receipts and additional collaterals) in a timely manner to reduce customers' credit risk.

Receivables are to be collected from many customers. They belong to different industries and are located in different geographic areas. The

Company continuously assesses the financial status of the customers from which receivables shall be recovered and, if necessary, enters into credit insurance contracts.

Up to December 31, 2022 and 2021, the balance of receivables of the Top 10 customers constituted 73% and 50%, respectively, of the total account receivables (including those due from related parties). The credit concentration risk of other receivables was insignificant.

Financial credit risk

The credit risk of bank deposits and other financial instruments is measured and monitored by the finance department of the Company. The Company’s trade counterpart and performing party are all reputable banks and financial institutions with no significant performance concerns; therefore, there is no significant credit risk.

3. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support business operation and reduce the effect of the fluctuating cash flow. The management of the Company monitors the use of banking facility and ensures compliance with the terms of the loan contract.

Bank loans are one of the important sources of liquidity. For the banking facility that the Company has not used, refer to relevant descriptions in (2) below.

(1) Liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of the non-derivative financial liabilities is compiled based on the earliest repayment date the Company would be required to repay and the non-discounted cash flow of the financial liabilities (including the principal and estimated interest). Hence, the bank loan which the Company may be requested to repay immediately is listed in the earliest period on the table without consideration of the possibility of the bank to exercise this right immediately; the maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

For the cash flow of the interest paid at floating rate, the non-discounted interest amount is derived from the anticipated borrowing rate of interest on the balance sheet date.

December 31, 2022

	Repaid immediately or within less than 6 months	Over 6 months and within 1 year	Over 1 years and within 2 years	Over 2 years and within 5 years	Over 5 years	Total
Non-interest-bearing liabilities	$ 527,935	$ -	$ -	$ -	$ -	$ 527,935
Lease liabilities	9,052	6,452	9,995	460	-	25,959
Floating interest rate instruments	127,868	1,313,313	245,441	98,173	-	1,784,795
Fixed interest rate instruments	88,537	82,690	149,506	-	-	320,733
	$ 753,392	$1,402,455	$ 404,942	$ 98,633	$ -	$2,659,422

More information on the maturity analysis of said financial lease liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 15,504	$ 10,455	$ -	$ -	$ -	$ -
Floating interest rate instruments	$1,441,181	$ 343,614	$ -	$ -	$ -	$ -
Fixed interest rate instruments	$ 171,227	$ 149,506	$ -	$ -	$ -	$ -

December 31, 2021

	Repaid immediately or within less than 6 months	Over 6 months and within 1 year	Over 1 years and within 2 years	Over 2 years and within 5 years	Over 5 years	Total
Non-interest-bearing liabilities	$ 575,930	$ -	$ -	$ -	$ -	$ 575,930
Lease liabilities	537	25	-	-	-	562
Floating interest rate instruments	204,625	764,837	73,143	86,205	-	1,128,810
Fixed interest rate instruments	385,000	-	-	-	-	385,000
	$1,166,092	$ 764,862	$ 73,143	$ 86,205	$ -	$2,090,302

More information on the maturity analysis of said financial lease liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 562	$ -	$ -	$ -	$ -	$ -
Floating interest rate instruments	$ 969,462	$ 159,348	$ -	$ -	$ -	$ -

(2) Banking facility

	December 31, 2022	December 31, 2021
Secured bank loan limit		
- Employed capital	$1,666,644	$ 985,190
- Unemployed capital	731,055	182,875
	$2,397,699	$1,168,065
Unsecured bank loan limit		
- Employed capital	$ 433,784	$ 143,620
- Unemployed	56,326	85,120

capital	$ 490,110	$ 228,740

XXIX. Related party transactions

In addition to those disclosed in other notes, transactions between the Company and other related parties are described as follows.

(I) Names of related parties and their relationship with the Company

Name of Related Party	Relationship with the Company
Ideal Bike (SGP) Co. Pte., Ltd.	Subsidiary
Ideal (Dong Guan) Bike Co., Ltd.	Subsidiary
TOP SPORT INTERNATIONAL LTD.	Subsidiary
Ideal Europe SP.ZO.O	Subsidiary
Crown Alliance International Co., LTD.	Subsidiary
Pacific Glory Worldwide Ltd.	Subsidiary
Advanced Sports International - Asia Ltd.	Subsidiary in which the Company has indirect shareholding (fully liquidated in July 2023)
ECONOTRADE LIMITED	Subsidiary in which the Company has indirect shareholding
Econotrade Limited Taiwan Branch (B.V.I)	Subsidiary in which the Company has indirect shareholding
Ling Xian Sports Equipment (Dong Guan) Limited	Subsidiary in which the Company has indirect shareholding
ADVANCED SPORTS , INC	Associate
Fulltech Fiber Glass Corp.	Associate

(II) Operating revenue

Title	Type of Related Party	2022	2021
Sales revenue	Subsidiary		
	Ideal (Dong Guan) Bike Co., Ltd.	$ 233,037	$ 280,861
	IDEAL EUROPE SP. ZO.O	130,593	219,429
	Others	181	144
		$ 363,811	$ 500,434

The price of the products that the Company sells to the aforesaid related parties is determined with reference to the sales price of the end customer. Since the products are sold to major distributors in different regions, there is no distributors available for comparison in the same situation. The credit period that the Company grants to the aforesaid related parties for the transactions with them is longer. The payment term is usually 3 months and the applicable term for the related parties is 6 months.

(III) Purchase

Type of Related Party	2022	2021
Subsidiary		
Ideal (Dong Guan) Bike Co., Ltd.	$332,118	$197,765
IDEAL EUROPE SP. ZO.O	12,230	-
Others	-	6,990
	$344,348	$204,755

The raw materials that the Company purchases from related parties are needed for the manufacture process. The trading price is similar to usual trades and the payment term is 3 months as usual.

(IV) Accounts receivable from related parties

Title	Type of Related Party	December 31, 2022	December 31, 2021
Accounts receivable – Related party – net	Subsidiary		
	IDEAL EUROPE SP. ZO.O	$ 324,172	$ 157,528
	Ideal (Dong Guan) Bike Co., Ltd.	112,544	51,755
	Others	-	1
	Associate		
	Advanced Sports Inc.	324,805	324,805
	Less: Loss allowance	(324,805)	(324,805)
		$ 436,716	$ 209,284

Changes in loss allowance for accounts receivable from related parties are as follows:

	2022	2021
Balance, Beginning of Year and End of Year	$324,805	$324,805

No guarantee was requested for the outstanding accounts receivable from related parties. Up to December 31, 2022, the part of the accounts receivable from subsidiaries that were overdue for a certain period had been completely transferred from the accounts receivable due from related parties to other receivables due from related parties.

No guarantee was requested for the outstanding accounts receivable from related parties.

(V) Other receivables from related parties

Title	Type of Related Party	December 31, 2022	December 31, 2021
Other receivables - Related party - net	Subsidiary		
	ECONOTRADE LIMITED	$ 11,444	$ 3,156
	Ideal (Dong Guan) Bike Co., Ltd.	4,601	1,048
	IDEAL EUROPE SP. ZO.O	3,780	19,531
	Econotrade Limited Taiwan Branch (B.V.I)	1,647	3,613
	Others	408	10
Other receivables - Related party - net	Associate		
	Advanced Sports Inc.	149,590	149,590
	Less: Loss allowance	(149,590)	(149,590)
		$ 21,880	$ 27,358

Changes in allowance for other receivables due from related parties are as follows:

	2022	2021
Balance, Beginning of Year and End of Year	$149,590	$149,590

(VI) Payables to related arty

Title	Type of Related Party	December 31, 2022	December 31, 2021
Accounts payable – Related party	Subsidiary		
	Ideal (Dong Guan) Bike Co., Ltd.	$ 30,201	$ 102,139
	IDEAL EUROPE SP. ZO.O	13,218	685
		$ 43,419	$ 102,824
Other payables - Related party	Subsidiary		
	Pacific Glory Worldwide Ltd.	$ 9,176	$ 7,028
	Ideal (Dong Guan) Bike Co., Ltd.	7,140	1,709
	IDEAL EUROPE SP. ZO.O	99	55
	TOP SPORT INTERNATIONAL LTD.	-	1,421
	Others	12	-
		$ 16,967	$ 10,213

The outstanding balance of the accounts payable to related parties was not guaranteed and to be paid by cash.

(VII) Other related party transactions

Title	Type of Related Party	2022	2021
Revenue from commission	Subsidiary		
	ECONOTRADE LIMITED	$ 13,590	$ 10,050
	Econotrade Limited Taiwan Branch (B.V.I)	4,023	5,712
	Ideal (Dong Guan) Bike Co., Ltd.	2,460	1,537
	IDEAL EUROPE SP. ZO.O	1,694	3,441
		$ 21,767	$ 20,740
Rent income	Subsidiary		
	Econotrade Limited Taiwan Branch (B.V.I)	$ 34	$ 34

Title	Type of Related Party	2022	2021
Other revenue	Subsidiary		
	Econotrade Limited Taiwan Branch (B.V.I)	$ 18,000	$ 11,429
	ECONOTRADE LIMITED	805	991
	Ideal (Dong Guan) Bike Co., Ltd.	398	444
	IDEAL EUROPE SP. ZO.O	167	393
	Pacific Glory Worldwide Ltd.	11	106
		$ 19,381	$ 13,363
Payments for others	Subsidiary		
	Ideal (Dong Guan) Bike Co., Ltd.	$ 1,214	$ 1,143
Receipts under custody.	Subsidiary		
	Ideal (Dong Guan) Bike Co., Ltd.	$ 2,056	$ 249
	TOP SPORT INTERNATIONAL LTD.	-	10
		$ 2,056	$ 259

The trading price between the Company and related parties is similar to usual trades. The payment term is usually 3 months and the applicable term for the related parties is 6 months.

The Company rents offices out to subsidiaries and records the rent under the title of non-operating income and profit - other revenue. The rent of the offices is determined by usable floor area and received on a monthly basis.

(VIII) Bonus and remuneration to key management

	2022	2021
Short-term employee benefits	$ 31,645	$ 28,089
Retirement benefits	869	793
	$ 32,514	$ 28,882

The remuneration to the key management was decided by the Remuneration Committee subject to personal performance and market trend.

XXX. Pledged and mortgaged assets

The following assets were provided as collateral for loans, guarantee money for tariff duties for import of (raw) materials:

	December 31, 2022	December 31, 2021
Property, plant and equipment - net amount	$199,953	$203,240
Pledged time deposit (stated as financial assets measured at amortized cost - non-current)	171,836	294,892
Long-term equity investments under the equity method	186,388	110,092
	$558,177	$608,224

XXXI. Significant contingent liabilities and unrecognized contractual commitments

In addition to those described in other notes, the Company's significant commitments and contingencies on the balance sheet date are as follows:

(I) Contingency

1. The amounts of the unused letter of credit issued by the Company for purchase of raw materials are as follows

	December 31, 2022	December 31, 2021
JPY	$196,602	$330,083
USD	$ 161	$ 686

2. The major customer and invested company, Advanced Sport Enterprises Inc. (ASE), of the Company applied to a US court for reorganization (Chapter 11 bankruptcy protection) on November 16, 2018 (American

time). At the same time, ASE also applied to the USA court for reorganization of the ASE Group’s subsidiaries, including Advanced Sports, Inc. (ASI).

The US bankruptcy court approved the auction result of the ASE Group’s assets on February 6, 2018 (American time). According to the approval, The total auction amount of these assets was about USD 23 million (including USD 7.5 million which Pacific Glory Worldwide Ltd., an overseas subsidiary established jointly by the Company and Fulltech, offered to acquire the trademark rights and related assets of Fuji, SE and other famous brands). According to the information on secured creditors that the ASE Group submitted to the US bankruptcy court, the merged company and subsidiaries were the secured creditors in the third priority with respect to the creditor’s right to the payment for goods receivable from ASI (a total of about USD 24.26 million). The merged company was the creditor in the last priority with respect to the creditor’s right to the ASE equity in which the merged company invested and the ASI equity in which the merged company invested through subsidiaries. As for the secured creditor’s right to the aforesaid receivable payment for goods, the merged company commissioned lawyers in the USA to apply to the US bankruptcy court in order to protect the rights and interests of the merged company. The creditor’s right to equity shall be attributable to the creditor in the last priority according to the United States Bankruptcy Code.

Up to March 13, 2023, the board of directors of the Company approved the financial report date and took an estimate of USD 31.20 million as the ASE and ASI equity value in consideration of the pending ASE reorganization proceeding. Since the chance of payment is very low as advised by the lawyers, the Company recognized all the equities as loss in 2018 (separately stated in the unrealized valuation profit/loss measured at fair value through other comprehensive income and share of profit/loss of associates under equity method). The creditor’s right to accounts receivable amounted to about USD 24.26 million which the reorganized company designated as secured creditor’s right with the US court. The consolidated company would apply to declare its secured creditor’s right to the US court pursuant to the United States Bankruptcy Code. Though the amount that could be recovered under the secured creditor’s right was subject to the final decision of the US court, it was completely recognized in impairment loss in 2018 (stated as expected loss from credit impairment) with reference to the advice of the lawyers and based on the principle of conservation and stability.

The Company acquired the license agreement covering 4 bicycle brands of ASI at the end of 2017. However, to ensure the reorganization case could proceed effectively, the US court terminated that agreement pursuant to the United States Bankruptcy Code on December 21, 2018. According to the decision of the US court, the Company might request ASI to compensate for the damage of USD 4.80 million arising from termination of the agreement. Hence, the Company transferred this USD 4.80 million into other receivables. However, based on the principle of conservation and stability, the Company recognized it in loss in 2018 (stated as expected loss from credit impairment) and would declare the creditor’s right to the US court pursuant to the United States Bankruptcy Code to protect the rights and interests of the Company.

The Company received a letter from the lawyers in the USA on April 9, 2019, stating that the US bankruptcy court issued a notice of court session to the Company with respect to the case filed by the Unsecured Creditors Committee of the ASE Group. The Unsecured Creditors Committee found the preferential secured creditor’s right of the Company against the ASE Group defective and allegedly applied to the US bankruptcy court for revocation of this right. Without giving any proof, the Unsecured Creditors Committee inferred the substantial control of the Company over the ASE Group and alleged that it might apply for revocation of every transaction between the Company and ASE Group within 1 year dating from the date (11/16/2018) on which the ASE Group filed the application for corporate reorganization pursuant to the United States Bankruptcy Code, and, thus, the Company should returned the payment for goods (about USD 31 million) to the ASE Group.

The preferential secured creditor’s right that the Company might claim against the ASE Group was based on and proved by related contracts entered into between the Company and ASE Group. There was no such defect as alleged by the Unsecured Creditors Committee. The shares that the Company held in the ASE Group and and the transactions with it were legal, all the transaction information were completely disclosed in the financial statements, and the Company did not have substantial control over the ASE Group as the Unsecured Creditors Committee alleged.

The Unsecured Creditors Committee filed the action for revocation and return of payment for goods against the Company only based on conjectures and what it alleged were false accusations. The Company hired lawyers in the USA to file objections pursuant to the legal proceedings of the USA to protect the rights and interests of the Company. After many legal offenses and defenses, both parties achieved an agreement of reconciliation in consideration of the procedural economy.

The liquidation plan of the ASE and other reorganization companies was approved by the US bankruptcy court on October 25, 2019 (American time). After the approval, the Unsecured Creditors Committee of the ASE and other reorganization companies revoked the aforesaid action claiming return of the payment for goods amounting to USD 31 million against the Company. The Company would participate in the creditor’s rights distribution procedure of the ASE and other reorganization companies with the declared amount of creditor's right. According to the liquidation plan of the ASE and other reorganization companies, the first distribution procedure of creditor’s rights was conducted on December 15, 2019, with the residual cash of the ASE and other reorganization companies. Subsequent distribution procedures of creditor’s rights were conducted within one year after December 15, 2019, with the residual cash of the ASE and other reorganization companies and the money recovered under their creditor’s rights. The Company participated in the distribution procedure of creditor’s rights according to the decision of the US bankruptcy court. The actual amount recovered based on the distribution of the creditor’s rights would be dependent upon the final actually distributed amount.

The liquidation plan of the ASE and other reorganization companies was approved by the US bankruptcy court on October 25, 2019 (American time). The Company received USD 1,102,000 on May 22, 2020 as the first distribution under the creditor's right according to the liquidation plan. Subsequent distribution procedures of creditor's rights will be conducted after the ASE and other reorganization companies recover the money under their creditor's rights according to the liquidation plan.

XXXII. Information on foreign currency assets and liabilities with significant effect

The following information is summarized and stated based on the foreign currencies other than the Company's functional currency. The disclosed exchange rate represents the rate of such foreign currencies to the functional currency. Foreign currency assets and liabilities with significant effect are as follows:

December 31, 2022

Unit: In thousands of foreign currency

	Foreign Currency	Exchange Rate	Book value
Financial assets			
Monetary items			
USD	$ 31,558	30.71	$ 969,146
JPY	565,726	0.2324	131,475
EUR	6,718	32.72	219,813
Non-monetary items			
Subsidiary under equity method			
USD	30,979	30.71	951,382
CNY	79,431	4.4094	350,241
PLN	56,612	6.9767	394,947
Financial liabilities			
Monetary items			
USD	3,448	30.71	105,888
JPY	40,181	0.2324	9,338
EUR	486	32.72	15,902

December 31, 2021

Unit: In thousands of foreign currency

	Foreign Currency	Exchange Rate	Book value
Financial assets			
Monetary items			
USD	$ 32,655	27.68	$ 903,890
JPY	370,072	0.2405	89,002
EUR	4,952	31.32	155,159
Non-monetary items			
Subsidiary under equity method			
USD	29,012	27.68	803,062
CNY	71,429	4.3415	310,110
PLN	51,874	6.8177	353,660
Financial liabilities			
Monetary items			
USD	9,040	27.68	250,227
JPY	229,406	0.2405	55,172
EUR	157	31.32	4,917

The realized and unrealized foreign currency exchange gains (losses) of the Company in 2022 and 2021 were NTD 83,903,000 and NTD (1,706,000), respectively. However, it was infeasible to disclose the exchange loss and gain of each significant foreign currency because of numerous functional currencies in foreign currency transactions.

XXXIII. Supplementary disclosures

Information about (I) major transactions and (II) investees:

1. Loaning of funds to others: Table 1
2. Making of endorsements/guarantees for others: Table 2
3. Securities Held at the End of Period (Excluding the Holding of Shares in Subsidiaries, Associates, and Joint Ventures): Table 3.
4. Aggregate purchases or sales of the same securities reaching NTD 300 million or more than 20% of paid-in capital: None.
5. Acquisition of real estate reaching NTD 300 million or more than 20% of paid-in capital: None.
6. Disposal of real estate reaching NTD 300 million or more than 20% of paid-in capital: None.
7. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital: None.
8. Accounts receivable from related parties reaching NTD100 million or more than 20% of paid-in capital: Table 4.
9. Engaged in derivative transactions: None
10. Information on investees: Table 5.

(III) Information on investments in Mainland China:

1. Information about investees in Mainland China, such as the name, main business operations, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, current profit/loss and recognized investment profit/loss, investment book value at the end of the period, profit or loss received from investments, and limit on the amount of investment in Mainland China: Table 6.
2. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third area, and their prices, payment conditions, and unrealized profit/loss: Table 7

(IV) Information on major shareholders: The name, number of shares held, and shareholding ratio of the shareholders with an equity ratio of 5% or more: Table 8

IDEAL BIKE CORPORATION

Loans to Others

2022

Table 1

Unit: NTD thousand unless otherwise specified

No. (Note 1)	Lending company	Borrowing company	Current account	Whether a related party	Maximum balance in current period	Balance at ending of period	Drawdown	Range of interest rates	Nature of loaning of funds (Note 2)	Business transaction amount (Note 5)	Reasons for the need of short-term financing	Appropriated allowance for bad debt	Collateral		Limit of loans to particular borrower (Note 3)	Limit of total loaning of funds (Note 4)	Remarks
													Name	Value			
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Other receivables	Yes	$ 152,804	$ 152,804	$ 152,804	-	1	$ 130,760	—	$ -	—	$ -	$ 840,242	$ 960,277	—
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Other receivables	Yes	92,145	92,130	-	5.25%	2	-	Working capital	-	—	-	840,242	960,277	—

Note 1: Number column description:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: Nature of loaning of funds description:

(1) A business associate

(2) Needs for short-term financing

Note 3: The limit of loans to a particular borrower shall not exceed 35% of the Company’s net value.

Note 4: The limit of total loaning of funds shall not exceed 40% of the Company’s net value.

Note 5: Business transaction amount means the amount of the transactions between the lending and borrowing companies in the most recent year.

IDEAL BIKE CORPORATION

Endorsement/Guarantees for Others

2022

Table 2

Unit: NTD thousand unless otherwise specified

No. (Note 1)	Endorsing/guaranteeing company	Endorsed/guaranteed company		Limits on individual endorsements/ guarantees (Note 3)	Current maximum guarantee/ guarantee balance	Current endorsement/ guarantee balance - ending	Drawdown	Endorsement/ guarantee amount secured with property	Ratio of the cumulative endorsement/ guarantee amount to the net worth in the most recent financial statements (%)	Maximum endorsement/ guarantee limit (Note 3)	Endorsements/guarantees made by the parent company for its subsidiaries	Endorsements/guarantees made by the subsidiaries for its parent company	Endorsements/guarantees made for the operations in Mainland China	Remarks
		Company name	Relationship (Note 2)											
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	3	$ 1,200,346	$ 64,430	$ 61,420	$ 60,284	$ -	2.56	$ 2,400,693	Yes	No	No	
		Ideal (Dong Guan) Bike Co., Ltd.	3	1,200,346	96,645	92,130	-	-	3.84	2,400,693	Yes	No	Yes	

Note 1: Number column description:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee is classified into seven categories as follows. It is only necessary to mark the type:

(1) A business associated company.

(2) The company with the majority shareholdings of voting rights held by the Company directly and indirectly.

(3) The company holds the majority shareholdings of voting rights of the Company directly and indirectly.

(4) The company with more than 90% shareholdings of voting rights held by the Company directly and indirectly.

(5) The company needing mutual guarantee pursuant to an agreement in the same industry or between joint proprietors for undertaking engineering projects.

(6) The company received endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.

(7) Escrow and joint and several guarantee of the contracts in the same industry that involve transaction of pre-sale houses according to the Consumer Protection Act

Note 3: The total endorsement/guarantee amount of the Company is limited to 100% of the current net value of the Company. The endorsement/guarantee amount for individual companies is limited to 50% of the current net value of the Company.

IDEAL BIKE CORPORATION

Securities Held at the End of Period

December 31, 2022

Table 3

Unit: NTD thousand unless otherwise specified

Holding company	Type of securities	Name of securities	Relationship with the issuer of securities	Account title	At the end of the period				Remarks
					Number of stocks	Book value	Shareholding	Fair Value	
IDEAL BIKE CORPORATION	Stock	Capital Securities Corporation	None	Financial assets measured at fair value through profit or loss - current	1,262,059	$ 13,694	0.06%	$ 13,694	
	Stock	Unitech Printed Circuit Board Corp.	None	Financial assets measured at fair value through profit or loss - current	10,858	187	-	187	
	Stock	PCI International Investment Inc.	None	Financial assets measured at fair value through other comprehensive income - non-current	6,188	12,541	13.75%	12,541	
	Stock	Huan Hua Securities Finance Corporation	None	Financial assets measured at fair value through other comprehensive income - non-current	87,308	97	0.47%	97	
	Stock	Advanced Sports Enterprise Inc.	Key management	Financial assets measured at fair value through other comprehensive income - non-current	9,814,691	-	17%	-	Note
	Stock	TRIO BKIE A/S	None	Financial assets measured at fair value through other comprehensive income - non-current	12,000	-	1.92%	-	
	Stock	Karbon Kineetics Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	107,527	-	0.22%	-	
	Stock	Camma Cycling Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	500,000	-	10%	-	
	Stock	Innnotq Gmbh	None	Financial assets measured at fair value through other comprehensive income - non-current	8,621	-	18%	-	

Note: Please refer to Note 31.

IDEAL BIKE CORPORATION

Accounts receivable from related parties reaching NTD100 million or more than 20% of paid-in capital

December 31, 2022

Table 4

Unit: NTD thousand unless otherwise specified

Company stating in receivables	Name of counterpart	Relationship	Balance of accounts receivable from related parties	Turnover rate	Overdue accounts receivable from related parties		Subsequent recovered amount of accounts receivable from related parties	Appropriated allowance for loss
					Amount	Treatment		
IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Subsidiary of the Company	$327,952	0.52	$ -	(Note 1)	$ -	$ -
	Ideal (Dong Guan) Bike Co., Ltd.	Subsidiary of the Company	117,145	2.74	-	(Note 1)	76,575	-
	Advanced Sport, Inc.	Associate	474,395	-	474,395	(Note 2)	-	474,395
Ideal (Dong Guan) Bike Co., Ltd.	ECONOTRADE LIMITED	Subsidiary of the Company	224,229	1.98	-	(Note 3)	224,229	-
ECONOTRADE LIMITED	Advanced Sport, Inc.	Associate	392,740	-	392,740	(Note 2)	-	392,740

Note 1: Overdue accounts receivable from related parties have been transferred to other receivables.

Note 2: Since Advanced Sport Inc. applied for reorganization, expected credit loss is provided for related receivables on the book. Refer to Note 31.

Note 3: This amount was entirely written off during preparation of the consolidated financial statements.

IDEAL BIKE CORPORATION

Name and Territory of Investees and Other Relevant Information

2022

Table 5

Unit: NTD/USD thousand unless otherwise specified

Name of investor	Name of investee	Territory	Main business operations	Original investment amount		Held at the end of period			Current profit (loss) of Investee	Profit (loss) from investments recognized in the current period	Remarks
				End of current period	End of last year	Number of stocks	Ratio	Book value			
IDEAL BIKE CORPORATION	Ideal Bike (SGP) Co. Pte., Ltd.	Singapore	Holding company	$ 300,495	$ 300,495	13,711,426	100%	$ 727,274	$ 83,769	$ 83,769	
	TOP SPORT INTERNATIONAL LTD.	Cayman	Trading of bicycle parts	763,899	763,899	39,000	100%	88,126	29,533	29,533	
	Ideal Europe SP ZO.O	Poland	Manufacture and trading of bicycle parts	736,293	736,293	50,000	100%	394,947	37,400	37,400	
	Crown Alliance International Co., Ltd.	Seychelles	Holding company	105,544	105,544	3,400,000	100%	35,303	(1,825)	(1,825)	
	Fulltech Fiber Glass Corp.	Taiwan	Electronic-grade fiber glass	126,185	126,185	11,580,438	2.62%	189,944	31,523	826	
	Advanced Sports International-Asia Ltd.	Seychelles	Trading of bicycles and accessories	-	15,839	-	-	-	972	776	
	Pacific Glory Worldwide Ltd.	Seychelles	Trading of bicycles	51,399	51,399	15,100,000	100%	101,448	24,993	24,993	
TOP SPORT INTERNATIONAL LTD.	ECONOTRADE LIMITED	British Virgin Islands	Trading	USD 500	USD 500	500	100%	USD 3,004	USD 1,214	USD 1,214	
ECONOTRADE LIMITED	Advanced Sports, Inc.	United States of America	Trading of bicycles and accessories	USD 20,000	USD 20,000	100	50%	-	-	-	Note
	Econotrade Limited Taiwan Branch (B.V.I)	Taiwan	Trading of bicycles and accessories	USD 160	USD 160	500,000	100%	USD 1,285	USD 123	USD 123	
Pacific Glory Worldwide Ltd.	Advanced Sports International-Asia Ltd.	Seychelles	Trading of bicycles and accessories	USD -	USD 479	-	-	USD -	USD 34	USD 7	

Note: Please refer to Note 31.

IDEAL BIKE CORPORATION

Information on Investments in Mainland China

2022

Table 6

Unit: NTD thousand unless otherwise specified

Name of investee in Mainland China	Main business operations	Paid-in capital	Method of investment	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit (loss) of Investee	The Company's shareholding of direct or indirect investment	Profit or loss from investments recognized in current period (Note 2)	Investment book value at the end of the period	Profit received from investments as of the end of current Period	Remarks
					O/R	Return							
Ideal (Dong Guan) Bike Co., Ltd.	Production and sale of bicycles and parts	USD 21,000	Note 3	$ 306,885 (USD9,993,000)	$ -	$ -	$ 306,885 (USD9,995,000)	$ 125,874	100%	$ 42,105 (Note 2)	$ 349,016	$ 29,973 (USD976,000)	
Ling Xian Sports Equipment (Dong Guan) Limited	Wholesale and import/export of bicycles, sports devices and parts	USD 3,400	Note 1	104,414 (USD3,400,000)	-	-	104,414 (USD3,400,000)	1,258	100%	1,258	-	-	

Accumulated amount of investments from Taiwan to Mainland China at the end of current period	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 4)
$411,299 (USD 13,393,000)	$411,299 (USD 13,393,000) Total approved amount: in USD1,000	$1,440,415

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

(I) Engaged in direct investment in Mainland China.

(II) Invested in Mainland China through a company in a third area (please specify the investment company in the third area).

(III) Others

Note 2: It was calculated based on the CPA audited financial statements in the same period.

Note 3: The total investment amount was NTD 306,885,000 (USD 9,993,000), wherein NTD 67,316,000 (USD 2,192,000) was used for indirect investment in Mainland China through a third area under commission, and the rest NTD 239,569,000 (USD 7,801,000) was used for investment in Mainland China through an invested company in a third area.

Note 4: The limit mount was calculated pursuant to the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” amended by the Investment Commission, MOEA, on August 29, 2008.

Note 5: The calculation was based on the exchange rate on December 31, 2022.

IDEAL BIKE CORPORATION

Any of the Following Significant Transactions with Investees in Mainland China, Either Directly or Indirectly through a Third Area, and Their Prices, Payment Conditions, and Unrealized Profit/Loss

2022

Table 7

Unit: NTD thousand unless otherwise specified

Name of investee in Mainland China	Trading type	Purchaser/sale (Note)		Price	Trading conditions		Notes/Accounts Receivable (Payable)		Unrealized gains and losses	Remarks
		Amount	Percentage		Payment terms	Ordinary terms	Amount	Percentage		
Ideal (Dong Guan) Bike Co., Ltd.	Sale	$ 233,037	7.30%	Note	O/A 60 days	O/A 90 days	$ 112,544	10.17%	($ 7,947)	—
.	Purchase	332,118	11.08%	Calculated pursuant to contractual agreement	O/A 39 days	O/A 90 days	30,201	7.44%	-	—

Note: The price of the products sold to related parties is determined with reference to the sales price of the end customer. Since the products are sold to major distributors in different regions, there is no distributors available for comparison in the same situation.

IDEAL BIKE CORPORATION

Information on Major Shareholders

December 31, 2022

Table 8

Names of major shareholders	Share	
	Number of shares held	Shareholding
Unitech Printed Circuit Board Corp.	34,000,000	11.26%
Fulltech Fiber Glass Corp.	33,188,067	10.99%
Tse-Min YuN	24,000,000	7.95%
Guo Ling Investment Co., Ltd.	21,333,643	7.07%

Note 1: The information on major shareholders is acquired from the data of the Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and special stocks of the Company that have been registered and delivered in dematerialized form (including treasury stocks) on the last business day at the end of the current quarter. The capital stock stated in the consolidated financial statements of the Company may be different from the number of stocks that have been actually registered and delivered in dematerialized form due to different bases of compilation and calculation.

Note 2: In case any shareholder transferred his stocks to a trustee, the information on such shareholder was disclosed based on the account of the principal subject to the trust account opened by the trustee. As for shareholders who are an insider with 10% or more stake and declare their shareholdings pursuant to the Securities and Exchange Act, the number of shares held includes the shares of the shareholders and the shares that they transferred to a trustee and for which they have the right to determine the application. For more information on the declaration of insider shares, refer to the MOPS.

§STATEMENTS OF MAJOR ACCOUNTING ITEMS§

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IDEAL BIKE CORPORATION

Statement of cash

December 31, 2022

Statement 1

Unit: NTD thousand, unless otherwise specified

Item	Summary	Amount
Cash		
Petty cash and cash on hand		$ 130
Bank deposit		
Demand deposit		156,769
Foreign currency demand deposit	Including USD 3,813,000, @30.71; JPY 31,333,000, @0.2324; and EUR 252,000, @32.72	132,647
Time deposit	Maturing successively before March 2024	171,836
		461,382
L: Pledged time deposit	Stated as financial assets measured at amortized cost - non-current	(171,836)
		$ 289,546

IDEAL BIKE CORPORATION

Statement of Notes and Accounts Receivable

December 31, 2022

Statement 2

Unit: NTD thousand

Name of Customer	Amount
Non-related party	
Customer A	$221,896
Customer B	185,106
Customer C	92,957
Customer D	73,704
Customer E	35,589
Others (Note)	61,202
	$670,454

Note: The balance of all the customers did not exceed 5% of the balance of this item.

IDEAL BIKE CORPORATION

Statement of Inventories

December 31, 2022

Statement 3 | Unit: NTD thousand

Item	Amount	
	Cost	Net realizable value
Raw materials	$ 816,965	$ 826,738
Finished good	230,279	255,665
Work in process	106,070	130,151
Semi-finished goods	45,487	50,972
Materials and supplies in transit	18,589	18,589
Inventory of goods	239	240
Less: Allowance for inventory devaluation and obsolescence loss	(19,211)	-
	$1,198,418	$1,282,355

IDEAL BIKE CORPORATION

Statement of Financial Assets Measured at Fair Value through Profit or Loss - Current

December 31, 2022

Statement 4

Unit: NTD thousand unless otherwise specified.

Name of Financial Instrument	Summary	Unit	Acquisition Cost	Fair value Unit Price	Fair value Total	Remarks
Domestic investment						
Listed (OTC) stock	Capital Securities Corporation	1,262,059	$ 17,082	11.06	$ 13,694	
	Unitech Printed Circuit Board Corp.	10,858	132	17.22	187	
Total			$ 17,214		$ 13,881	

IDEAL BIKE CORPORATION

Statement of financial assets measured at fair value through other comprehensive income - non-current

December 31, 2022

Statement 5

Unit: NTD thousand unless otherwise specified.

Name	Balance at Beginning of Year		Increase in the Year		Equity instruments measurement at fair value through profit or loss. Unrealized valuation gain (loss)	Balance at Ending of Year	
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount		Number of shares (thousand shares)	Amount
Financial assets measured at fair value through other comprehensive income - non-current							
Huan Hua Securities Finance Corporation	87	$ 97	-	$ -	$ -	87	$ 97
PCI International Investment Inc.	-	-	6	18,238	5,697	6	12,541
		$ 97		$ 18,238	$ 5,697		$ 12,638

IDEAL BIKE CORPORATION

Statement of changes in investment under equity method

January 1 through December 31, 2022

Statement 6

Unit: NTD thousand unless otherwise specified.

	Balance at Beginning of Year		Increase in the Year		Decrease in the Year					Balance at Ending of Year			
Name	Number of stocks	Amount	Number of stocks	Amount	Number of stocks	Amount	Investment (Loss) Gain	Cumulative Translation Adjustment	Unrealized gross profit from sales	Number of stocks	(%)	Amount	Net worth of Equity
Investment under Equity Method													
Ideal Bike (SGP) Co. Pte., Ltd.	13,711,426	$ 634,043	-	$ -	-	$ -	$ 83,769	$ 9,462	$ -	13,711,426	100	$ 727,274	$ 727,274
Ideal (Dong Guan) Bike Co., Ltd.	-	310,110	-	-	-	-	42,105	4,748	(7,947)	-	33.45	349,016	356,963
TOP SPORT INTERNATIONAL LTD.	39,000	55,635	-	-	-	-	29,533	2,958	-	39,000	100	88,126	88,126
Ideal Europe SP ZO.O	50,000	353,659	-	-	-	-	37,400	9,929	(6,041)	50,000	100	394,947	400,988
Crown Alliance International Co., LTD.	3,400,000	34,631	-	-	-	-	(1,825)	2,497	-	3,400,000	100	35,303	35,303
Advanced Sports International - Asia Ltd.	480,000	10,038	-	-	(480,000)	(10,814)	776	-	-	-	-	-	-
Pacific Glory Worldwide Ltd.	15,100,000	68,716	-	-	-	-	24,993	7,739	-	15,100,000	100	101,448	101,448
Fulltech Fiber Glass Corp.(Note 2)	11,243,178	189,118	337,260	-	-	-	826	-	-	11,580,438	2.62	189,944	189,944
		$ 1,655,950		$ -		($ 10,814)	$ 217,577	$ 37,333	($ 13,988)			$ 1,886,058	$ 1,900,046

Note 1: Investment loss/gain and net worth of equity were calculated based on the CPA audited financial statements of the investee in the same period.

Note 2: The Company pledged 4,500,000 shares of Fulltech Fiber Glass Corp.to King's Town Bank and another 2,000,000 shares of the same to Entie Commercial Bank.

IDEAL BIKE CORPORATION

Statement of changes in right-of-use assets and their accumulated depreciation

January 1 through December 31, 2022

Statement 7 Unit: NTD thousand unless otherwise specified.

Name	House and building	Transport equipment	Total
Cost			
Balance as of January 1, 2022	$ 2,464	$ 792	$ 3,256
Addition	32,654	3,498	36,152
Disposal	(2,464)	(792)	(3,256)
Balance as of December 31, 2022	32,654	3,498	36,152
Accumulated depreciation			
Balance as of January 1, 2022	2,054	656	2,710
Depreciation	10,383	968	11,351
Disposal	(2,464)	(792)	(3,256)
Balance as of December 31, 2022	9,973	832	10,805
Net amount as of December 31, 2022	$ 22,681	$ 2,666	$ 25,347

IDEAL BIKE CORPORATION

Statement of notes and accounts payable

December 31, 2022

Statement 8 Unit: NTD thousand

Name of Supplier	Amount
Non-related party	
Supplier A	$ 24,810
Others (Note)	337,429
	$362,239

Note: The balance of each individual supplier did not exceed 5% of the balance of this item.

IDEAL BIKE CORPORATION

Statement of Long-term loans

December 31, 2022

Statement 9 | Unit: NTD thousand

Name	Period and Repayment Method	Annual Interest Rate (%)	Due within One year	Due after One Year	Total	Mortgage or Guarantee
Unsecured loan from King's Town Bank	The grace period was 6 months starting from the day of first drawdown (NTD 78,739,704,000 on June/10/2021). NTD 10,000,000 of the principal was repaid every quarter after expiration of the grace period and the rest principal was paid off when the loan period ended (June/9/2025).	2.625	$ 31,496	$ 15,748	$ 47,244	None; credit loan only.
Secured loan from King's Town Bank	Non-revolving; may be drawn in installments, within four months after approval of the loan; each drawdown must be repaid within 3 years, and must be made before the expiration date of the loan. Interest is paid monthly. The grace period is 6 months, counting forward from the initial drawdown date. After the grace period, repayment of principal equal to 10% of the contract price must be paid quarterly, and the remaining principal is paid upon the expiration of the repayment period.	3.125	117,273	150,000	267,273	4,681,000 shares of Fulltech
Unsecured loan from King's Town Bank	Interest is paid monthly, including during the grace period, which is within 6 months after the initial drawdown date. After the grace period, repayment of principal equal to 10% of the contract price must be repaid quarterly.	2.625	41,378	62,067	103,445	None; credit loan only.
Secured loan from Shanghai Commercial & Savings Bank	Principal was repaid in eight 3-month installments counting from January 8, 2021 – on which NTD50 million was drawn – with the first installment on January 8, 2021.	2.925	16,666	16,668	33,334	80% guaranteed by Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
Secured loan from Shanghai Commercial & Savings Bank	Interest paid monthly and principal paid in 12 equal installments.	2.970	26,667	53,333	80,000	80% guaranteed by Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
Secured loan from First Bank	Repaid in 48 equal monthly installments counting from the initial drawdown date on January 8, 2021 on which NTD100 million was drawn, with a grace period of 12 months.	2.600	24,981	45,799	70,780	80% guaranteed by Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
Secured loan against leases from JihSun	Interest accrued on the date of the initial drawdown of NTD 40 million; the grace period was 180 days.	4.660	39,528	30,872	70,400	80% guaranteed by Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
Secured loan against leases from Industrial and Commercial Bank	Repaid in 13 installments, counting from the date of initial drawdown of NTD 50 million.	4.650	26,600	18,633	45,233	80% guaranteed by Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
Secured loan against leases from Taiwan Cooperative Financial Holding Co. Ltd.	Repaid in 24 installments, starting from the date of initial drawdown in December 2022.	4.500	100,000	100,000	200,000	Warranty against defects
			$ 424,589	$ 493,120	$ 917,709	

IDEAL BIKE CORPORATION

Statement of Lease Liabilities

December 31, 2022

Statement 10 Unit: NTD thousand unless otherwise specified.

Name	Lease Term	Discount Rate	Amount
Buildings and structures	April 2021 to October 2024	2.19%~2.80%	$ 22,765
Transport equipment	May 2021 to December 2025	2.19%~3.00%	2,682
Total			25,447
Less: Lease liabilities - current			(15,110)
Lease liabilities - non-current			$ 10,337

IDEAL BIKE CORPORATION

Statement of operating revenue

January 1 through December 31, 2022

Statement 11 Unit: NTD thousand unless otherwise specified.

Item	Quantity (thou. pcs/thou. sets)	Amount
Bicycle	9	$2,130,824
Parts and semi-finished goods	41	1,038,708
Revenue from commission	-	21,767
Merchandise	-	239
Net operating income		$3,191,538

IDEAL BIKE CORPORATION

Statement of operating cost

January 1 through December 31, 2022

Statement 12 Unit: NTD thousand

Item	Amount
Merchandise	
Stock-taking at beginning of year	$ 285
Plus: Purchase of material in the year	211
Less: stock-taking at ending of year	(239)
	257
Direct raw material	
Stock-taking at beginning of year	661,339
Work in process at beginning of year	921
Plus: Purchase of material in the year	2,996,621
Others	53,670
Less: stock-taking at ending of year	(816,965)
Work in process at ending of year	(18,589)
	2,876,997
Semi-finished products	
Stock-taking at beginning of year	10,808
Plus: Purchase of material in the year	627
Less: stock-taking at ending of year	(45,487)
Others	(511,475)
	(545,527)
Direct labor	70,581
Manufacturing expense	157,781
Manufacturing cost	2,560,089
Plus: Work in process at beginning of year	44,863
Others	524,712
Less: Work in process at ending of year	(106,070)
Cost of finished goods	3,023,594
Plus: Finished goods at beginning of year	101,493
Purchase of bicycles	6
Less: Finished goods at ending of year	(230,279)
Others	(68,868)
Other operating costs	
Less: Unrealized inventory devaluation loss	12,276
Plus: Others	16,864
Total operating costs	$2,855,086

IDEAL BIKE CORPORATION

Statement of operating expenses

January 1 through December 31, 2022

Statement 13 | Unit: NTD thousand

Item	Sales Expense	Administrative expense
Payroll expense	$ 48,029	$ 36,889
Export expense	7,954	-
Insurance premium	7,681	3,567
Miscellaneous expense	3,882	15,139
Labor expense	1,486	13,514
Depreciation expense	852	6,506
Others (Note)	14,709	13,370
Total	$ 84,593	$ 88,985

Note: The amounts of each individual item did not exceed 5% of the balance of this item.

IDEAL BIKE CORPORATION

Statement of Current Employee Benefits, Depreciation and Amortization Expenses by Function

January 1 through December 31, 2022 and 2021

Statement 14 Unit: NTD thousand

	2022			2021		
	Classified as Operating Cost	Classified as Operating Expense	Total	Classified as Operating Cost	Classified as Operating Expense	Total
Employee benefit expense						
Payroll expense	$104,314	$ 82,046	$186,360	$ 82,953	$ 69,628	$152,581
Remuneration to directors	-	2,872	2,872	-	2,439	2,439
Labor and health insurance expense	12,748	7,830	20,578	10,393	6,278	16,671
Pension expense	4,445	3,869	8,314	3,575	3,233	6,808
Other employee benefit expenses	12,598	7,751	20,349	8,741	6,227	14,968
Total	$134,105	$104,368	$238,473	$105,662	$ 87,805	$193,467
Depreciation expense	$ 16,478	$ 7,358	$ 23,836	$ 4,586	$ 7,266	$ 11,852
Amortization expense	$ -	$ 1,266	$ 1,266	$ -	$ 989	$ 989

Notes:

1. The number of employees in the year and in the previous year was 351 and 315, respectively, and the number of directors who were not employees was 5 and 5, respectively.
2. Companies that are listed for trading on Taiwan Securities Exchange or trade shares through Taipei Exchange shall additionally disclose following information:
   (1) An average employee benefit expense of NTD 681,000 in the year. An average employee benefit expense of NTD 616,000 in the previous year.
   (2) An average employee payroll expense of NTD 539,000 in the year and an average employee payroll expense of NTD 492,000 in the previous year.
   (3) Adjustment and change of 9.6% in the average employee payroll expense
   (4) There were no supervisors on December 31, 2021 because the Company had already established the Audit Committee on July 20, 2021. The remuneration to supervisors in 2021 was NT$244 thousand.
   (5) Remuneration policy – directors, managerial officers, and employees:
      A. According to the resolution at the Board of Directors meeting, directors may receive an attendance fee every time they attend the Board of Directors meeting and a monthly traveling fee. Independent directors may receive an attendance fee every time they attend the Board of Directors meeting and a fixed pay every month. In addition, remuneration to directors is distributed pursuant to the Articles of Incorporation. No other variable compensation is paid. The remuneration to directors is determined in proper consideration of the Company's operating goals, financial status, and the duties of the directors. It is linked to operating performance and profitability. The remuneration is reviewed by the

Remuneration Committee and submitted to the Board of Directors for resolution.

B. Remuneration to managerial officers and employees is classified into fixed and variable compensations. The fixed compensation is paid according to the "Remuneration Management Regulations" of the Company and based on the duties assigned to the position and the professional competence. The variable compensation includes the year-end bonus and the remuneration to employees. It is paid depending on the operating status of the Company and the performance of the employee.

C. The Company pays the year-end bonus in consideration of the operating performance and appropriates a proportion of the annual earnings as remuneration to employees. The amount appropriated is linked to the operating performance and profitability of the Company. It is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

Representation Letter on Consolidated Financial Statements of Affiliates

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2022 (from January1, 2022 to December 31, 2022), and the related information to be disclosed in the consolidated financial statements of affiliates were already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

In witness thereof, the Declaration is hereby presented.

Company Name: IDEAL BIKE CORPORATION

Responsible person: Hermas Chang

March 13, 2023

Independent Auditors' Report

ToIDEAL BIKE CORPORATION:

Audit opinion

We have audited the consolidated balance sheet of Ideal Bike Corporation and its subsidiaries (collectively referred to as the "Group" hereinafter) as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the period from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and released by the Financial Supervisory Commission, and thus presented fairly, in all material aspects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and the consolidated financial performance and cash flow for the period from January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the consolidated financial statements" section in this report. We were independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the Group's consolidated financial statements for 2022. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately on such matters.

The key audit matters for the Group's consolidated financial statements for 2022 are described as follows:

<u>Recognization of sales revenue</u>

The Group mainly sold bicycles and parts. The Group recognized NTD 5,591,120,000 as sales revenue. Please refer to Note 25. Considering the change to the bike market in recent years, the risk of inflated sales revenue at a significant amount from new customers might be increased and produce a significant effect on the consolidated financial statements. Thus, we found that the existence and occurrence of increase in the aforementioned sales revenue were the important matters to be audited in the current year.

Our audit procedures included (but were not limited to the following) evaluating the appropriateness of the Group's accounting policy in recognition of revenues, understanding and testing the effectiveness of internal control with respect to order handling and shipping procedures, and conducting spot check of relevant sales revenue certificates and other documents and making sure there were no abnormalities involved in any sales targets and any parties from whom payments were collected.

Other Matters:

For the parent company only financial statements prepared by Ideal Bike Corporation for 2022 and 2021, we had an independent auditors' report issued with unqualified opinions for reference.

Responsibility of the management and governance unit for the consolidated financial statements

The management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

During preparation of the consolidated financial statements, the management was also responsible for evaluating the Group's ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to liquidate the Group or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

The Group's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the consolidated financial statements

We have audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements as a whole were free of material misstatements due to fraud or error and issuing an audit report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the consolidated financial statements through the audit conducted based on the auditing standards. The misstatements might be due to fraud or errors. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the auditing standards. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the consolidated financial statements due to fraud or error, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. 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. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions on the effectiveness of the Group's internal control.

3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness of application of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about the Group’s ability of going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the consolidated financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where the Group would no longer have the ability to remain a going concern.
5. We evaluated the overall presentation, structure and contents of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising the Group to provide opinions on the consolidated financial statements. We were responsible for instruction, supervision and implementation of the group audit cases, as well as the formation of the audit opinions on the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in the Group’s consolidated financial statements for 2022 based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the audit report.

Deloitte & Touche Taiwan

CPA: Su-Li Fang	CPA: Tung-Hui Yeh
Approval No. from the Financial Supervisory Commission: Jin-Guan-Zheng-Liu-Zi No. 0940161384	Approval No. from the Financial Supervisory Commission: Jin-Guan-Zheng-Shen-Zi No. 0980032818

March 13, 2023

IDEAL BIKE CORPORATION and Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NTD thousand

Code	Asset	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6, and 30)	$ 686,811	11	$ 823,670	16
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7, and 30)	13,881	-	21,597	-
1170	Accounts receivable, net (Notes 4, 5, 10, 25, and 30)	1,330,037	20	668,176	13
1200	Other receivables (Notes 10 and 30)	51,667	1	41,903	1
1220	Current income tax assets (Note 4, 5 and 27)	1,640	-	2,289	-
130X	Inventory (Notes 4 and 11)	2,781,625	42	1,934,412	37
1410	Prepayment (Note 17)	111,362	2	150,410	3
1460	Rights to products to be returned – current (Note 25)	60,622	1	-	-
1470	Other current assets	6,941	-	5,590	-
11XX	Total current assets	5,044,586	77	3,648,047	70
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income non-current (Notes 4, 8, and 30)	12,638	-	97	-
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 30, and 32)	171,836	3	294,892	6
1550	Investment under equity method (Notes 4, 13, 32, and 33)	189,944	3	189,118	3
1600	Property, plant, and equipment (Notes 4, 14 and 32)	625,917	10	572,532	11
1755	Right-of-use assets (Note 15)	71,155	1	47,040	1
1780	Intangible assets (Notes 4 and 16)	219,437	3	198,755	4
1840	Deferred income tax assets (Notes 4, 5 and 27)	211,261	3	267,919	5
1990	Other non-current assets (Note 17)	15,483	-	16,591	-
15XX	Total non-current assets	1,517,671	23	1,586,944	30
1XXX	Total assets	$ 6,562,257	100	$ 5,234,991	100

Code	Liability and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term loans (Notes 18, and 30)	$ 1,441,174	22	$ 922,591	18
2120	Financial liabilities measured at fair value through profit or loss – current (Notes 4, 7, and 30)	-	-	1,459	-
2130	Contractual liabilities – current (Note 25)	270,412	4	168,723	3
2170	Notes and accounts payable (Notes 20 and 30)	871,328	13	932,607	18
2219	Other payables (Note 21)	261,440	4	192,152	4
2230	Current income tax liabilities (Note 4, 5 and 27)	905	-	11,274	-
2280	Lease liabilities – current (Note 15)	15,110	-	559	-
2322	Long-term loans and corporate bonds maturing within one year (Notes 4, 18, 19, 30, and 32)	429,645	7	575,560	11
2399	Other current liabilities (Note 21)	99,057	1	8,787	-
21XX	Total current liabilities	3,389,071	51	2,813,712	54
	Non-current liabilities				
2540	Long-term loans (Notes 18, 30, and 32)	495,016	8	162,332	3
2570	Deferred income tax liabilities (Note 4, 5 and 27)	146,695	2	115,447	2
2580	Lease liabilities – non-current (Note 15)	10,337	-	-	-
2640	Net defined benefit liabilities (Note 4 and 22)	16,031	-	18,615	-
2635	Preferred shares liabilities – non-current (Note 23)	104,414	2	127,328	3
25XX	Total non-current liabilities	772,493	12	423,722	8
2XXX	Total liabilities	4,161,564	63	3,237,434	62
	Equity attributable to the owner of parent company (Notes 4 and 24)				
	Share capital				
3110	Common stock capital	3,017,243	46	2,996,009	57
3200	Capital reserves	132,317	2	125,427	2
	Retained earnings				
3310	Legal reserves	212,090	3	212,090	4
3320	Special reserves	78,308	1	78,308	2
3350	Losses to be covered	(600,511)	(9)	(937,014)	(18)
3400	Other equities	(438,754)	(6)	(477,263)	(9)
3XXX	Total equities	2,400,693	37	1,997,557	38
	Total liabilities and equities	$ 6,562,257	100	$ 5,234,991	100

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang CEO:Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 through December 31, 2022 and 2021

Unit: NTD thousand, except EPS, which is expressed in NTD 1)

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	Net operating revenue (Notes 4 and 25)	$ 5,591,120	100	$ 4,613,524	100
5000	Operating cost (Note 4, 11, and 26)	4,764,217	85	4,069,482	88
5900	Operating gross profit	826,903	15	544,042	12
	Operating expense (Note 26)				
6100	Marketing expense	256,566	5	229,624	5
6200	Administrative expense	213,040	4	186,560	4
6450	Expected (profit) loss from credit impairment	(310)	-	89	-
6000	Total operating expenses	469,296	9	416,273	9
6900	Operating profit	357,607	6	127,769	3
	Non-operating revenue and expense				
7100	Interest income (Note 26)	5,369	-	1,261	-
7010	Other incomes (Note 26)	43,590	1	19,677	1
7020	Other profits and losses (Note 26)	88,620	2	(8,595)	-
7050	Financial cost (Note 26)	(56,728)	(1)	(35,827)	(1)
7060	Share of profit/loss of associates under equity method (Note 4 and 13)	826	-	15,755	-
7000	Net non-operating revenue and expense	81,677	2	(7,729)	-
7900	Pre-tax profit	439,284	8	120,040	3
7950	Income tax profit (expenses) (Note 4 and 27)	(104,926)	(2)	(37,449)	(1)
8200	Net profit for the year	334,358	6	82,591	2

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Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	$ 2,145	-	$ 1,997	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	(5,697)	-	-	-
	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences from translation of foreign financial statements (Note 4 and 24)	37,333	1	(40,158)	(1)
8399	Income tax related to titles potentially being reclassified	6,873	-	(8,031)	-
8300	Other comprehensive income for the year	40,654	1	(46,192)	(1)
8500	Total comprehensive income for the year	$ 375,012	7	$ 36,399	1
	Net profit attributable to:				
8610	The owners of the Company	$ 334,358	6	$ 82,591	2
8620	Non-controlling interests	-	-	-	-
8600		$ 334,358	6	$ 82,591	2
	Total comprehensive income attributable to:				
8710	The owners of the Company	$ 375,012	7	$ 36,399	1
8720	Non-controlling interests	-	-	-	-
8700		$ 375,012	7	$ 36,399	1
	Earnings per share (Note 28)				
9710	Basic EPS	$ 1.11		$ 0.29	
9810	Diluted EPS	$ 1.11		$ 0.29	

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 through December 31, 2022 and 2021

Unit: NTD thousand, unless otherwise specified

Code		Share capital: Number of shares (thousand shares)	Share capital: Common stock capital	Capital reserves	Retained earnings: Legal reserves	Retained earnings: Special reserves	Retained earnings: Undistributed earnings (Losses to be covered)	Other equities: Exchange differences from translation of foreign financial statements	Other equities: Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	Total equities
A1	Balance as of December 31, 2021	243,279	$2,432,787	$ 92,940	$ 212,090	$ 78,308	($1,021,602)	($ 134,788)	($ 294,286)	$1,365,449
	Changes in other capital surplus:									
C5	Components of equity recognized upon issuance of convertible corporate bonds	-	-	(4,842)	-	-	-	-	-	(4,842)
C17	Changes in other capital surplus	-	-	129	-	-	-	-	-	129
D1	Net profit for 2021	-	-	-	-	-	82,591	-	-	82,591
D3	Other comprehensive income after tax for 2021	-	-	-	-	-	1,997	(48,189)	-	(46,192)
D5	Total comprehensive income for 2021	-	-	-	-	-	84,588	(48,189)	-	36,399
E1	Capital increase in cash	50,000	500,000	10,000	-	-	-	-	-	510,000
I1	Corporate bonds converted to common stock	6,322	63,222	27,200	-	-	-	-	-	90,422
Z1	Balance as of December 31, 2021	299,601	2,996,009	125,427	212,090	78,308	(937,014)	(182,977)	(294,286)	1,997,557
D1	Net profit for 2022	-	-	-	-	-	334,358	-	-	334,358
D3	Other comprehensive income after tax for 2022	-	-	-	-	-	2,145	44,206	(5,697)	40,654
D5	Total comprehensive income for 2022	-	-	-	-	-	336,503	44,206	(5,697)	375,012
I1	Corporate bonds converted to common stock	2,123	21,234	6,890	-	-	-	-	-	28,124
Z1	Balance as of December 31, 2022	301,724	$3,017,243	$ 132,317	$ 212,090	$ 78,308	($ 600,511)	($ 138,771)	($ 299,983)	$2,400,693

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries

Consolidated Statements of Cash Flow

January 1 through December 31, 2022 and 2021

Unit: NTD thousand

Code		2022	2021
	Cash flow from operating activities		
A10000	Net profit before tax for the year	$ 439,284	$ 120,040
A20010	Income and expenses:		
A20100	Depreciation expense	63,857	53,357
A20200	Amortization expense	2,329	2,176
A20300	Expected impairment loss (reversal profit)	(310)	89
A20400	Net losses (gains) from financial assets and liabilities measured at fair value through profit or loss	9,464	(9,466)
A20900	Financial cost	56,728	35,827
A21200	Interest income	(5,369)	(1,261)
A21300	Dividend income	(8,828)	(1,388)
A22300	Share of profit or loss of associates and joint ventures under equity method	(826)	(15,755)
A22500	Profit from disposal of property, plant, and equipment	695	2,282
A23700	Inventory devaluation and obsolescence loss (gain from price recovery)	19,557	(5,002)
A24100	Unrealized profit from translation of foreign currencies	(26,541)	(14,009)
A29900	Loss from redemption of corporate bonds	4,209	4,575
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(654,243)	89,383
A31180	Other receivables	(9,360)	412
A31200	Inventory	(868,405)	(811,672)
A31240	Other current assets	(21,291)	(50,026)
A32125	Contractual liabilities	101,689	6,929
A32150	Notes and accounts payable	(61,279)	39,182
A32180	Other payables	70,300	82,903
A32230	Other current liabilities	88,862	(7,887)
A32240	Net defined benefit liabilities	(439)	(4,263)
A33000	Cash generated from operations	(799,917)	(483,574)
A33100	Interest received	5,369	1,261
A33200	Dividend received	2,083	1,388
A33300	Interest paid	(50,941)	(28,987)
A33500	Income tax paid	(18,341)	(11,159)
AAAA	Net cash outflow from operating activities	(861,747)	(521,071)

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Code		2022	2021
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 18,238)	$ -
B00020	Disposal of financial assets measured at fair value through other comprehensive income	-	1,659
B00050	Disposal of financial assets measured at amortized cost	124,201	41,660
B00100	Acquisition of financial assets measured at fair value through profit or loss	(9)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	-	441
B02700	Acquisition of property, plant, and equipment	(100,629)	(44,517)
B02800	Disposal of property, plant, and equipment	2,194	2,080
B03800	Increase in guarantee deposits paid	(2,193)	(1,288)
B04500	Acquisition of intangible assets	(1,689)	(2,349)
B07100	Decrease (Increase) in prepayments for equipment	2,470	(5,991)
B06700	Other non-current assets	831	976
B07600	Dividend received	6,745	-
BBBB	Net cash inflow (outflow) from investing activities	13,683	(7,329)
	Cash flow from financing activities		
C00100	Increase in short-term loans	4,005,069	2,667,563
C00200	Decrease in short-term loans	(3,488,827)	(2,563,347)
C01300	Redemption of corporate bonds	(357,255)	(78,740)
C01600	Borrowing of long-term loan	813,476	299,626
C01700	Repayment of long-term loans	(250,069)	(166,669)
C02900	Repayment of preferred stock liabilities	(36,852)	(41,520)
C04600	Capital increase in cash	-	510,000
C04020	Repayment of lease liabilities	(11,551)	(1,647)
C09900	Other financing activities	-	129
CCCC	Net cash inflow from financing activities	673,991	625,395
DDDD	Effect of changes in exchange rate on cash and cash equivalents	37,214	(39,648)
EEEE	Increase (decrease) in cash and cash equivalents – net	(136,859)	57,347
E00100	Balance of cash and cash equivalents - beginning of year	823,670	766,323
E00200	Balance of cash and cash equivalents - ending of year	$ 686,811	$ 823,670

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang CEO: Ching-Wang Chen CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 through December 31, 2022 and 2021

(All amounts are in NTD thousand unless otherwise specified)

I. Company History

Ideal Bike Corporation (hereinafter referred to as the “Group”) was organized with approved establishment registration pursuant to the Company Act of the Republic of China in 1980. The Company is mainly dedicated to the manufacture, machining, assembly, and domestic sale and exportation of bicycles, indoor and outdoor training bicycles, kids’ bikes, mini scooters and their parts and accessories.

The Group’s share began trading on Taipei Exchange as of March 28, 2001.

The consolidated financial statements are stated with the functional currency (NTD) of the Group.

II. Financial Report Approval Date and Procedures

The Consolidated Financial Statements were approved by the Board of Directors meeting dated March 13, 2023.

III. Application Of New Standards, Amendments And Interpretations

(I) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations (IFRIC) and the statements of interpretation (SIC) (hereinafter collectively referred to as “IFRSs”) approved and released by the Financial Supervisory Commission (hereinafter referred to as “FSC”) are applied for the first time.

No material changes to the accounting policies of the Group are expected after adopting the amended IFRSs approved and released by the FSC.

(II) FSC-endorsed IFRSs effective from 2023

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

Transaction”

Note 1: Effective for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to any changes in accounting estimates or accounting policy on or after January 1, 2023.

Note 3: The amendments require recognition of a deferred tax for all temporary differences related to leases and decommissioning obligations, and are applicable to all transactions occurring on or after January 1, 2022.

As of the publication date of these Consolidated Financial Statements, the Group did not expect the amendments to other standards and interpretation to materially impact its financial position or financial performance.

(III) IFRSs issued by the IASB but not yet approved and released by the FSC

New / Amended / Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undetermined
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17, “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 1, “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1, “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless otherwise specified, the above-mentioned new/ amended/ revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date for such standards or interpretations.

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

As of the publication date of these Consolidated Financial Statements, the Group was still assessing the impact of the amendments to other standards and interpretation, and will disclose the impact after the conclusion of the assessment.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The Consolidated Financial Statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II) Basis of Preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of the planned assets, the Consolidated Financial Statements were prepared on the basis of historical cost.

Fair value measurements are classified into Level 1, 2 and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that are accessible on the measurement date (before adjustment).
2. Level 2 inputs: Other than quoted prices included in Level 1, the inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. presumed from the price).
3. Level 3 inputs: The inputs that are not observable for assets or liabilities.

(III) Criteria for classification of current and non-current assets and liabilities

Current assets include:

1. assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. liabilities held mainly for the purpose of trading;
2. liabilities to be settled within 12 months after the balance sheet date, (irrelevant with whether any long-term re-financing or payment re-arrangement agreement has been completed after the balance sheet date but before the date of release of financial statements; such liabilities are still current liabilities); and
3. liabilities whose due date cannot be unconditionally extended to more than 12 months after the balance sheet date. However, the terms and conditions of the liabilities that may, at the option of the counterparty, result in settlement of the liabilities by issuance of equity instruments do not affect the classification of liabilities.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis for consolidation

The consolidated financial statements are financial statements including the Company and the entities controlled (subsidiaries). The operating profits and losses of acquired or disposed subsidiaries from the acquisition date to the disposal date in the current period are included in the consolidated statement of comprehensive income. The financial statements of the subsidiaries are adjusted to have their accounting policies be consistent with those of the Group. All the transactions, account balances, profits, and expenses/losses between entities are eliminated during preparation of the consolidated financial statements. The total comprehensive income of the subsidiaries is attributable to the owner of the Company and the non-controlling equity even though this results in the non-controlling equity having a deficit balance.

When the Group losses the control of a subsidiary, the profit or loss on disposal is the difference of the following two items: (1) the total of the fair value of any received consideration and the residual investment in the former subsidiary measured at the fair value on the loss of control date, and (2) the total of the assets (including goodwill) and liabilities of the former subsidiary and the non-controlling equity measured at the book amount on the loss of control date. The total amounts related to the subsidiaries and recognized in other comprehensive income are dealt with in the accounting system on the basis which the Group's direct disposal of relevant assets or liabilities shall be subject to.

(V) Foreign currency

In preparing the consolidated financial statements, transactions using currencies other than the consolidated company's functional currency (foreign currencies) are stated in the functional currency at the exchange rate on the date of transaction.

Monetary items in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period.

Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate on the date of determining the fair value, and the exchange differences resulting therefrom are recognized in profit or loss of the period. However, when changes in the fair value are recognized in other comprehensive income, the exchange differences arising therefrom are recognized in the same.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the consolidated financial statements, the assets and liabilities of the foreign operations (including the subsidiaries and associates with countries in which they operate or currencies they use different from those of the Group) are translated into NTD at the exchange rate on each balance sheet date. The income and expense items are translated at the average exchange rate of the period, and the exchange differences resulting therefrom are recognized in other comprehensive income (and attributable to the owner of the Group and non-controlling interests).

(VI) Inventories

Inventory includes raw materials, inventories in transit, semi-finished products, work in process, finished goods, and commodities. The inventory is measured based on the lower of the cost or net realizable value. The cost and the net realizable value are compared on the basis of the individual items except for the inventories of the same type. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the work and the estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VII) Investment in associates

An associate refers to a company over which the Group has a significant influence, but it is not a subsidiary or joint venture.

The Group adopts the equity method for investment in associates

Under the equity method, the investment in associates is initially recognized at its costs, and the amount of increase or decrease in the book value of such investment after the date of acquisition depends on the Group’s shares of profit/loss and other comprehensive income in the associates and joint ventures and the distributed profits. In addition, changes to the consolidated company’s equity in the associates are recognized based on our shareholding ratio.

When the acquisition cost exceeds the Group’s shares of the net fair value of the associates’ identifiable assets and liabilities on the date of acquisition, such excess is recognized in goodwill which is included in the book value of such investment and may not be amortized; when the Group’s shares of the net fair value of the associates’ identifiable assets and liabilities on the date of acquisition exceed the acquisition cost, such excess is recognized in profit/loss of the period.

When the Group does not subscribe to new shares issued by the associates based on our shareholding ratio, resulting in changes to the shareholding ratio and consequently to the net equity value of investment, these changes are used for adjustment of the capital reserve – changes in the net equity of associates recognized under the equity method and investments under equity method. However, if subscription or acquisition of the shares is not based on the shareholding ratio, leading to a decrease in the Group’s ownership equity in the associates, the amounts related to the associate in other comprehensive income are reclassified according to the percentage of such decrease and treated with the same accounting treatment basis as the one which the associates' direct disposal of relevant assets or liabilities shall be in accordance with. If the said adjustment shall be debited to capital reserves, and the balance of capital reserves arising from investment under equity method is insufficient to be offset, the difference is debited to retained earnings.

When the Group's shares of losses in the associates are equal to or exceeded our equity in the associates (including the carrying amount of investment in the associate under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the Group in the associate concerned), we do not recognize further losses. The Group recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Company made payment on behalf of the associates.

For impairment evaluation, the Group tests the entire investment book value (including goodwill) for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any recognized impairment loss is also part of the investment book value. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

Once the investment is not classified as investment in associates, the Group stops using the equity method and measures the retained earnings of the former associates at fair value. The differences between the fair value of the retaining earnings, proceeds from disposal and the investment book value on the date when the equity method is discontinued are recognized in profit or loss of the period. Besides, for total amounts related to the associate in other comprehensive income, the basis of accounting treatment thereof is the same as the basis which the associate's direct disposal of relevant assets or liabilities shall be in accordance with.

The profit or loss generated from the upstream, downstream and side stream transactions between the Group and the associates is recognized in the consolidated financial statements only when such profit or loss is irrelevant to the Group's equity in the associates.

(VIII) Property, plant and equipment

The property, plant, and equipment are recognized in accordance with the cost and subsequently measured based on the cost net of accumulated depreciation and impairment losses.

Each significant part of the property, plants, and equipment is separately depreciated on the straight-line basis over its useful life. The Group reviews the estimated useful life, residual value and method of depreciation at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimates.

For derecognition of the property, plant and equipment, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss

(IX) Intangible assets

1. Acquired separately

   Intangible assets with definite useful life acquired separately are initially measured in accordance with the cost and subsequently based on the cost net of accumulated amortization and impairment losses. Intangible assets are amortized on the straight-line basis over its useful life. The Group reviews the estimated useful life, residual value and method of amortization at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimates. Intangible assets with indefinite useful life are recognized based on the cost net of accumulated impairment losses.

2. Derecognition

   For derecognition of the intangible assets, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss of the period.

(X) Impairments of property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill), and contract cost related assets

In addition to referring to Note 33, the Group assess whether there are any signs indicating that any property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill) may be impaired on each balance sheet date. If there is any of such signs, the recoverable amount of the assets is estimated. When the recoverable amount of individual assets cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are amortized on a reasonable and consistent basis to the smallest group of cash-generating units

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually or when there is any sign of impairment.

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is adjusted down to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value does not exceed the book value (less the amortization or depreciation) determined under the circumstance that the impairment loss of the assets or cash-generating units is not recognized in the previous year. The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group became a party to the financial instrument contract.

For initial recognition of the financial assets and financial liabilities, when the financial assets or financial liabilities are not measured at fair value through profit or loss, the assets or liabilities are measured at the fair value plus any transaction cost directly attributable to acquisition or issuance of the financial assets or financial liabilities. Any transaction cost measured at fair value through profit or loss directly attributable to the acquisition or issuance of the financial assets or financial liabilities is immediately recognized in profit or loss.

1. Financial assets

The regular transactions of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Type of measurements

The financial assets held by the Group are those measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss indicate those mandatorily and designated to be measured at fair value through profit and loss. The financial assets mandatorily and designated to be measured at fair value through profit and loss include the investment in equity instruments that the Group does not designate to be measured at fair value through other comprehensive income, and the investment in liability instruments that are not qualified to be classified as those measured at amortized cost or measured at fair value through other comprehensive income.

The financial assets measured at fair value through profit or loss are measured at fair value, and any profit or loss (including any dividends or interests generated from the financial assets) from re-measurement of the financial assets is recognized in profit or loss. For determination of the fair value, please refer to Note 30.

B. Financial assets measured at amortized cost

When the Group's invested financial assets met both of the following two conditions, they are classified as financial assets measured at amortized cost:

a. The financial assets held under a business model with the purpose of holding these assets to collect contractual cash flows; and

b. The contractual terms generates cash flows on a specific date that are solely payments of principal and interest.

After the initial recognition, the financial assets measured at amortized cost are measured based on the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any profit or loss from foreign currency translation is recognized in profit or loss.

Except for the following two circumstances, the interest income is calculated as the effective interest rate times the total book value of financial assets:

a. For purchased or originated credit-impaired financial assets, the interest income is calculated as the credit-adjusted effective interest rate times the amortized cost of the financial assets.

b. For financial assets originally not purchased or originated credit-impaired but subsequently becoming credit-impaired, the interest income is calculated as the effective interest rate times the amortized cost of the financial assets in the next reporting period after the credit impairment

Credit-impaired financial assets represent significant financial difficulties confronting the issuer or debtor, default, the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization, or that the active market of financial assets disappears due to financial difficulties.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable election to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Group's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2) Impairment of financial and contractual assets

In addition to referring to Note 33, the Group assesses impairment losses on the financial assets (including accounts receivable) measured at amortized cost based on the expected credit losses on each balance sheet date.

Loss allowance for accounts receivable is recognized based on the lifetime expected credit losses We first assess whether the credit risk on other financial assets significantly increased after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized based on the 12-month expected credit losses; when the increase is significant, it is recognized based on the lifetime expected credit losses.

The expected credit losses are the average credit losses weighted by the risk of default. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when the following circumstance occurred, without consideration of the collateral held:

A. Any internal or external information indicate that a debtor is impossible to pay off the debts.

B. Any payment that is overdue for more than 180 days, unless any reasonable and supportable information demonstrates that a more lagging default criterion is more appropriate.

The impairment loss on all financial assets is deducted from the book value of the financial assets through allowance accounts.

However, the loss allowance of the investment in liability instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and the book value is not reduced.

(3) Derecognition of financial assets

The Group removes financial assets only when the contractual rights to the cash flows from the assets become invalid, or the financial assets and almost all the risks and returns over the ownership of the financial assets are transferred to other companies.

If the Group does not transfer or hold almost all the risks and returns over the ownership of the financial assets, but held the control of these assets, the Group continuously recognizes such financial assets within the scope of remaining participation in these assets and recognizes the liabilities related to the amount that may have to be paid. If holding almost all the risks and returns over the ownership of the financial assets, the Group continuously recognizes such financial assets and recognizes the collected amount as secured loans.

For derecognition of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration are recognized in profit or loss. For derecognition of the entire investment in debt instruments measured at fair value through other comprehensive income, the difference between its book value and the total amount of the consideration received plus any cumulative gain or loss recognized in other comprehensive profit or loss is recognized in profit or loss. For derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the definition of real and financial liabilities as well as equity instruments under the terms and conditions of the contracts.

The equity instruments issued by the Group are recognized at the payment net of the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Group, the re-acquisition is recognized as a deduction to equity. Purchase, sale, issuance or cancellation of the equity instruments owned by the Group are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Except for the following circumstances, all financial liabilities are measured at amortized cost under the effective interest method.

A. Financial liabilities measured at fair values through profit or loss

Financial liabilities measured at fair value through profit or loss include those held for transaction and designated to be measured at fair value through profit and loss.

The financial liabilities held for sale are measured at fair value, related profit or loss is recognized in other profits and losses, and the profit or loss (including any dividends or interests paid for the financial liabilities) from re-measurement of the financial liabilities is recognized in profit or loss.

(2) Derecognition of financial liabilities

For removal of financial liabilities, the differences between the book value and the consideration paid (including any non-cash assets transferred and any liabilities assumed) are recognized in profit or loss.

4. Convertible corporate bond

The components of the compound financial instrument (convertible corporate bond) issued by the Group are classified as financial liabilities or equity when they are recognized initially based on the definition of real and financial liabilities as well as equity instruments under the terms and conditions of the contracts.

When recognized initially, the fair value of the debt components is estimated based on the market interest rate of similar nonconvertible instruments at that time and measured at amortized cost calculated under the effective interest method prior to the conversion or maturity date. The debt components classified into embedded non-equity derivatives is measures at fair value.

The conversion option classified as equality is equal to the remaining amount of the entire fair value of the compound instruments less the fair value of the debt components determined individually. It is recognized as equity after deduction of the income tax effect and no re-measurement is conducted subsequently. When the conversion option is executed, related debt components and the amount related to the equity are transferred to share capital and capital reserve – issuance in excess of par value. If the conversion option of the convertible corporate bond is not executed on the maturity date, the amount recognized in the equity is transferred to capital reserve – issuance in excess of par value

The transaction cost related to issuance of convertible corporate bonds is amortized to the components of the debt (recognized in the book value of liabilities) and equity (recognized in equity) of the instrument concerned based on the amortization proportion of the total amount.

5. Derivatives

The derivatives in the contract of the Group include forward exchange rate in order to manage the interest rate and exchange rate risk of the Group.

Derivatives are recognized initially at fair value when the contract of derivatives is entered into and subsequently remeasured at fair value on the balance sheet date. Any profit or loss from the re-measurement is recognized in profit or loss directly. However, for derivatives that are designated as effective hedging instruments, the timing at which they are recognized in profit or loss depends on the underlying hedge arrangement. When the fair value of the derivatives is positive, they are classified as financial assets; when the fair value is negative, they are classified as financial liabilities.

If derivatives are embedded in the main contract of assets within the scope of IFRS 9 “Financial Instruments,” the classification of financial assets is determined depending on the contract as a whole. If derivatives are embedded in the main contract of assets not within the scope of IFRS 9 (e.g. embedded in a main contract of financial liabilities) and the embedded derivatives conformed to the definition of derivatives, their risk and feature are not in close relation with the risk and feature of the main contract, and the hybrid contract is not measures at fair value through profit and loss, the embedded derivatives are deemed stand-alone derivatives.

(XII) Recognition of revenue

After our recognition of performance obligations under a contract with clients, we allocate the transaction price to each performance obligation and recognize the allocated amount in revenue after each performance obligation is met.

If more than one contract is entered into with the same customer (or customer’s related party) at almost the same time and the commodities or services we are committed to are a single performance obligation, the Group will treat the contracts as a single unit.

For the contract in which transfer of commodities or services and collection of considerations are conducted at an interval within 1 year, the transaction price is not adjusted for significant financing components.

1. Revenue from sale of goods

The revenue from the sale of goods came from sale of various bicycles, indoor and outdoor training bicycles, kids’ bikes, mini scooters and their parts and accessories. Once bicycles, indoor and outdoor training bicycles, kid’s bikes, mini scooters, and their parts and accessories are delivered to the customer-designated location or shipping point (depending on the contractual terms), the customer is entitled to the products’ price determination and right of use, takes the main responsibility for resale of the products, and took the risk that the products may become out-of-fashion. Therefore, the revenue and accounts receivable are recognized at that point in time.

When export of raw materials for processing, the control over the ownership of processed products is not transferred, and thus the revenue for the export of raw materials is not recognized.

(XIII) Lease

We assess whether an agreement is (or contained) a lease on the date of entering into the agreement.

For the contract containing lease and non-lease components, the merging company shares the consideration specified in the contract based on the relative individual price and dealt with these components separately.

The Group is the lessee

The lease payment from the leases of low-value underlying assets to which the exemption of recognition is applied and short-term lease is recognized in expenses on the straight-line basis over the lease term, while right-of-use assets and lease liabilities with respect to other leases are recognized on the lease commencement date.

The right-of-use assets are initially measured based on the cost (including the initial recognized amount of lease liabilities, the lease payment paid before the lease commencement date less the lease incentives received, the initial direct cost and the cost estimated to restore the underlying asset) and subsequently measured based on the cost net of accumulated depreciation and accumulated impairment losses, and then the remeasurement of the lease liabilities is adjusted. The right-of-use assets are separately presented in the consolidated balance sheet.

The right-of-use assets are depreciated on the straight-line basis over the period from the lease commencement date to the expiration of the useful life or the lease term, whichever is sooner.

The lease liabilities are initially measured based on the present value of lease payments (including fixed payments, substantial payments, variable lease payments depending on certain indexes or rates, the amount to be paid by the lessee under residual value guarantee, the exercise price for purchase options if the consolidated company can be reasonably assured that the right will be exercised, and the fine for termination of the lease if reflects during the lease period less received incentives). If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate can not be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When any changes in the lease term, the amount to be paid under residual value guarantee, the assessment relating the purchase options of underlying assets, or The changes in the index or rate determining the lease payments cause the changes in the future lease payments, we re-measure the lease liabilities and adjust the right-of-use assets accordingly. However, the residual remeasurement is recognized in profit or loss when the book value of right-of-use assets is reduced to zero. The lease liabilities are separately presented in the consolidated balance sheet.

(XIV) Cost of borrowing

The cost of borrowing that can be directly attributable to the assets for which acquisition, building or production meet the requirements is part of the cost of such assets until almost all the required activities for them to reach the intended status of use or sale are completed.

Otherwise, all the costs of borrowing are recognized in profit or loss in the year in which the borrowing occurred.

(XIII) Government subsidies

The government subsidies shall only be recognized when it is reasonable to ensure that the Group will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively.

Government subsidies related to any gains are recognized in other revenue on a systematic basis within the period when the costs to be subsidized by the government are recognized in expenses by the Group.

If the government subsidies are used to make up the expenses or losses that have occurred, or immediately support the finance of the Group and there is no future cost, Such subsidies are recognized in profit or loss during the period when they can be received.

If the government subsidies are provided by transferring non-monetary assets to the Group for use, these subsidies are recognized and measured at fair value of the non-monetary assets.

For the government loans that the Group acquires at an interest rate lower than the market rate, the difference between the fair values of the received loan amount and the loan calculated at the market rate then is recognized in government subsidies.

(XVI) Employee benefits

1. Short-term employee benefits

Liabilities related to employee benefits are measured at non-discounted amount expected to be paid against the services to be provided by the employees.

2. Retirement benefits

Every pension fund contributed under the defined pension appropriation plan is recognized in expenses during the period when employees provide services.

Defined retirement benefit costs (including servicing costs, net interest, and remeasurement) under the defined retirement benefit plan are calculated actuarially using the projected unit credit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized in employee benefit expenses when they are incurred. Remeasurement (including actuarial profits or losses, changes in the effect of asset limits, and return on plan assets net of interest) is recognized in other comprehensive income and presented in accumulated losses when it occurred. It is not reclassified as profit or loss in the subsequent periods.

Net defined benefit liabilities represent the contribution deficit of the defined retirement benefit plan. Net defined benefit assets shall not exceed the present value of contribution refunded from the defined retirement benefit plan or future deductible contribution.

3. Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as the one for the defined retirement benefit plan; however, any relevant remeasurement is recognized in profit or loss.

4. Resignation benefits

The Group does not recognize the benefits as resignation benefit liabilities until the offer of benefits cannot be withdrawn or the related reorganization cost is recognized, whichever is earlier.

(XVII) Income tax

The tax expenses are the total of current income and deferred income taxes.

1. Current income tax

The Group determines the current revenue (loss) in accordance with the laws and regulations of the jurisdiction and with this as a basis, calculates the income tax payable (receivable).

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

The deferred income tax are calculated based on the temporary difference between the book value of assets and liabilities in the book and the tax base for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when we are likely to have taxable income available to offset the deductible temporary differences and loss carryforwards.

Taxable temporary differences generated from investment in subsidiaries and associates are recognized in deferred income tax liabilities except that the Group can control the timing of reversal of the taxable temporary differences, and that such differences are not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investment are recognized, to the extent that they are expected to be reversed in the foreseeable future, in deferred income tax assets only when we are likely to have taxable income adequate to realize the temporary differences.

The book value of deferred income tax assets are reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have taxable income adequate to return all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized in deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income adequate to return all or part of the assets in the future, the book value thereof is increased.

The deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax on the balance sheet date arising from the method that we except to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

The current and deferred income taxes are recognized in profit or loss other than those related to the titles stated as other comprehensive income or as equity directly, which are recognized in other comprehensive income separately or in equity directly.

V. Main sources of Uncertainties of Significant Account Judgments, Estimates, and Assumptions

For adoption of the accounting policies, our management must make judgments, estimates and assumptions related to the information that cannot be readily acquired from other sources based on historical experience and other relevant factors. The actual results may differ from those estimates.

The Group takes into account the development of the COVID-19 pandemic in Taiwan and its effect on the Taiwanese economy when making significant accounting estimates for cash flows, growth rate, discount rate, and profitability. The management will continue to review the estimates and basic assumptions. When the amendments to the estimates only affect the current period, they are recognized in the period in which they are made; when the amendments to the estimates affect the current and future periods at the same time, they are recognized in the period in which they are made and the future period.

Main sources of uncertainties of estimates, and assumptions

(I) Deferred income tax

The realizability of the deferred income tax assets depends on adequate profitability and taxable temporary difference. If the actually produced profit is less than the expected value, the major deferred income tax assets may be reversed as a result, and the reverse is recognized in profit or loss for the period in which it occurs.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 963	$ 739
Bank check and demand deposit	685,848	794,561
Cash equivalents		
Bank time deposit	-	28,370
	$686,811	$823,670

Market interest rate range of bank deposits on the balance sheet date

	December 31, 2022	December 31, 2021
Bank deposit	0.001%~1.05%	0.001%~0.35%
Bank time deposit	-	1.4%

VII. Financial instruments measured at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Non-derivative financial assets		
—Domestic listed (OTC) stocks	$ 13,881	$ 21,597
Financial liabilities - current		
Held-for-sale		
Derivatives:		
– Conversion option (Note 19)	$ -	$ 1,459

VIII. Financial assets measured at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Noncurrent		
Domestic investment		
Non-listed (Non-OTC) stock		
Huan Hua Securities Finance Corporation	$ 97	$ 97
Foreign investment		
Non-listed (Non-OTC) stock		
PCI International Investment Inc.	12,541	-
	$12,638	$ 97

The Group invested in the common shares of Huan Hua Securities Finance Corporation and PCI International Investment Inc. according to its medium- and long-term strategies, and expected to gain profits through such long-term investment.

Since the Group's management deemed that the recognition of short-term changes in the investment's fair value in profit or loss was not consistent with the said long-term investment plan, they opted to have the investment to be measured at fair value through other comprehensive income.

IX. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Noncurrent		
Domestic investment		
Time deposit with an initial maturity date due in more than 3 months (I)	$171,836	$294,892

(I) As of December 31, 2022 and 2021, the interval of interest rate on time deposits with an initial maturity date due in more than 3 months was 0.46%–1.05% and 0.05%–1.40%, respectively.

(II) For more information on the pledge of the financial assets measured at amortized cost, refer to Note 32.

X. Notes receivable, accounts receivable and other receivables

	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Total book value	$1,332,647	$ 830,083
Less: Loss allowance	(8,634)	(167,293)
	1,324,013	662,790
Measurement at fair value through profit or loss	6,024	5,386
	$1,330,037	$ 668,176

	December 31, 2022	December 31, 2021
Other receivables		
Measured at amortized cost		
Total book value	$ 48,846	$ 47,159
Less: Loss allowance	(7)	(5,605)
Income tax refund receivable	2,828	349
	$ 51,667	$ 41,903

Accounts receivable

We provide an average credit period of 14–150 days for sale of goods and the credit standard is determined based on the characters of the industry in which the trading counterpart operates as well as its business scale and profitability. Interest does not accrue on notes and accounts receivable.

We recognize the loss allowance for accounts receivable based on the lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix with consideration of the customer' historical default record and current financial position, industrial and economic environment, and industrial prospects. Since our historical experience of credit losses show no significant difference in the type of loss between different clients, the customers are not further classified in the provision matrix. We only set the expected credit loss rate based on the days overdue of accounts receivable.

When there is any evidence showing that the trading counterpart is facing serious financial difficulties and we cannot estimate a reasonable recoverable amount (for example, the trading counterpart is undergoing liquidation or any debt has been overdue for more than two years), the Group directly write off related accounts receivable, continue to claim for payment, and recognize the recovered amount therefrom in profit or loss.

Our loss allowance for accounts receivable measured using the provision matrix are as follows:

December 31, 2022

	Not overdue	1~4 months overdue	5~6 months overdue	7~12 months overdue	1~2 years overdue	2~3 years overdue	More than 3 years overdue	Total
Total book value	$1,172,199	$ 138,140	$ 13,687	$ 147	$ -	$ -	$ 8,474	$1,332,647
Loss allowance (lifetime expected credit losses)	-	-	(107)	(53)	-	-	(8,474)	(8,634)
Amortized cost	$1,172,199	$ 138,140	$ 13,580	$ 94	$ -	$ -	$ -	$1,324,013

December 31, 2021

	Not overdue	1~4 months overdue	5~6 months overdue	7~12 months overdue	1~2 years overdue	2~3 years overdue	More than 3 years overdue	Total
Total book value	$ 649,153	$ 12,039	$ 27	$ 20	$ 1,777	$ 17,613	$ 149,454	$ 830,083
Loss allowance (lifetime expected credit losses)	-	-	-	-	(226)	(17,613)	(149,454)	(167,293)
Amortized cost	$ 649,153	$ 12,039	$ 27	$ 20	$ 1,551	$ -	$ -	$ 662,790

Changes in loss allowance for accounts receivable are as follows:

	2022	2021
Balance at Beginning of Year	$167,293	$183,666
Plus: Impairment loss appropriated in the year	-	15,269
Less: Impairment loss reversed in the year	(315)	(15,119)
Less: Actual amount written off in the year	(165,211)	(13,683)
Differences from conversion of foreign currencies	6,867	(2,840)
Balance at Ending of Year	$ 8,634	$167,293

Changes in loss allowance for other accounts receivable are as follows:

	2022	2021
Balance at Beginning of Year	$ 5,605	$ 5,666
Plus: Impairment loss appropriated in the year	5	-
Less: Impairment loss reversed in the year	-	(61)
Less: Actual amount written off in the year	(5,603)	-
Balance at Ending of Year	$ 7	$ 5,605

XI. Inventory

	December 31, 2022	December 31, 2021
Raw material	$1,767,103	$1,240,695
Finished good	554,832	294,703
Work in process	204,802	135,625
In-transit inventory	139,633	173,739
Semi-finished goods	113,429	64,758
Merchandise	1,826	24,892
	$2,781,625	$1,934,412

The cost of sales related to inventories in 2022 and 2021 was NTD 4,764,217,000 and NTD 4,069,482,000, respectively. The cost of sales included inventory devaluation loss (gain from price recovery of inventory) of NTD 19,557,000 and (NTD 5,002,000).

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

Entities in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Nature of business	Shareholding ratio December 31, 2022	Shareholding ratio December 31, 2021	Description
IDEAL BIKE CORPORATION	Ideal (Dong Guan) Bike Co., Ltd.	Manufacture and trading of bicycle parts	33.45%	33.45%	—
	TOP SPORT INTERNATIONAL LTD.	Trading of bicycle parts	100%	100%	Note 4
IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Manufacture and trading of bicycle parts	100%	100%	Note 5
	Ideal Bike (SGP) Co. Pte., Ltd.	Holding company	100%	100%	—
	Crown Alliance International Co., LTD.,	Holding company	100%	100%	—
	Advanced Sports International-Asia Ltd.	Trading of bicycles and accessories	-	80%	Note 2
	Pacific Glory Worldwide Ltd.	Trading of bicycles	100%	100%	Note 1
Ideal Bike (SGP) Co. Pte., Ltd.	Ideal (Dong Guan) Bike Co., Ltd.	Manufacture and trading of bicycle parts	66.55%	66.55%	—
Pacific Glory Worldwide Ltd.	Advanced Sports International-Asia Ltd.	Trading of bicycles and accessories	-	20%	Note 2
Advanced Sports International-Asia Ltd.	Advanced Sports International - Asia Ltd., Taiwan Branch	Trading of bicycles and accessories	-	-	Note 6
TOP SPORT INTERNATIONAL LTD.	ECONOTRADE LIMITED	Trading	100%	100%	—
Crown Alliance International Co., LTD.,	Ling Xian Sports Equipment (Dong Guan) Limited	Trading of bicycles and accessories	100%	100%	—
ECONOTRADE LIMITED	Econotrade Limited Taiwan Branch (B.V.I)	Trading of bicycles and accessories	100%	100%	Note 3

Note 1: Pacific Glory Worldwide Ltd. was established in January 2019. (Refer to Note 33.)

Note 2: Since the consolidated company acquired the trademark rights of Fuji, the Board of Directors resolved the liquidation of Advanced Sports International-Asia Ltd. on June 21, 2019 to simplify the organizational structure and save the cost. The liquidation proceedings were completed on July 28, 2022.

Note 3: Econotrade Limited Taiwan Branch (B.V.I) was established in August 2019.

Note 4: On June 29, 2021, the Group's Board of Directors resolved to inject USD 3,500,000 of cash capital into TOP SPORT INTERNATIONAL LTD.

Note 5: On May 10, 2021, the consolidated company's Board of Directors resolved to inject USD 590,000 with cash capital and PLN33,500,000 with debt capital into Ideal Europe SP ZO.O.

Note 6: On June 21, 2019, the consolidated company's Board of Directors resolved to liquidate Advanced Sports International – Asia Ltd., Taiwan Branch; the liquidation was completed in July 2021.

XIII. Investment under equity method

Investment in associates

	December 31, 2022	December 31, 2021
Associate		
Fulltech Fiber Glass Corp.	$189,944	$189,118

(I) Material associates

Company name	Nature of business	Business premises	Proportion of Shareholding and Voting Right December 31, 2022	Proportion of Shareholding and Voting Right December 31, 2021
Fulltech Fiber Glass Corp.	Electronic-grade fiber glass	Taiwan	2.62%	2.62%

The associates having Level 1 fair value in open market quotes are as follows:

Company name	December 31, 2022	December 31, 2021
Fulltech Fiber Glass Corp.	$130,983	$195,069

The Group adopts the equity method for the above-mentioned associates.

The following financial information summary is prepared based on the associates' IFRS-based consolidated financial statements. It also reflects the adjustments made after using the equity method.

Fulltech Fiber Glass Corp.

	December 31, 2022	December 31, 2021
Current assets	$ 3,094,927	$ 3,147,737
Non-current assets	9,971,960	10,466,496
Current liabilities	(1,764,167)	(3,340,411)
Non-current liabilities	(3,908,096)	(2,825,108)
Equity	$ 7,394,624	$ 7,448,714
The Group's shareholding percentage	2.62%	2.62%
The Group's equity	$ 193,739	$ 195,156
Other adjustments	(3,795)	(6,038)
Investment book value	$ 189,944	$ 189,118

	2022	2021
Operating income	$4,109,164	$4,497,955
Net profit for the year	$ 31,523	$ 601,349
Other comprehensive income	168,606	29,115
Total comprehensive income	$ 200,129	$ 630,464
Dividend received from Fulltech	$ 6,745	$ -

The Chairman of the Group is also the Chairman of Fulltech; the De facto related party, Yuan-Fu Chang, acts as a director of the Fulltech Fiber Glass Corp. The Group holds less than 20% of the shares of voting rights in Fulltech Fiber Glass Corp. However, as the Group has significant influence on Fulltech with such shares since 2010, the equity method is used for measurement.

The equity-accounted investee, Fulltech Fiber Glass Corp., of the Group was measured using the equity method due to cross-holding. The investment gain/loss was calculated using the treasury stock method.

For the amount of investment in associates pledged as collateral for loans, please refer to Note 32.

(XIV) Property, plant, and equipment

	2022					
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Net exchange difference	Reclassification	Balance at ending of period
Cost						
Self-owned Land	$ 113,821	$ -	$	$ 87	$ -	$ 113,908
Building	796,770	8,299	-	10,126	3,275	818,470
Machine and equipment	408,980	21,042	(11,027)	5,136	22,349	446,480
Transport equipment	31,311	430	(733)	178	(8,616)	22,570
Office equipment	23,318	435	(875)	107	-	22,985
Other equipment	123,892	6,895	(1,469)	737	93	130,148
Equipment to be tested	1,765	62,652	-	2,116	(17,101)	49,432
	1,499,857	$ 99,753	($ 14,104)	$ 18,487	$ -	1,603,993
Accumulated depreciation and impairment						
Building	441,152	$ 31,187	$ -	$ 5,520	$ 425	478,284
Machine and equipment	333,041	13,162	(8,246)	4,424	5,468	347,849
Transport equipment	23,711	1,578	(660)	199	(5,751)	19,077
Office equipment	20,882	1,012	(875)	99	-	21,118
Other equipment	108,539	4,145	(1,434)	640	(142)	111,748
	927,325	$ 51,084	($ 11,215)	$ 10,882	$ -	978,076
Net amount at ending of period	$ 572,532					$ 625,917

	2021					
	Balance at Beginning of Year	Increase in the Year	Decrease in the Year	Net exchange difference	Reclassification	Balance at ending of period
Cost						
Self-owned Land	$ 114,237	$ -	$ -	($ 416)	$ -	$ 113,821
Building	794,705	9,891	-	(10,532)	2,706	796,770
Machine and equipment	406,064	17,234	(15,123)	(3,371)	4,176	408,980
Transport equipment	37,925	-	-	(6,614)	-	31,311
Office equipment	22,045	1,882	(98)	(511)	-	23,318
Other equipment	118,224	8,605	(7,846)	3,292	1,617	123,892
Equipment to be tested	2,908	7,371	-	(15)	(8,499)	1,765
	1,496,108	$ 44,983	($ 23,067)	($ 18,167)	$ -	1,499,857
Accumulated depreciation and impairment						
Building	413,724	$ 30,339	$ -	($ 2,911)	$ -	441,152
Machine and equipment	338,048	13,788	(11,072)	(2,880)	(4,843)	333,041
Transport equipment	19,037	1,983	-	(2,152)	4,843	23,711
Office equipment	20,519	926	(98)	(465)	-	20,882
Other equipment	112,873	3,294	(7,535)	(93)	-	108,539
	904,201	$ 50,330	($ 18,705)	($ 8,501)	$ -	927,325
Net amount at ending of period	$ 591,907					$ 572,532

The depreciation expense was calculated on the straight-line basis over the following useful lives:

House and building	2 to 60 years
Machine and equipment	3 to 10 years
Transport equipment	1.5 to 6 years
Office equipment	1 to 10 years
Other equipment	3 to 35 years

For the amount of our property, plant and equipment pledged as collateral for loans, please refer to Note 32.

XV. Lease agreement

(I) Right-of-use asset

	December 31, 2022	December 31, 2021
Book value of right-of-use assets		
Land	$ 45,808	$ 46,494
Building	22,681	410
Transport equipment	2,666	136
	$ 71,155	$ 47,040

	2022	2021
Increase in right-of-use assets	$ 36,152	$ -
Depreciation expense of right-of-use assets		
Land	$ 1,422	$ 1,392
Building	10,384	403
Transport equipment	967	1,232

	2022	2021
	$ 12,773	$ 3,027

Except recognition of depreciation, the Group did not see material sub-leasing of, or impairment on, its right-of-use assets in 2022 and 2021.

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Book value of lease liabilities		
Current	$ 15,110	$ 559
Non-current	$ 10,337	$ -

Range of discount rate for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Building	2.19%~2.80%	2.19%~2.42%
Transport equipment	2.19%~3.00%	2.19%~2.60%

(III) Material lease activities and terms

The Group rents some buildings and transport equipment for business operation with a lease term of 1–3 years. There are no terms of renewal or purchase in the lease agreement with respect to expiration of the lease term. The Group also rents several land lots for plants and offices and has acquired the certificate of right to use the land. The land leased is in Mainland China with a lease term of 50 years due on December 31, 2054.

(IV) Other lease information

	2022	2021
Short-term lease expense	$ 2,778	$ 605
Less: Leases expense of low-value assets	$ 326	$ 351
Total cash (outflow) amount for lease	($ 14,655)	($ 2,603)

The Group opts to apply the exemption of recognition to the lease of office equipment, computer equipment, and transport equipment which meet the short-term lease, and does not recognize right-of-use assets and lease liabilities with respect to such lease.

XVI. Intangible assets

	2022				
	Balance at beginning of period	Increase in the current period	Decrease in Current Period	Net exchange difference	Balance at ending of period
Cost					
Computer software	$ 42,935	$ 1,689	$ -	$ 466	$ 45,090
Trademarks (Please refer to 33)	194,338	-	-	21,273	215,611
	237,273	$ 1,689	$ -	$ 21,739	260,701
Accumulated amortization and impairment					
Computer software	38,518	$ 2,329	$ -	$ 417	41,264
Net amount at year end	$ 198,755				$ 219,437

	2021				
	Balance at beginning of period	Increase in the current period	Decrease in Current Period	Net exchange difference	Balance at ending of period
Cost					
Computer software	$ 41,215	$ 2,349	$ -	($ 629)	$ 42,935
Trademarks (Please refer to 33)	199,955	-	-	(5,617)	194,338
	241,170	$ 2,349	$ -	($ 6,246)	237,273
Accumulated amortization and impairment					
Computer software	36,687	$ 2,176	$ -	($ 345)	38,518
Net amount at year end	$ 204,483				$ 198,755

The statutory period of trademark is 10 years. However, it can be postponed every ten years at a tiny cost. The management of the Group finds that the Group has the intention and ability to postpone the time limit. The management has conducted a life cycle survey of products and research on the market, competitiveness, environmental trend and brand extension opportunity. The results of the research shows that the trademark is expected to produce a net cash inflow during an indefinite useful life and, thus, is an intangible asset with indefinite useful life. The indefinite useful life of the trademark will not be taken into account in amortization before it becomes definite firmly. However, an impairment test is conducted every year no matter whether there is a sign of impairment or not.

The amortization expense was calculated on the straight-line basis over the following useful lives:

Computer software	1 to 5 years

XVII. Other assets

	December 31, 2022	December 31, 2021
Current		
Inventory of supplies	$ 1,191	$ 1,403
Prepayments		
Prepayment for purchase	52,678	96,945
Other prepaid expenses	33,098	8,207
Prepaid insurance	7,633	3,157
Other prepayments	-	17,814
Overpaid tax retained for offsetting the future tax payable	16,762	22,884
	$111,362	$150,410
Non-current		
Guarantee deposits paid	$ 10,094	$ 7,901
Prepayment for equipment purchase	5,336	7,806
Others	53	884
	$ 15,483	$ 16,591

XVIII. Loans

(I) Short-term loan

	December 31, 2022	December 31, 2021
Secured loan (Note 32)		
Bank loan	$ 912,234	$ 626,360
Loan for purchase of material	161,625	162,886
	1,073,859	789,246
Unsecured loan		
Credit loan	342,221	78,465
Loan for purchase of material	25,094	54,880
	$1,441,174	$ 922,591
Range of interest rates	1.03%~6.29%	1.03%~4.61%

(II) Long-term loan

	December 31, 2022	December 31, 2021
Secured loan (Note 32)		
Bank loan	$767,019	$274,305
Unsecured loan		

Bank loan	152,586	81,724
	919,605	356,029
Less: Due within one year	(424,589)	(193,697)
Long-term loans	$495,016	$162,332
Range of interest rates	2.60%~4.66%	1.04%~2.50%

	Period	December 31, 2022	December 31, 2021
Secured NTD loans	January 2022 to January 2025	$ 267,273	$ -
Secured NTD loans	November 2022 to November 2024	200,000	-
Unsecured NTD loans	October 2022 to June 2025	103,445	-
Secured NTD loans	October 2021 to June 2023	-	100,000
Secured NTD loans	October 2022 to October 2025	80,000	-
Secured NTD loans	October 2020 to October 2025	70,780	99,305
Secured NTD loans	September 2022 to September 2024	70,400	-
Unsecured NTD loans	June 2021 to June 2024	47,244	78,740
Secured NTD loans	October 2022 to October 2024	45,233	-
Secured NTD loans	November 2021 to November 2024	33,334	50,000
Secured NTD loans	10.2020 to 10.2022	-	25,000
Unsecured PLN loans	April 2020 to April 2023	1,163	1,593
Unsecured PLN loans	October 2020 to October 2025	496	680
Unsecured PLN loans	March 2020 to March 2023	237	495
Unsecured PLN loans	November 2018 to February 2022		216
Less: Due within one year		(424,589)	(193,697)
Total long-term loans		$ 495,016	$ 162,332

XIX. Corporate bond payable

	December 31, 2022	December 31, 2021
4th domestic secured convertible corporate bond (I)	$ -	$278,338
5th domestic unsecured convertible corporate bond (II)	5,056	103,525
	5,056	381,863
Less: Due within one year	(5,056)	(381,863)
	$ -	$ -

(I) 4th domestic secured convertible corporate bond

Subject to the approval of the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa-Zi No. 1050051194 on December 22, 2016, we offered and issued the 4th domestic secured convertible corporate bonds amounting to NTD 300,000,000 with a coupon rate of 0% and a period of 5 years from January 17, 2017 to January 17, 2022.

The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve - stock option. The initially recognized effective interest rate with respect to the liabilities is 1.2862%.

Issuance considerations (less the transaction cost of NTD 18,570,000)	$ 281,430
Interest based on effective rate of 1.970892%	17,395
Corporate bond payable converted to common stock	(20,487)
Liability components on December 31, 2021	278,338
Interest based on effective rate of 1.970892%	149
Redemption of corporate bonds	(278,487)
Liability components on December 31, 2022	$ -

(II) 5th domestic unsecured convertible corporate bond

With the approval of the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa-Zi No. 1070314271 on May 15, 2018, we offered and issued the 5th domestic secured convertible corporate bonds amounting to NTD 400,000,000 with a coupon rate of 0% and a period of 5 years from June 8, 2018 to June 8, 2023.

Early redemption of the convertible bonds

From the date (September 9, 2018) following expiration of three months upon offering of the convertible corporate bonds until 40 days prior to expiration of the duration (April 29, 2023), if the closing price of the Company's common shares exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may send the “Notice of Call” to be matured in 30 days (the time limit shall commence from the Company's service date, and the record date of the call shall be the date when the time limit expires, and the conversion suspension period specified in Article 9 shall not fall in the time limit) to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Call, while the holders who acquire the corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail within 30 business days thereafter. Meanwhile, the Company shall ask Taipei Exchange in writing to post a public announcement, and shall call all the corporate bonds at the face value in cash. The Company shall call the corporate bonds in cash within five (5) business days upon the record date.

From the date (September 9, 2018) following expiration of three months upon offering of the convertible corporate bonds until 40 days prior to expiration of the duration (April 29, 2023), if the balance of outstanding convertible bonds of the Company are lower than its original issue size by 10% or more, the Company may send the “Notice of Call” to be matured in 30 days (the time limit shall commence from the Company’s service date, and the record date of the call shall be the date when the time limit expires, and the conversion suspension period specified in Article 9 shall not fall in the time limit) to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Call, while the holders who acquire the corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail at any time. Meanwhile, the Company shall ask Taipei Exchange in writing to post a public announcement, and shall call all the corporate bonds at face value in cash. The Company shall call the corporate bonds in cash within five (5) business days upon the record date.

If any creditors do not give a written reply (effective immediately upon service or upon the date on the postmark if sent by mail) to the stock affairs department of the Company prior to the record date indicated on the “Notice of Call”, the Company shall call the corporate bonds at the face value in cash within five (5) business days upon the record date.

<u>Creditor held put option</u>

The bondholders may exercise the put option on the record dates thereof, namely, June 8, 2021, and June 8 2022, upon expiration of three and four years, respectively, after issuance of the bonds. The Company may send the “Notice of Put Option” to the bond holders (those referred to in the roster of bond holders on the fifth business day prior to the service date of the Notice of Put Option, while the holders who acquire the convertible corporate bonds through purchase or due to other causes subsequently, if any, shall be notified by public notice) via registered mail 30 business days prior to the record date. The Company shall ask Taipei Exchange in writing to post a public announcement disclosing holders request for exercise of put options of the convertible corporate bonds. The bondholders may give a written notice to the stock affairs department of the Company within 30 days after the announcement (effective immediately upon service or upon the date on the postmark if sent by mail) and ask the Company to redeem the convertible corporate bonds they hold at the face value plus an interest compensation [104.5678% of the face value for the expiration of three years (a real yield of 1.5%) or 106.9753% of the face value for the expiration of four years (a real yield of 1.7%)]. The Company shall respond to the exercise of put option by redeeming the convertible corporate bonds in cash within five (5) business days upon the record date. If the above-mentioned date is a nonbusiness day of the stock exchange market in Taipei City, the date will be extended to the next business day.

Conversion period

Unless (1) the period for suspension of transfer registration of common stock required by laws, (2) the period from 15 business days prior to the date for suspension of transfer registration of allocated dividends requested by the Company, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase to the record date for allocation of rights, and (3) from the record date for capital decrease to the day immediately prior to the trading date of stocks swapped upon capital decrease, the bondholders may inform Taiwan Depository & Clearing Corporation (TDCC) (hereinafter referred to as the “Depository Corporation”) via the securities firm to ask the Company’s stock affairs department to convert the convertible corporate bonds into the Company’s common shares pursuant to the Regulations at any time from the day following expiration of three months after the convertible corporate bonds are issued (September 9, 2018) to the expiration date (June 8, 2023), and may act in accordance with Article 10, 11 and 15 of the Regulations.

Conversion price and its adjustment

The conversion price of the convertible corporate bonds was determined, with May 31, 2018 as the temporary record date of conversion price. The price is NTD 11.3 per share. In case the number of the Company’s issued common stocks increases after issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula specified in the issuance terms. The conversion price was adjusted to NTD 13.70 as of December 31, 2022.

Rights and obligations after conversion

According to the conversion regulations, the rights and obligations of the bondholder with respect to the common shares after the effective conversion as requested are the same as those of the issued common stocks of the Company.

Provided as Guarantees

The convertible corporate bonds are unsecured. However, if the Company additionally issues other secured corporate bonds with warrants or convertibility after issuance of such corporate bonds, these shall be arranged with the creditor's rights of the same level or the real rights for security of the same sequence.

The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve - stock option. The initially recognized effective interest rate with respect to the liabilities is 1.2862%.

Issuance considerations (less the transaction cost of NTD 37,508,000)	$362,492
Interest based on the effective rate of 1.970892%	21,057
Redemption of corporate bonds	(72,447)
Corporate bond payable converted to common stock	(207,577)
Liability components on December 31, 2021	103,525
Interest based on the effective rate of 1.970892%	1,017
Redemption of corporate bonds	(99,486)
Liability components on December 31, 2022	$ 5,056

XX. Notes and accounts payable

	December 31, 2022	December 31, 2021
Accounts payable	$871,328	$932,607

The Group establishes financial risk management policies to ensure that all payables can be paid back within the pre-agreed term of credit.

XXI. Other liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Salary and bonus payable	$ 95,213	$ 79,913
Commissions payable	69,555	44,040
Processing fee payable	6,340	3,689

Service fee payable	5,707	6,335
Others	84,625	58,175
	$261,440	$192,152

Other liabilities		
Refunds liabilities (Note 25)	$ 74,519	$ -
Receipts under custody.	18,240	4,761
Temporary receipts	2,985	70
Others	3,313	3,956
	$ 99,057	$ 8,787

XXII. Retirement benefit plans

(I) Defined contribution plan

The pension system specified in the “Labor Pension Act” and adopted by the Group and the subsidiaries in the Republic of China is the defined pension contribution plan managed by the government. A pension equal to 6% of employee’s monthly wage shall be contributed to the personal labor pension account at the Bureau of Labor Insurance.

The employees of the Group’s subsidiaries outside the Republic of China have participated in the defined contribution plan managed by the local government. The pension is contributed to the local government on a monthly basis.

(II) Defined benefit plan

The pension system adopted by the Company of the Group according to the “Labor Standards Act” is the defined retirement benefit plan managed by the government. The years of service rendered and the average wage of six months prior to the approved retirement date shall be the reference for calculation of the pension to be paid to the employee. We appropriate 2% of the total monthly wage of an employee as the pension and remit the amount to the labor pension reserve funds account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, we will make up for the shortage in one appropriation before the end of the following March. The account is managed by the Bureau of Labor Funds, Ministry of Labor and we do not have the right to influence the investment management strategies.

The amounts of the defined benefit plan included in the consolidated balance sheet are listed as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$34,810	$35,434
Fair value of plan assets	(18,779)	(16,819)
Net defined benefit liabilities	$16,031	$18,615

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of December 31, 2021	$ 38,143	($ 13,268)	$ 24,875
Cost of defined benefit			
Current service cost	212	-	212
Interest expense	229	-	229
Interest income	-	(92)	(92)
Recognized in profit or loss	441	(92)	349
Re-measurement			
Return on planned assets	$ -	($ 129)	($ 129)
Actuarial gain – experience adjustment	(1,404)	-	(1,404)
Actuarial gain – financial assumption adjustment	(464)	-	(464)
Recognition in other comprehensive income	(1,868)	(129)	(1,997)
Contribution by employer	-	(3,330)	(3,330)
Payment of benefits	(1,282)	-	(1,282)
Balance as of December 31, 2021	35,434	(16,819)	18,615
Cost of defined benefit			
Current service cost	108	-	108
Interest expense	266	-	266
Interest income	-	(139)	(139)
Recognized in profit or	374	(139)	235

loss			
Re-measurement			
Return on planned assets	-	(1,147)	(1,147)
Actuarial gain – experience adjustment	459	-	459
Actuarial gain – financial assumption adjustment	(1,457)	-	(1,457)
Recognition in other comprehensive income	(998)	(1,147)	(2,145)
Contribution by employer	-	(674)	(674)
Balance as of December 31, 2022	$ 34,810	($ 18,779)	$ 16,031

Amounts related to the defined benefit plan recognized in profit or loss are summarized by function as follows:

	2022	2021
Operating cost	$ 151	$ 217
Marketing expense	56	80
Administrative expense	28	52
	$ 235	$ 349

The Group is exposed to the following risks due to the pension system under the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Group’s plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds and corporate bonds leads to increase the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased accordingly. The net defined benefit liabilities may be partially offset by both increases.

3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit obligation would be increased by an increase in the plan participants' salary.

The Group's present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.35%	0.75%
Rate of expected salary increase	1.00%	1.00%

If there was any reasonably possible changes to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 575)	($ 750)
Decrease by 0.25%	$ 593	$ 780
Rate of expected salary increase		
Increase by 0.25%	$ 2,478	$ 3,269
Decrease by 0.25%	($ 2,221)	($ 2,856)

Since the actuarial assumptions might be correlated to each other and it was unlikely that the changes were only in a singe assumption, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2022	December 31, 2021
Expected contribution within 1 year	$ 674	$ 3,329
Average maturity of defined benefit obligations	11.3 years	13.2 years

XXIII. Preferred stock liabilities

	December 31, 2022	December 31, 2021
Preferred stock liabilities	$104,414	$127,328

Refer to disclosure of contingent events in Note 33. To participate in the bidding procedure for the brand and trademark owned by the America-based Advanced Sports Enterprises, Group and Fulltech Fiber Glass Corp. (hereinafter referred to as Fulltech) established Pacific Glory Worldwide Ltd. in the Republic of Seychelles in January 2019 for management of brands and trademarks. Fulltech contributed USD 7,500,000 to acquire preference equity. Important conditions for issuance of the preference shares are described below:

Pacific Glory Worldwide Ltd. shall redeem the preference shares held by Fulltech at a price equal to the total investment amount of USD 7,500,000 plus 10% on the last day of five years after the registration date of establishment or may redeem such preference shares once for all or in phases during this period.

XXIV. Equity

(I) Capital stock

1. Common stock

	December 31, 2022	December 31, 2021
Number of authorized shares (thousand shares)	350,000	350,000
Authorized capital	$3,500,000	$3,500,000
Number of issued shares with adequate capital received (thousand shares)	301,724	299,601
Issued capital	$3,017,243	$2,996,009

A share of issued common stock had a par value of NTD10 and was entitled to one voting right and dividends.

In 2022 and 2021, the Group's convertible corporate bonds that had been converted into common stocks amounted to 2,123,000 shares and 6,322,000 shares, respectively.

To enhance the overall operating plan and competitiveness, the Group held a Board of Directors meeting on March 16, 2018 and adopted the private placement specified in Article 43-6 of the Securities and Exchange Act by issuing 40,000,000 common stocks at the price of NTD 7.6 per stock. The total amount of the private placement was NTD 304,000,000 and the record date of capital increase was October 17, 2018.

The Group's board of directors approved a private placement on December 24, 2019 by issuing 80,000,000 common stocks at the price of NTD 5 per stock. The total amount of the private placement was NTD 400,000,000 and the record date of capital increase was December 26, 2019.

The rights and obligations of the aforesaid common stocks issued for private placement were the same as the issued common stocks of the Group. They should not be transferred freely within 3 years after the delivery, except as otherwise specified in laws and regulations for special circumstances. The board of directors was authorized to finish the public offering procedure ex post facto with the competent authority and apply for tracing on the exchange or OTC market.

In addition, as of April 26, 2021, the share subscription proceeds of NTD 510,000,000 were fully collected by the Group, with the capital increase record date set on April 26, 2021.

(II) Capital reserves

	December 31, 2022	December 31, 2021
Available for makeup of loss, distribution of cash dividends or transfer into capital (1)		
Corporate bond conversion premium	$114,519	$ 92,414
Common stock premium	10,000	10,000
Donated assets received	69	69
Employee stock options	4,483	4,483
	129,071	106,966
Only available for makeup of loss		
Changes in net worth of equity of affiliates recognized under equity method (2)	2,562	2,562
Others (return of unclaimed	129	129

dividends)	2,691	2,691
Not available for any purposes		
Stock option	555	15,770
	$132,317	$125,427

1. These capital reserves may be used to make up losses or to distribute cash dividends or be transferred into the capital if the Company does not incur a loss. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.
2. These capital reserves are the adjustments for the Group to recognize subsidiaries' capital reserves under the equity method.

(III) Retained earnings and dividend policy

According to the Company's earnings distribution policy specified on its Articles of Incorporation, if the Company has a profit at the year's final accounting, it shall first pay taxes and make up for any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserves, and also make provision/reversal of special reserves pursuant to the laws. The residual balance shall be added to the accumulated undistributed earnings, and the board of directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for approval of allocation of shareholder dividends and bonus. For the distribution policy of employee and director/supervisor remuneration specified in the Company's Articles of Incorporation, please refer to (7) Remuneration to employees, directors and supervisors in Note 26.

According to the Articles of Incorporation of the Company, the dividend policy is adopted by the Company in consideration of the current and future development plans, investment environment, financing needs and domestic and international competition as well as the shareholders' interests and other factors. The Company's shareholders' dividends are allocated in the form of cash or stock dividends. The cash dividend shall be more than 20% of the total shareholders' dividends.

Legal reserves shall be prepared to the amount at which the balance of the legal reserves reaches to the total paid-in capital. Legal reserves may be used to make up loss. Where the Company does not sustain loss, the part of the legal reserves that exceeds 25% of total paid-in capital may be appropriated as capital or distributed by cash.

(IV) Special reserves

	2022	2021
Balance at Ending of Year	$78,308	$78,308

(V) Other equities

1. Exchange differences from the translation of foreign operations' financial statements

	2022	2021
Balance at Beginning of Year	($182,977)	($134,788)
Amounts incurred in the year		
Exchange differences from translation of foreign operations' net assets	44,206	(48,189)
Balance at Ending of Year	($138,771)	($182,977)

2. Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income

	2022	2021
Balance at Beginning of Year	($294,286)	($294,286)
Amounts incurred in the year		
Unrealized gains and losses Equity instrument	(5,697)	-
Balance at Ending of Year	($299,983)	($294,286)

XXV. Income

(I) Customer contract income

	2022	2021
(I) Customer contract income		
Revenue from sale of goods	$5,371,186	$4,407,209

Revenue from commission	116,263	104,934
Revenue from royalty	103,671	101,381
	$5,591,120	$4,613,524

The Group estimated the goods returns rate at the most possible amount, so as to recognize refunds liabilities and rights to products to be returned.

(II) Balance of contract amount

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note 10)	$1,330,037	$ 668,176	$ 744,734
Contractual liabilities			
Sale of products	$ 270,412	$ 168,723	$ 161,002

(III) Customer contract income breakdown

	2022	2021
Major market by region		
Europe	$3,195,081	$2,716,671
Americas	1,310,115	1,299,853
Asia	1,006,990	504,917
Others	78,934	92,083
	$5,591,120	$4,613,524
Main product		
Bicycle and parts	$4,403,010	$3,781,387
Others	1,188,110	832,137
	$5,591,120	$4,613,524

XXVI. Net profit (loss) of continuing operations

(I) Interest income

	2022	2021
Interest income	$ 5,369	$ 1,261

(II) Other revenue

	2022	2021
Dividend income	$ 8,828	$ 1,388
Rent income	778	252
Others	33,984	18,037
	$ 43,590	$ 19,677

(III) Other gains (losses)

	2022	2021
Total gain (loss) from conversion of foreign	$110,561	($ 20,668)

	2022	2021
currencies		
Gain (loss) from financial instruments measured at fair value through profit or loss	(9,464)	9,466
Profit from disposal of property, plant, and equipment	(695)	(2,282)
Other gains (losses)	(11,782)	4,889
	$88,620	($ 8,595)

(IV) Financial cost

	2022	2021
Bank loan interest	$ 11,241	$ 24,799
Amortization of convertible corporate bonds	1,165	6,791
Interest on lease liabilities	39,851	36
Preferred dividends – liabilities	4,471	4,201
	$ 56,728	$ 35,827

(V) Depreciation and amortization

	2022	2021
Summary of depreciation expenses by function		
Operating cost	$ 44,182	$ 35,918
Operating expense	19,675	17,439
	$ 63,857	$ 53,357
Summary of amortization expenses for intangible assets by function		
Operating cost	$ 562	$ 644
Operating expense	1,767	1,532
	$ 2,329	$ 2,176

(VI) Employee benefit expense

	2022	2021
Retirement benefits (Note 22)		
Defined contribution plan	$ 8,079	$ 6,459
Defined benefit plan	235	349
	8,314	6,808
Other employee benefits	437,910	354,319
Total employee benefit expenses	$446,224	$361,127

Summarized by function		
Operating cost	$268,155	$209,137
Operating expense	178,069	151,990
	$446,224	$361,127

(VII) Remuneration to employees, directors and supervisors

According to the Articles of Incorporation, the Company shall appropriate 2% to 10% of the profit on the annual final account, if any, as the remuneration to the employees and up to 5% of the profit as the remuneration to the directors and supervisors. Since there are losses in 2022 and 2021, no estimates were made for the remuneration to the employees or directors and supervisors.

The information about remuneration to the employees and directors/supervisors in 2022 and 2021 approved by the Board of Directors may be viewed at the "MOPS" of TWSE.

(VIII) Foreign exchange gain (loss)

	2022	2021
Total profit from translation of foreign currencies	$203,720	$80,535
Total loss from translation of foreign currencies	(93,159)	(101,203)
Net gain (loss)	$110,561	($20,668)

XXVII. Income tax of continuing operations

(I) Income tax recognized in profit or loss

Major components of the income tax expenses recognized:

	2022	2021
Current income tax		
Tax incurred in the year	$10,146	$ 9,764
Deferred income tax		
Tax incurred in the year	94,780	27,685
Income tax expense recognized in profit or loss	$104,926	$37,449

Reconciliation of accounting income and income tax (profit) is as follows:

	2022	2021
Net profit before tax of continuing operations	$439,284	$120,040
Income tax derived by applying net profit before	$87,857	$24,008

tax to the statutory tax rate		
Expense and loss not deductible from tax	(1,744)	227
Unrecognized deductible temporary difference	(3,195)	18,653
Effect of different tax rates applicable to the consolidated company's individual entities	22,008	(5,439)
Income tax expense recognized in profit or loss	$104,926	$ 37,449

(II) Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax		
Tax incurred in the year		
－Translation from foreign operations	$ 6,873	($ 8,031)
Income tax loss recognized in other comprehensive income	$ 6,873	($ 8,031)

(III) Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets		
Income tax refund receivable	$ 228	$ 168

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	Balance at Beginning of Year	Recognized in profit or loss	Recognition in other comprehensive income	Balance at Ending of Year
Deferred income tax assets				
Temporary difference				
Unrealized exchange loss	$ 445	$ 1,942	$ -	$ 2,387
Unrealized inventory devaluation loss	5,016	4,981	-	9,997
Unpaid pension	4,942	(27)	-	4,915
Unrealized gross profit	2,235	2,798	-	5,033
Contractual liabilities	495	1,237	-	1,732
Expected deferred excessive credit impairment loss	68,517	(12,312)	-	56,205
Investment loss under equity method	19,603	(19,603)		-
Exchange differences from foreign operations	(3,873)	-	3,877	4
Financial assets impairment loss measured at fair value through other comprehensive income	67,708	-	-	67,708
Book-Tax difference of fixed asset	413	(165)		248
Loss carryforwards	102,418	(39,386)		63,032
	$ 267,919	($ 60,535)	$ 3,877	$ 211,261
Deferred income tax liabilities				
Temporary difference				
Unrealized exchange gain	$ -	($ 1,571)	$ -	($ 1,571)
Foreign investment profit under equity method	(67,878)	(33,021)	-	(100,899)
Land incremental tax	(21,605)	-	-	(21,605)
Unrealized loss of corporate bonds	(3,796)	348	-	(3,448)
Exchange differences from foreign operations	(22,168)	-	2,996	(19,172)

($ 115,447)	($ 34,244)	$ 2,996	($ 146,695)

2021

	Balance at Beginning of Year	Recognized in profit or loss	Recognition in other comprehensive income	Balance at Ending of Year
Deferred income tax assets				
Temporary difference				
Unrealized exchange loss	$ 3,318	($ 2,873)	$ -	$ 445
Unrealized inventory devaluation loss	7,120	(2,104)	-	5,016
Unpaid pension	5,579	(637)	-	4,942
Unrealized gross profit	1,470	765	-	2,235
Contractual liabilities	702	(207)	-	495
Expected deferred excessive credit impairment loss	67,023	1,494	-	68,517
Investment loss under equity method	23,845	(4,242)	-	19,603
Exchange differences from foreign operations	2,858	-	(6,731)	(3,873)
Financial assets impairment loss measured at fair value through other comprehensive income	67,708	-	-	67,708
Book-Tax difference of fixed asset	375	38	-	413
Loss carryforwards	114,080	(11,662)	-	102,418
	$ 294,078	($ 19,428)	($ 6,731)	$ 267,919
Deferred income tax liabilities				
Temporary difference				
Unrealized exchange gain	($ 2,336)	$ 2,336	$ -	$ -
Foreign investment profit under equity method	(58,235)	(9,643)	-	(67,878)
Land incremental tax	(21,605)	-	-	(21,605)
Unrealized loss of corporate bonds	(2,846)	(950)	-	(3,796)
Exchange differences from foreign operations	(20,868)	-	(1,300)	(22,168)
	($ 105,890)	($ 8,257)	($ 1,300)	($ 115,447)

(V) Amount of deductible temporary difference of the deferred income tax assets unrecognized in balance sheet

	December 31, 2022	December 31, 2021
Unrecognized deductible temporary difference	$1,004,693	$ 896,987

(VI) Information on loss carryforwards

The information on the loss carryforwards of the Company up to December 31, 2022 is as follows:

Balance to be credited	Last year of credit
$ 88,798	2030
37,009	2031
$125,807	

(VII) Authorization of income tax

The Company's profit-seeking business income tax filings have been approved by the tax authority up until 2018.

XXVIII. Earnings per share

	2022	2021
Basic EPS	$ 1.11	$ 0.29
Diluted EPS	$ 1.11	$ 0.29

The net profit and the weighted average number of common stocks used for calculating earnings per share are as follows:

Net profit for the year

	2022	2021
Net profit used for calculation of earnings per share	$334,358	$ 82,591

Number of shares Unit: (thousand shares)

	2022	2021
Weighted average number of common stocks used for calculating basic EPS	301,458	281,803
Effect of potential diluted common stocks		
Convertible corporate bond	29	3,739
Weighted average number of common stocks used for calculating diluted EPS	301,487	285,542

XXIX. Capital risk management

The Group conducts capital management to ensure the Group can keep operating and growing while maximizing shareholders' return by optimizing the liability and equity balances.

For the capital structure and management strategy, the Group takes into account the scale and growing potential of the industry to which the Group belongs, the defined product development blueprint, and the market share. With these as a basis, the Company makes overall plans regarding required capacity, corresponding capital expenses, and assets needed for long-term development of the Group. Finally, we estimate potential gross profit of our products, operating profit rate, and cash flow based on the competitive strength of the Group, and determine the appropriate capital structure in consideration of the fluctuation in business cycle, life cycle of products, and other risk factors.

The management of the Group reviews the capital structure on a regular basis and measures the cost and risk of different capital instruments. In general, the Group adopts deliberately designed risk management strategies.

XXX. Financial instruments

(I) Fair value information－financial instruments not measured at fair value

	December 31, 2022		December 31, 2021	
	Book value	Fair Value	Book value	Fair Value
Financial liabilities				
Financial liabilities measured at amortized cost －Convertible corporate bond	$ 5,056	$ 9,010	$ 381,363	$ 396,815

(II) Fair value information－financial instruments measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stocks	$ 13,881	$ -	$ -	$ 13,881
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 97	$ 97
- Foreign non-listed (non-OTC) stocks	-	-	12,541	12,541
	$ -	$ -	$ 12,638	$ 12,638

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stocks	$ 21,597	$ -	$ -	$ 21,597
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 97	$ 97
Financial liabilities measured at fair value through profit or loss				
Derivatives:	$ -	$ -	$ 1,459	$ 1,459

There was no transfer of fair value measurements between Level 1 and Level 2 in 2022 and 2021.

2. Adjustments to the financial instruments measured at Level 3 fair value

Equity instrument of financial assets	Financial assets measured at fair value through other comprehensive income 2022	2021
Balance at Beginning of Year	$ 97	$ 1,756
Increase in the year	18,238	-
Recognition in other comprehensive income	(5,697)	-
Disposal	-	(1,659)
Balance at Ending of Year	$ 12,638	$ 97

Derivatives - Convertible corporate bond	Financial liabilities measured at fair value through profit or loss 2022	2021
Balance at Beginning of Year	$ 1,459	$ 7,932
Recognition in profit or loss (other profits and losses)	(1,459)	(6,473)
Balance at Ending of Year	$ -	$ 1,459

3. Evaluation technology and inputs measured at Level 3 fair value

Derivatives – The fair value of the call and put options of convertible corporate bonds is estimated using the binary tree-based model for convertible bond valuation. The significant unobservable input used is the stock price volatility. The fair value of the derivatives becomes higher when the stock price volatility increases.

(III) Type of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measurement at fair value through profit or loss		
Designated to be measured at fair value through profit or loss	$ 13,881	$ 21,597
Financial assets measured at amortized cost (Note 1)	2,250,445	1,836,542
Financial assets measured at fair value through other comprehensive income - non-current		
Investment in equity instruments	12,638	97
Financial liabilities		
Measurement at fair value through profit or loss		
Designated to be measured at fair value through profit or loss	-	1,459
Measurement at amortized cost (Note 2)	3,498,603	2,785,242

Note 1: The balance included the financial assets measured at amortized cost, such as cash and cash equivalents, notes and accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance included the financial liabilities measured at amortized cost, such as short-term loans, notes and accounts payable, equipment payment payable, other payables, corporate bonds payable, and long-term loans (including those maturing within 1 year).

(IV) Financial risk management purpose and policy

(1) The Group's financial risk management aims to manage the market risk, credit risk and liquidity risk related to management and business operating activities. To reduce financial risk, the Group is dedicated to identifying, assessing and avoiding market uncertainties to minimize the potential adverse effect of market fluctuation on the financial performance of the Group.

The important financial activities of the Group are audited and approved by the management according to related regulations and the internal control system. The Group strictly follows relevant financial operation procedures during planning and implementation of financial plans.

1. Market risk

   The major financial risks that the operating activities imposed on the Group are the exchange rate fluctuation risk (see (1) below), interest rate fluctuation risk (see (2) below), and other price risks (see (3) below).

   (1) Exchange rate risk

   The Group is engaged in sales and purchase transactions in foreign currency, borrowing, and net investment in foreign operations. These activities expose the Group to the exchange rate fluctuation risk. The Group uses forward exchange contracts to manage the exchange rate risk within the policies. Since the net investment in foreign operations is a strategic investment, the Group does not take hedging measures for this investment.

   Sensitivity analysis

   The Group is affected primarily by fluctuation in the exchange rate of USD and JPY.

   The sensitivity analysis on the consolidated company's exchange rate risk is primarily focused on the calculation not valuated with the functional currency at the end of the financial reporting period. The positive number in the following table means the increased amount of the pre-tax net profit when NTD (functional currency) depreciates by 1% against each related currency; when NTD depreciates by 1% against each related currency, the effect on the pre-tax net profit is represented with a negative number of the same amount. This rate of change is the sensitivity ratio used by the Group when reporting the exchange rate risk to the management.

	Effect of USD		Effecxt of JPY		Effect of EUR	
	2022	2021	2022	2021	2022	2021
Pre-tax profit	$ 10,258	$ 5752	($ 10)	$ 227	$ 1,578	($ 252)

(2) Interest rate risk

The interest rate risk exposure occurs because the Group borrowed funds at fixed and floating rates at the same time. The Group maintains an adequate portfolio of fixed and floating interest rates to manage the interest rate risk. The book values of the financial assets and liabilities of the Group exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
With fair value interest rate risk		
—Financial asset	$ -	$ 28,370
—Financial liability	341,080	382,422
With cash flow interest rate risk		
—Financial asset	685,848	794,561
—Financial liability	2,050,202	1,278,620

Sensitivity analysis

The sensitivity analysis on the interest rate risk is primarily focused on the calculation based on the fluctuation of the floating rate with respect to the cash flow of the financial assets and liabilities at the end of the financial reporting period.

If the interest rate increases/decreases by 50 basis points, the net profit before tax of the Group in 2022 and 2021 would decrease/increase by NTD 6,822,000 and NTD 242,000 respectively.

(3) Other price risks

The Group sustained equity price risk exposure due to investment in publicly quoted equity securities. This investment is not held for trading but a strategic investment. The Group does not trade this investment spontaneously.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the profit before tax in 2022 and 2021 would increase/decrease by NTD

139,000 and NTD 201,000, respectively, due to increase/decrease of the fair value of the financial assets (liabilities) measured at fair value through profit or loss. If the equity price increased/decreased by 1%, other comprehensive incomes before tax in 2022 and 2021 would increase/decrease by NTD 126,000 and NTD 22,000, respectively, due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

2. Credit risk

As stated in Note 33, the credit risk refers to the risk of financial loss to the Group because the trading counterpart delays in the fulfillment of the contractual obligations. The credit risk of the Group mainly comes from the accounts receivable incurred from the operating activities, bank deposits, and other financial instruments. The operation-related credit risk and financial credit risk are managed separately.

Operation-related credit risk

The Group has established the management procedure of operation-related credit risk to maintain the quality of accounts receivable.

The considerations of risk assessment with respect to individual customers include many factors that may affect their solvency, such as their financial status, the rating of the credit rating institutions, the internal credit rating of the Group, historic trading records, and current economic conditions. The Group also applies some credit enhancement instruments (e.g. advance sale receipts and additional collaterals) in a timely manner to reduce customers’ credit risk.

Receivables are to be collected from many customers. They belong to different industries and are located in different geographic areas. The Group continuously assesses the financial status of the customers from which receivables shall be recovered and, if necessary, enters into credit insurance contracts.

Up to December 31, 2022 and 2021, the balance of receivables of the Top 10 customers constituted 65% and 45%, respectively, of the total account receivables (including those due from related parties). The credit concentration risk of other receivables was insignificant.

Financial credit risk

The credit risk of bank deposits and other financial instruments is measured and monitored by the finance department of the Group. The Group's trade counterpart and performing party are all reputable banks and financial institutions with no significant performance concerns; therefore, there is no significant credit risk.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support business operation and reduce the effect of the fluctuating cash flow. The management of the Group monitors the use of banking facility and ensures compliance with the terms of the loan contract.

Bank loans are one of the important sources of liquidity for the Group. For the banking facility that the Group has not used, refer to relevant descriptions in (2) below.

(1) Liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of the non-derivative financial liabilities is compiled based on the earliest repayment date the Group would be required to repay and the non-discounted cash flow of the financial liabilities (including the principal and estimated interest). Hence, the bank loan which the Group may be requested to repay immediately is listed in the earliest period on the table without consideration of the possibility of the bank to exercise this right immediately; the maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

For the cash flow of the interest paid at floating rate, the non-discounted interest amount is derived from the anticipated borrowing rate of interest on the balance sheet date.

December 31, 2022

	Repaid immediately or within less than 6 months	Over 6 months and within 1 year	Over 1 years and within 2 years	Over 2 years and within 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Non-interest-bearing liabilities	$1,132,768	$ -	$ -	$ -	$ -	$1,132,768
Lease liabilities	9,052	6,452	9,995	460	-	25,959
Floating interest rate instruments	127,868	1,571,768	247,336	98,173	-	2,045,145
Fixed interest rate instruments	88,537	82,690	149,506	-	-	320,733
	$1,358,225	$1,660,910	$ 406,837	$ 98,633	$ -	$3,524,605

More information on the maturity analysis of said financial liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 15,504	$ 10,455	$ -	$ -	$ -	$ -
Floating interest rate instruments	$1,699,636	$ 345,509	$ -	$ -	$ -	$ -
Fixed interest rate instruments	$ 171,227	$ 149,506	$ -	$ -	$ -	$ -

December 31, 2021

	Repaid immediately or within less than 6 months	Over 6 months and within 1 year	Over 1 years and within 2 years	Over 2 years and within 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Non-interest-bearing liabilities	$ 1,124,759	$ -	$ -	$ -	$ -	$ 1,124,759
Lease liabilities	537	25	-	-	-	562
Floating interest rate instruments	204,625	833,303	76,128	86,205	-	1,200,261
Fixed interest rate instruments	385,000	-	-	-	-	385,000
	$ 1,714,921	$ 833,328	$ 76,128	$ 86,205	$ -	$ 2,710,582

More information on the maturity analysis of said financial liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 562	$ -	$ -	$ -	$ -	$ -
Floating interest rate instruments	$ 1,037,928	$ 162,333	$ -	$ -	$ -	$ -

(2) Banking facility

	December 31, 2022	December 31, 2021
Secured bank loan limit		
- Employed capital	$ 1,840,879	$ 1,063,551
- Unemployed capital	731,055	182,874

	$2,571,934	$1,246,425
Unsecured bank loan limit		
- Employed capital	$ 519,900	$ 215,069
- Unemployed capital	56,326	85,120
	$ 576,226	$ 300,189

XXXI. Related Party Transactions

All the transactions between the Group and subsidiaries (i.e. the related parties of the Group), account balances, profits and expenses/losses are eliminated during consolidation and thus not disclosed in this note. In addition to those disclosed in other notes, transactions between the Group and other related parties are described as follows:

(I) Names of related parties and their relationship with the Company

Name of Related Party	Relationship with the Group
Advanced Sports Inc.	Associate
Fulltech Fiber Glass Corp.	Associate

(II) Accounts receivable from related parties

Title	Type of Related Party	December 31, 2022	December 31, 2021
Accounts receivable –	Associate		
Related party – net	Advanced Sports Inc.	$ 704,585	$ 667,114
	Less: Loss allowance	(704,585)	(667,114)
		$ -	$ -

Changes in loss allowance for accounts receivable from related parties are as follows:

	2022	2021
Balance at Beginning of Year	$667,144	$677,007
Differences from conversion of foreign currencies	37,441	(9,893)
Balance at Ending of Year	$704,585	$667,114

No guarantee was requested for the outstanding accounts receivable from related parties.

(III) Other receivables from related parties

Title	Type of Related Party	December 31, 2022	December 31, 2021
Other receivables -	Associate		
Related party - net	Advanced Sports Inc.	$ 149,685	$ 149,676
	Less: Loss allowance	(149,685)	(149,676)
		$ -	$ -

Changes in loss allowance for other accounts receivable are as follows:

	2022	2021
Balance at Beginning of Year	$149,676	$149,676
Differences from conversion of foreign currencies	9	-
Balance at Ending of Year	$149,685	$149,676

(IV) Remuneration to key management:

	2022	2021
Short-term employee benefits	$ 37,358	$ 33,619
Retirement benefits	869	793
	$ 38,227	$ 34,412

The remuneration to the key management was decided by the Remuneration Committee subject to personal performance and market trend.

XXXII. Pledged and Mortgaged Assets

The following assets were provided as collaterals for loans and guarantee money for tariff duties for import of (raw) materials:

	December 31, 2022	December 31, 2021
Property, plant and equipment - net amount	$359,606	$384,211
Pledged time deposit (stated as financial assets measured at amortized cost - non-current)	171,836	294,892
Long-term equity investments under the equity method	186,388	110,092
	$717,830	$789,195

XXXIII. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those described in other notes, the Group’s significant commitments and contingencies on the balance sheet date are as follows:

(I) Contingency

1. The amounts of the unused letter of credit issued by the Group for purchase of raw materials are as follows

	December 31, 2022	December 31, 2021
JPY	$196,602	$330,083
USD	$ 161	$ 686

2. The major customer and invested company, Advanced Sport Enterprises Inc. (ASE), of the Group applied to a US court for reorganization (Chapter 11 bankruptcy protection) on November 16, 2018 (American time). At the same time, ASE also applied to the USA court for reorganization of the ASE Group's subsidiaries, including Advanced Sports, Inc. (ASI).

The US bankruptcy court approved the auction result of the ASE Group's assets on February 6, 2018 (American time). According to the approval, the total auction amount of these assets was about USD 23 million (including USD 7.5 million which Pacific Glory Worldwide Ltd., an overseas subsidiary established jointly by the Group and Fulltech, offered to acquire the trademark rights and related assets of Fuji, SE and other famous brands). According to the information on secured creditors that the ASE Group submitted to the US bankruptcy court, the merged company and subsidiaries were the secured creditors in the third priority with respect to the creditor's right to the payment for goods receivable from ASI (a total of about USD 24.26 million). The merged company was the creditor in the last priority with respect to the creditor's right to the ASE equity in which the merged company invested and the ASI equity in which the merged company invested through subsidiaries. As for the secured creditor's right to the aforesaid receivable payment for goods, the merged company commissioned lawyers in the USA to apply to the US bankruptcy court in order to protect the rights and interests of the merged company. The creditor's right to equity shall be attributable to the creditor in the last priority according to the United States Bankruptcy Code.

Up to March 13, 2023, the board of directors of the Group approved the financial report date and took an estimate of USD 31.20 million as the ASE and ASI equity value in consideration of the pending ASE reorganization proceeding. Since the chance of payment is very low as advised by the lawyers, the Group recognized all the equities as loss in 2018 (separately stated in the unrealized valuation profit/loss measured at fair value through other comprehensive income and share of profit/loss of associates under equity method). The creditor’s right to accounts receivable amounted to about USD 24.26 million which the reorganized company designated as secured creditor’s right with the US court. The Group would apply to declare its secured creditor’s right to the US court pursuant to the United States Bankruptcy Code. Though the amount that could be recovered under the secured creditor’s right was subject to the final decision of the US court, it was completely recognized in impairment loss in 2018 (stated as expected loss from credit impairment) with reference to the advice of the lawyers and based on the principle of conservation and stability.

The Group acquired the license agreement covering four bicycle brands of ASI at the end of 2017. However, to ensure the reorganization case could proceed effectively, the US court terminated that agreement pursuant to the United States Bankruptcy Code on December 21, 2018. According to the decision of the US court, the Group might request ASI to compensate for the damage of USD 4.80 million arising from termination of the agreement. Hence, the Group transferred this USD 4.80 million into other receivables. However, based on the principle of conservation and stability, the Group recognized it in loss in 2018 (stated as expected loss from credit impairment) and would declare the creditor’s right to the US court pursuant to the United States Bankruptcy Code to protect the rights and interests of the Group.

The Group received a letter from the lawyers in the USA on April 9, 2019, stating that the US bankruptcy court issued a notice of court session to the Group with respect to the case filed by the Unsecured Creditors Committee of the ASE Group. The Unsecured Creditors Committee found the preferential secured creditor’s right of the Group against the ASE Group defective and allegedly applied to the US bankruptcy court for revocation of this right. Without giving any proof, the Unsecured Creditors Committee inferred the substantial control of the Group over the ASE Group and alleged that it might apply for revocation of every transaction between the Group and ASE Group within 1 year dating from the date (11/16/2018) on which the ASE Group filed the application for corporate reorganization pursuant to the United States Bankruptcy Code, and, thus, the Group should return the payment for goods (about USD 31 million) to the ASE Group.

The preferential secured creditor's right that the Group might claim against the ASE Group was based on and proved by related contracts entered into between the Group and ASE Group. There was no such defect as alleged by the Unsecured Creditors Committee. The shares that the Group held in the ASE Group and the transactions with it were legal, all the transaction information were completely disclosed in the financial statements, and the Group did not have substantial control over the ASE Group as the Unsecured Creditors Committee alleged.

The Unsecured Creditors Committee filed the action for revocation and return of payment for goods against the Group only based on conjectures and what it alleged were false accusations. The Group hired lawyers in the USA to file objections pursuant to the legal proceedings of the USA to protect the rights and interests of the Group. After many legal offenses and defenses, both parties achieved an agreement of reconciliation in consideration of the procedural economy.

The liquidation plan of the ASE and other reorganization companies was approved by the US bankruptcy court on October 25, 2019 (American time). After the approval, the Unsecured Creditors Committee of the ASE and other reorganization companies revoked the aforesaid action claiming return of the payment for goods amounting to USD 31 million against the Group. The Group would participate in the creditor's rights distribution procedure of the ASE and other reorganization companies with the declared amount of creditor's right. According to the liquidation plan of the ASE and other reorganization companies, the first distribution procedure of creditor's rights was conducted on December

15, 2019, with the residual cash of the ASE and other reorganization companies. Subsequent distribution procedures of creditor's rights were conducted within one year after December 15, 2019, with the residual cash of the ASE and other reorganization companies and the money recovered under their creditor's rights. The Group participated in the distribution procedure of creditor's rights according to the decision of the US bankruptcy court. The actual amount recovered based on the distribution of the creditor's rights would be dependent upon the final, actually distributed amount.

The liquidation plan of the ASE and other reorganization companies was approved by the US bankruptcy court on October 25, 2019 (American time). The Group received USD 1,102,000 on May 22, 2020 as the first distribution under the creditor's right according to the liquidation plan. Subsequent distribution procedures of creditor's rights will be conducted after the ASE and other reorganization companies have recovered the money under their creditor's rights according to the liquidation plan.

XXXIV. Information on foreign currency financial assets and liabilities with significant effect

The following information is summarized and stated based on the foreign currencies other than the functional currency of the Group's individual entities. The disclosed exchange rate represents the exchange rate of such foreign currency to the functional currency. Information on foreign currency financial assets and liabilities with significant effect is as follows:

December 31, 2022 Unit: In thousands of foreign currency

	Foreign Currency	Exchange Rate	Book value
Financial assets			
Monetary items			
USD	$ 44,787	30.71	$1,375,409
JPY	570,808	0.2324	132,487
EUR	13,623	32.72	445,745
Financial liabilities			
Monetary items			
USD	11,383	30.71	349,572
JPY	574,520	0.2324	133,518
EUR	8,799	32.72	287,903

CHF	90	33.21	2,989

December 31, 2021 — Unit: In thousands of foreign currency

	Foreign Currency	Exchange Rate	Book value
Financial assets			
Monetary items			
USD	$ 54,057	27.68	$1,496,298
JPY	417,576	0.2405	100,427
EUR	4,748	31.32	148,707
Financial liabilities			
Monetary items			
USD	33,278	27.68	921,135
JPY	323,129	0.2405	77,713
EUR	5,554	31.32	173,951

The realized and unrealized foreign currency exchange gains (losses) of the Group in 2022 and 2021 were NTD 111,606,000 and NTD (20,668,000), respectively. However, it was infeasible to disclose the exchange loss and gain of each significant foreign currency because of numerous functional currencies in foreign currency transactions.

XXXV. Supplementary Disclosures

(I) Information on Major Transactions:

1. Loaning of funds to others: Table 1
2. Making of endorsements/guarantees for others: Table 2
3. Securities - ending (excluding those controlled by invested subsidiaries, associates and joint ventures): Table 3.
4. Aggregate purchases or sales of the same securities reaching NTD 300 million or more than 20% of paid-in capital: None.
5. Acquisition of real estate reaching NTD 300 million or more than 20% of paid-in capital: None.
6. Disposal of real estate reaching NTD 300 million or more than 20% of paid-in capital: None.
7. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital: None.
8. Accounts receivable from related parties reaching NTD 100 million or more than 20% of paid-in capital: Table 4.
9. Engaged in derivative transactions: None

10. Others: Business Relationship between Parent and Subsidiaries and Significant Transactions: Table 8.

(II) Information on Invested Companies: Table 5.

(III) Information on investments in Mainland China:

1. Information about investees in Mainland China, such as the name, main business operations, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment profit/loss, investment book value at the end of the period, profit or loss received from investments, and limit on the amount of investment in Mainland China: Table 6.
2. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third area, and their prices, payment conditions, and unrealized profit/loss: Table 7

(IV) Information on major shareholders: The name, number of shares held, and shareholding ratio of the shareholders with an equity ratio of 5% or more: Table 9

XXXVI. Segment Information

The management of the Group had identified the reportable segments according to the reporting package that the operating decision maker uses to formulate policies. The operating decision maker of the Group operates the business by product or service type: The reportable segments of the Group are as follows::

Manufacturing (OEM) segment

Other segments.

There is no significant inconsistency between the accounting policy that the aforementioned reportable segments and the summarized important accounting policies stated in Note 4.

(I) Segment revenue and operating outcome

The revenue and operation outcome of the Group’s continuing operations are analyzed by reportable segment as follows:

2022

	Manufacturing (OEM) segment	Other segments	Total
Revenue from external customers	$5,374,792	$ 216,328	$5,591,120
Segment revenue	$5,374,792	$ 216,328	$5,591,120
Segment profit (loss)	$ 395,464	($ 37,857)	$ 357,607
Interest income			$ 5,369
Other revenue			43,590
Other gains (losses)			88,620
Financial cost			(56,728)
Share of profit/loss of associates under equity method			826
Net profit before tax of continuing operations			$ 439,284

2021

	Manufacturing (OEM) segment	Other segments	Total
Revenue from external customers	$4,415,929	$ 197,595	$4,613,524
Segment revenue	$4,415,929	$ 197,595	$4,613,524
Segment profit (loss)	$ 58,575	$ 69,194	$ 127,769
Interest income			$ 1,261
Other revenue			19,677
Other gains (losses)			(8,595)
Financial cost			(35,827)
Share of profit/loss of associates under equity method			15,755
Net profit before tax of continuing operations			$ 120,040

Segment profit means the profit made by each segment, excluding the share of profit or loss in associates accounted for using the equity method, other gains and losses, finance cost, and other income. Such a measurement serves as a basis for main operational decision makers to allocate resources to segments and evaluate their performance.

IDEAL BIKE CORPORATION and Subsidiaries

Loans to Others

2022

Table 1

Unit: NTD thousand unless otherwise specified

No. (Note 1)	Lending company	Borrowing company	Current account	Related party	Maximum balance in current period	Balance at ending of period	Drawdown	Range of interest rates	Nature of loaning of funds (Note 2)	Business transaction amount (Note 5)	Reasons for the need of short-term financing	Appropriated allowance for bad debt	Collateral		Limit of loans to particular borrower (Note 3)	Limit of total loaning of funds (Note 4)	Remarks
													Name	Value			
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Other receivables	Yes	$ 152,804	$ 152,804	$ 152,804	-	1	$ 130,760	—	$ -	—	$ -	$ 840,242	$ 960,277	—
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Other receivables	Yes	92,145	92,130	-	5.25%	2	-	Working capital	-	—	-	840,242	960,277	—

Note 1: Number column description:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: Nature of loaning of funds description:

(1) A business associate

(2) Needs for short-term financing

Note 3: The limit of loans to particular borrower shall not exceed 35% of the Company’s net value.

Note 4: The limit of total loaning of funds shall not exceed 40% of the Groups net value.

Note 5: Business transaction amount means the lending amount of the transactions between the lending and borrowing companies in the most recent year.

IDEAL BIKE CORPORATION and Subsidiaries

Endorsement/Guarantees for Others

2022

Table 2

Unit: NTD thousand unless otherwise specified

No. (Note 1)	Endorsing/guaranteeing company	Endorsed/guaranteed company		Limits on individual endorsements/ guarantees (Note 3)	Current maximum guarantee/ guarantee balance	Current endorsement/ guarantee balance - ending	Drawdown	Endorsement/ guarantee amount secured with property	Ratio of the cumulative endorsement/ guarantee amount to the net worth in the most recent financial statements (%)	Maximum endorsement/ guarantee limit (Note 3)	Endorsements/ guarantees made by the parent company for its subsidiaries	Endorsements/ guarantees made by the subsidiaries for its parent company	Endorsements/ guarantees made for the operations in Mainland China	Remarks
		Company name	Relationship (Note 2)											
0	IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	3	$ 1,200,346	$ 64,430	$ 61,420	$ 60,284	$ -	2.56	$ 2,400,693	Yes	No	No	
		Ideal (Dong Guan) Bike Co., Ltd.	3	1,200,346	96,645	92,130	-	-	3.84	2,400,693	Yes	No	Yes	

Note 1: Number column description:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee is classified into seven categories as follows. It is only necessary to mark the type:

(1) A business associated company.

(2) The company with the majority shareholdings of voting rights held by the Company directly and indirectly.

(3) The company holds the majority shareholdings of voting rights of the Company directly and indirectly.

(4) The company with more than 90% shareholdings of voting rights held by the Company directly and indirectly.

(5) The company needing mutual guarantee pursuant to an agreement in the same industry or between joint proprietors for undertaking engineering projects.

(6) The company received endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.

(7) Escrow and joint and several guarantee of the contracts in the same industry that involve transaction of pre-sale houses according to the Consumer Protection Act.

Note 3: The total endorsement/guarantee amount of the Group is limited to 100% of the current net value of the Group. The endorsement/guarantee amount for individual companies is limited to 50% of the current net value of the Group.

IDEAL BIKE CORPORATION and Subsidiaries

Securities Held at the End of Period

December 31, 2022

Table 3

Unit: NTD thousand unless otherwise specified

Holding company	Type of securities	Name of securities	Relationship with the issuer of securities	Account title	At the end of the period				Remarks
					Number of stocks	Book value	Shareholding	Fair Value	
IDEAL BIKE CORPORATION	Stock	Capital Securities Corporation	None	Financial assets measured at fair value through profit or loss - current	1,262,059	$ 13,694	0.06%	$ 13,694	
	Stock	Unitech Printed Circuit Board Corp.	None	Financial assets measured at fair value through profit or loss - current	10,858	187	-	187	
	Stock	PCI International Investment Inc.	None	Financial assets measured at fair value through other comprehensive income - non-current	6,188	12,541	13.75%	12,541	
	Stock	Huan Hua Securities Finance Corporation	None	Financial assets measured at fair value through other comprehensive income - non-current	87,308	97	0.47%	97	
	Stock	Advanced Sports Enterprise Inc.	Key management	Financial assets measured at fair value through other comprehensive income - non-current	9,814,691	-	17%	-	Note
	Stock	TRIO BKIE A/S	None	Financial assets measured at fair value through other comprehensive income - non-current	12,000	-	1.92%	-	
	Stock	Karbon Kineetics Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	107,527	-	0.22%	-	
	Stock	Camma Cycling Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	500,000	-	10%	-	
	Stock	Innnotq Gmbh	None	Financial assets measured at fair value through other comprehensive income - non-current	8,621	-	18%	-	

Note: Please refer to Note 33.

IDEAL BIKE CORPORATION and Subsidiaries

Accounts receivable from related parties reaching NTD 100 million or more than 20% of paid-in capital

December 31, 2022

Table 4

Unit: NTD thousand unless otherwise specified

Company stating in receivables	Name of counterpart	Relationship	Balance of accounts receivable from related parties	Turnover rate	Overdue accounts receivable from related parties		Subsequent recovered amount of accounts receivable from related parties	Appropriated allowance for loss
					Amount	Treatment		
IDEAL BIKE CORPORATION	Ideal Europe SP ZO.O	Subsidiary of the Company	$327,952	0.52	$ -	(Note 1)	$ -	$ -
	Ideal (Dong Guan) Bike Co., Ltd.	Subsidiary of the Company	117,145	2.74	-	(Note 1)	76,575	-
	Advanced Sport, Inc.	Associate	474,395	-	474,395	(Note 2)	-	474,395
Ideal (Dong Guan) Bike Co., Ltd.	ECONOTRADE LIMITED	Subsidiary of the Company	224,229	1.98	-	(Note 3)	224,229	-
ECONOTRADE LIMITED	Advanced Sport, Inc.	Associate	392,740	-	392,740	(Note 2)	-	392,740

Note 1: Overdue accounts receivable from related parties have been transferred to other receivables.

Note 2: Since Advanced Sport Inc. applied for reorganization, expected credit loss is provided for related receivables on the book. Refer to Note 33.

Note 3: This amount was entirely written off during preparation of the consolidated financial statements.

IDEAL BIKE CORPORATION and Subsidiaries

Name and Territory of Investees and Other Relevant Information

2022

Table 5

Unit: NTD/USD thousand unless otherwise specified

Name of investor	Name of investee	Territory	Main business operations	Original investment amount		Held at the end of period			Current profit (loss) of Investee	Profit (loss) from investments recognized in the current period	Remarks
				End of current period	End of last year	Number of stocks	Ratio	Book value			
IDEAL BIKE CORPORATION	Ideal Bike (SGP) Co. Pte., Ltd.	Singapore	Holding company	$ 300,495	$ 300,495	13,711,426	100%	$ 727,274	$ 83,769	$ 83,769	
	TOP SPORT INTERNATIONAL LTD.	Cayman	Trading of bicycle parts	763,899	763,899	39,000	100%	88,126	29,533	29,533	
	Ideal Europe SP ZO.O	Poland	Manufacture and trading of bicycle parts	736,293	736,293	50,000	100%	394,947	37,400	37,400	
	Crown Alliance International Co., Ltd.	Seychelles	Holding company	105,544	105,544	3,400,000	100%	35,303	(1,825)	(1,825)	
	Fulltech Fiber Glass Corp.	Taiwan	Electronic-grade fiber glass	126,185	126,185	11,580,438	2.62%	189,944	31,523	826	
	Advanced Sports International-Asia Ltd.	Seychelles	Trading of bicycles and accessories	-	15,839	-	-	-	972	776	
	Pacific Glory Worldwide Ltd.	Seychelles	Trading of bicycles	51,399	51,399	15,100,000	100%	101,448	24,993	24,993	
TOP SPORT INTERNATIONAL LTD.	ECONOTRADE LIMITED	British Virgin Islands	Trading	USD 500	USD 500	500	100%	USD 3,004	USD 1,214	USD 1,214	
ECONOTRADE LIMITED	Advanced Sports, Inc.	United States of America	Trading of bicycles and accessories	USD 20,000	USD 20,000	100	50%	-	-	-	Note
	Econotrade Limited Taiwan Branch (B.V.I)	Taiwan	Trading of bicycles and accessories	USD 160	USD 160	500,000	100%	USD 1,285	USD 123	USD 123	
Pacific Glory Worldwide Ltd.	Advanced Sports International-Asia Ltd.	Seychelles	Trading of bicycles and accessories	USD -	USD 479	-	-	USD -	USD 34	USD 7	

Note: Please refer to Note 33.

IDEAL BIKE CORPORATION and Subsidiaries

Information on Investments in Mainland China

2022

Table 6

Unit: NTD thousand unless otherwise specified

Name of investee in Mainland China	Main business operations	Paid-in capital	Method of investment	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit (loss) of Investee	The Company's shareholding of direct or indirect investment	Profit or loss from investments recognized in current period (Note 2)	Investment book value at the end of the period	Profit received from investments as of the end of current Period	Remarks
					O/R	Return							
Ideal (Dong Guan) Bike Co., Ltd.	Production and sale of bicycles and parts	USD 21,000	Note 3	$ 306,885 (USD 9,993,000)	$ -	$ -	$ 306,885 (USD 9,995,000)	$ 125,874	100%	$ 42,105 (Note 2)	$ 349,016	$ 29,973 (USD 976,000)	
Ling Xian Sports Equipment (Dong Guan) Limited	Wholesale and import/export of bicycles, sports devices and parts	USD 3,400	Note 1	104,414 (USD 3,400,000)	-	-	104,414 (USD 3,400,000)	1,258	100%	1,258	-	-	

Accumulated amount of investments from Taiwan to Mainland China at the end of current period	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 4)
$411,299 (USD 13,393,000)	$411,299 (USD 13,393,000) Total approved amount: in USD 1,000	$1,440,415

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

(I) Engaged in direct investment in Mainland China.

(II) Invested in Mainland China through a company in a third area (please specify the investment company in the third area).

(III) Others

Note 2: It was calculated based on the CPA audited financial statements in the same period.

Note 3: The total investment amount was NTD 306,885,000 (USD 9,993,000), wherein NTD 67,316,000 (USD 2,192,000) was used for indirect investment in Mainland China through a third area under commission, and the rest NTD 239,569,000 (USD 7,801,000) was used for investment in Mainland China through an invested company in a third area.

Note 4: The limit mount was calculated pursuant to the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Investment Commission, MOEA, on August 29, 2008.

Note 5: The calculation was based on the exchange rate on December 31, 2022.

IDEAL BIKE CORPORATION and Subsidiaries

Any of the Following Significant Transactions with Investees in Mainland China, Either Directly or Indirectly through a Third Area, and Their Prices, Payment Conditions, and Unrealized Profit/Loss

2022

Table 7

Unit: NTD thousand unless otherwise specified

Name of investee in Mainland China	Trading type	Purchaser/sale (Note)		Price	Trading conditions		Notes/Accounts Receivable (Payable)		Unrealized gains and losses	Remarks
		Amount	Percentage		Payment terms	Ordinary terms	Amount	Percentage		
Ideal (Dong Guan) Bike Co., Ltd.	Sale	$ 233,037	7.30%	Note	O/A 60 days	O/A 90 days	$ 112,544	10.17%	($ 7,947)	—
	Purchase	332,118	11.08%	Calculated pursuant to contractual agreement	O/A 39 days	O/A 90 days	30,201	7.44%	-	—

Note: The price of the products sold to related parties is determined with reference to the sales price of the end customer. Since the products are sold to major distributors in different regions, there is no distributors available for comparison in the same situation.

IDEAL BIKE CORPORATION and Subsidiaries

Business Relationship between Parent and Subsidiaries and Significant Transactions

2022

Table 8

Unit: NTD thousand unless otherwise specified

No. (Note 1)	Trader	Counterparty	Relationship with trader (Note 2)	Transaction			
				Title	Amount	Trading conditions	Percentage in total consolidated operating revenue or assets (Note 3)
0	IDEAL BIKE CORPORATION	Ideal (Dong Guan) Bike Co., Ltd.	1	Sales revenue	$ 233,037	Note 3	4%
				Purchase	332,118	—	6%
				Accounts receivable	112,544	—	2%
		Ideal Europe SP ZO.O	1	Sales revenue	130,593	Note 3	2%
				Accounts receivable	324,172	—	5%
1	Ideal (Dong Guan) Bike Co., Ltd.	Ideal Europe SP ZO.O		Sales revenue	148,827	—	3%
				Accounts receivable	73,762	—	1%
		ECONOTRADE LIMITED	3	Accounts receivable	223,974	—	3%
		Econotrade Limited Taiwan Branch (B.V.I)	3	Accounts receivable	49,717	—	1%
2	Pacific Glory Worldwide Ltd.	Econotrade Limited Taiwan Branch (B.V.I)	3	Other receivables	43,653	—	1%

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the “No.” column. This column shall be completed as follows:

(1) 0 is reserved for the parent company.

(2) Each subsidiary is numbered in sequential order starting from 1.

Note 2: The relationship with the trader is classified into three categories as follows. It is only necessary to mark the type:

(1) Parent company to subsidiary

(2) Parent company to sub-subsidiary

(3) Subsidiary to subsidiary

(4) Subsidiary to parent company

Note 3: The gross margin of the transaction with related parties is about 5.25%–15.68% and the credit period is longer. The payment term is usually 3 months and the applicable term for the related parties is about 6 months.

Note 4: The trading price of the transaction with related parties is similar to usual trades and the payment term is 3 months as usual.

Note 5: For calculating the percentage of the transaction amount in total consolidated operating revenue or assets, the share of the balance at ending of the period in the consolidated assets is used as the basis of the calculation under the title of assets/liabilities; the share of the interim accumulated amount in the total consolidated operating revenue is used as be basis for the calculation under the title of profit/loss.

IDEAL BIKE CORPORATION

Information on Major Shareholders

December 31, 2022

Table 9

Names of major shareholders	Share	
	Number of shares held	Shareholding
Unitech Printed Circuit Board Corp.	34,000,000	11.26%
Fulltech Fiber Glass Corp.	33,188,067	10.99%
Tse-Min YuN	24,000,000	7.95%
Guo Ling Investment Co., Ltd.	21,333,643	7.07%

Note 1: The information on major shareholders is acquired from the data of the Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and special stocks of the Company that have been registered and delivered in dematerialized form (including treasury stocks) on the last business day at the end of the current quarter. The capital stock stated in the consolidated financial statements of the Company may be different from the number of stocks that have been actually registered and delivered in dematerialized form due to different bases of compilation and calculation.

Note 2: In case any shareholder transferred his stocks to a trustee, the information on such shareholder was disclosed based on the account of the principal subject to the trust account opened by the trustee. As for shareholders who are an insider with 10% or more stake and declare their shareholdings pursuant to the Securities and Exchange Act, the number of shares held includes the shares of the shareholders and the shares that they transferred to a trustee and for which they have the right to determine the application. For more information on the declaration of insider shares, refer to the MOPS.SS

VI. Whether the Company and its affiliates have encountered financial difficulties impacting the financial situation in the most recent years and as of the publication date of this annual report: None.

Seven. Review and analysis of financial status and financial performance and risk

I. Financial status

Comparative Analysis of Financial status

Unit: NTD thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	5,044,586	3,648,047	1,396,539	38.28
Property, plant and equipment	625,917	572,532	53,385	9.32
Intangible assets	219,437	198,755	20,682	10.41
Other assets	672,317	815,657	(143,340)	-17.57
Total Assets	6,562,257	5,234,991	1,327,266	25.35
Current liabilities	3,389,071	2,813,712	575,359	20.45
Non-current liabilities	772,493	423,722	348,771	82.31
Total Liabilities	4,161,564	3,237,434	924,130	28.55
Share capital	3,017,243	2,996,009	21,234	0.71
Capital reserves	132,317	125,427	6,890	5.49
Retained earnings	(310,113)	(646,616)	336,503	-52.04
Other adjustments to shareholders' equity	(438,754)	(477,263)	38,509	-8.07
Total shareholders’ equity	2,400,693	1,997,557	403,136	20.18
Equity attributable to shareholders of parent company	2,400,693	1,997,557	403,136	20.18
Non-controlling interests	-	-		

Analysis of changes in the percentage of increase or decrease: (For changes of more than 20% in the preceding and following periods, and changes amounting to NTD10 million)

1. Increase in current assets: Attributable to increase in the current period’s inventories, accounts receivable, and the right for the products to be returned.
2. Increase in share capital: Attributable to the current period’s conversion of corporate bonds into ordinary shares.
3. Increase in share capital: Attributable to the current period’s conversion of corporate bonds into ordinary shares.
4. Increase in total shareholders’ equity: Attributable to the net profit after tax amounting to NTD 334,358 thousand in 2022, with an increase of NTD 251,767 thousand than that in 2021.

II. Financial performance

Comparative Analysis of Business Results

Unit: NTD thousand

Item	2022	2021	Increase or decrease amount	Change Percentage (%)
Operating Revenue	5,591,120	4,613,524	977,596	21.19
Operating cost	4,764,217	4,069,482	694,735	17.07
Operating gross profit	826,903	544,042	282,861	51.99
Operating expense	469,296	416,273	53,023	12.74
Operating profits or losses	357,607	127,769	229,838	179.89
Non-operating revenues and expenditures	81,677	(7,729)	89,406	-1,156.76
Net profits before tax	439,284	120,040	319,244	265.95
Income tax benefit	(104,926)	(37,449)	(67,477)	180.18
Net profits for the period	334,358	82,591	251,767	304.84

Analysis of change in percentage of increase or decrease: (For changes of 20% or more in the preceding and following periods, and changes amounting to $10 million)

1. Increase in the current period’s operating revenue, operating gross profit, operating profits or losses, net profits before and after tax: Attributable to profitability increased by improving design, quality and price of vehicles currently available, and developing the market of electric vehicles in Europe.
2. Increase in non-operating revenues and expenditures of the current period: Attributable to differences in exchange gains or losses arising from the increase in other revenues in the current period and exchange rate fluctuations over two years.
3. Increase in the current period’s income tax benefit: Attributable to increase in the current period’s consolidated profit.

III. Cash flow

(1) Liquidity analysis for the most recent two years

Item \ Year	December 31, 2022	December 31, 2021	Increase or decrease Percentage
Cash flow ratio	(25.42)	(18.51)	37.33
Cash flow adequacy ratio	(76.83)	(51.63)	48.81
Cash reinvestment ratio	(24.87)	(20.51)	21.26
Analysis of changes in the percentage of increase or decrease: Decrease in the current period's cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio compared with the preceding period: Attributable to the decrease of the net cash inflow from operating activities in the current period.			

(2) Cash flow analysis for the coming year

Unit: NTD thousand

Cash balance, beginning of period	Net cash inflow from operating activities during the year	Cash outflow (inflow) for the year	Cash balance (shortage)	Remedies for cash shortage	
				Investment plan	Financing plan
823,670	(861,747)	724,888	686,811	-	-
Analysis of changes in projected cash flows for the coming year: (1) Operating activities: Mainly refer to the net cash outflow of principal operating activities for increasing accounts receivable turnover rate and fund utilization. (2) Investing activities: It is forecast that there would be no material investment or capital expenditure in the coming year. (3) Financing activities: It is forecast that the short and long-term bank loans would be repaid in the coming year, to decrease interest expense.					

IV. Effect of major capital expenditures on finance and business matters in the most recent year

1. Application of major capital expenditures and capital sources: None.

2. Expected potential effect: None.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

(I) Investment policy: The Company's future long-term investment is based on the principle of investing in bicycle-related industries to facilitate the Company's future long-term growth and development.

(II) Major causes of profits or losses and improvement plans: The Company's profits and losses from the investee businesses in 2022 are as follows:

Unit: USD/NTD thousand

Name of investor	Name of investee	Territory	Principal businesses	Original investment amount		Held at the end of period			Investee's profit or loss for the current period	Investment income or loss recognized in the period
				End of current period	End of previous period	Number of stocks	Ratio	Book value		
Ideal Bike Corporation	Ideal (Dong Guan) Bike Co., Ltd.	Dongguan, Mainland China	Manufacture and trading of bicycles	$66,382	$66,382	-	33.45%	$349,016	$42,105	$
〃	Ideal Bike (SGP) Co. Pte., Ltd.	Singapore	Holding company	300,495	300,495	13,711,426	100%	727,274	83,769	83,769
〃	Top Sport International Ltd.	Cayman	Trading of bicycle parts	763,899	763,899	39,000	100%	88,126	29,533	29,533
〃	Ideal Europe SP ZO.O.	Poland	Manufacturing and trading of bicycles	736,293	736,293	50,000	100%	394,947	37,400	37,400
〃	Crown Alliance International Co. , Ltd.	Seychelles	Holding company	105,544	105,544	3,400,000	100%	35,303	(1,825)	(1,825)
〃	Fulltech Fiber Glass Corp.	Taiwan	Electronic-grade fiber glass	126,185	126,185	11,580,438	2.62%	189,944	31,523	826
〃	Advanced sports International -Asia Ltd.	Seychelles	Trading of bicycles and accessories	-	15,839	-	-	-	972	776
〃	Pacific Glory Worldeide Ltd.	Seychelles	Holding company	51,399	51,399	15,100,000	100%	101,448	24,993	24,993
Top Sport International Ltd.	Econotrade Limited	British Virgin Islands	Trading	USD500	USD500	500	100%	USD3,004	USD1,214	USD1,214
Econotrade Limited	Advanced Sports,Inc.	United States of America	Trading of bicycles and accessories	USD20,000	USD20,000	100	50%	-	-	-
〃	Econotrade Limited Taiwan Branch (B.V.I)	Taiwan	Trading of bicycles and accessories	USD160	USD160	500,000	100%	USD1,285	USD123	USD123
Pacific Glory Worldwide Ltd.	Advanced sports International -Asia Ltd.	Seychelles	Trading of bicycles and accessories	-	USD479	-	-	USD -	USD 34	USD 7
Ideal Bike (SGP) Co. Pte., Ltd.	Ideal (Dong Guan) Bike Co., Ltd.	Dongguan, Mainland China	Manufacture and trading of bicycles	USD7,801	USD7,801	-	66.55%	USD23,677	USD4,223	USD2,811

(III) Investment plan for the coming year: The Company's initial investment plan is to make small investments and to save on fixed costs in order to increase profitability and after making profits, the earnings will be invested. In the coming year, the Company will continue to focus on the development of its own industry and make long-term investments in bicycle-related industries in order to achieve the purpose of industry horizontal integration and provide customers with more diversified bicycle products.

VI. Risk management and assessment

(I) The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss in recent years and future countermeasures.

1. Change in interest rate

(1) Impact on the Company

In 2022, the interest expenses only accounted for no more than 1% of the operating revenue, and the average cost of capital of the loans approximately ranged from 2.8% to 4.6%. They imposed no material impact upon the Company while other circumstances remained unchanged.

(2) Countermeasures:

The Company's interest rate risk is mainly due to short-term borrowings to cover operating cash needs. In order to reduce the Company's interest rate risk, the Company strives to improve its financial structure by increasing its medium- and long-term borrowings with fixed interest rates to reduce interest rate risk. In addition, the Company has always maintained a sound financial structure and solvency, and closely liaised with banks to obtain more favorable borrowing rates.

2. Change in exchange rate

(1) Impact on the Company

A. The Company’s purchases of raw materials, semi-finished and finished products from abroad are mainly made in Japanese Yen and US dollars. In 2022, the exchange rate of Japanese Yen and US dollar to new Taipei dollar fluctuated slightly, ranging within 0.2143-0.2458 and 27.59-32.245 respectively. In 2023, the exchange rate is expected to further fluctuate, it would not have material impact upon the Company if other circumstances remain unchanged.

B. The Company sells products abroad mainly in US dollars. In 2022, the exchange rate of US dollars to new Taipei dollars mainly fluctuated between 27.59 and 32.245. It is expected to further fluctuate in 2023. The Company offsets the incomes and expenditures in foreign currencies for natural hedging. While other circumstances remain unchanged, the Company is not subject to material impacts.

(2) Countermeasures:

A. Foreign currency income and foreign currency expenses offset each other, creating a natural hedge.

B. In the case of export bills negotiation and discount payment, the exchange rate of crediting and posting are brought closer to each other to reduce the exchange rate difference.

C. The Finance Department maintains connections with financial institutions and collects instant information on the exchange rate based on developments of international political and economic circumstances, in order to fully understand exchange rate fluctuation trends.

D. The Company enters into financial instrument trading lines with banks and uses more stable derivative financial instruments, such as forward exchange, to hedge in a timely manner.

3. Inflation

Compared with the preceding year, the energy prices in 2022 fluctuated significantly. The Company will continue observing the trend of price changes in raw materials and making constant efforts to make management reasonable, with a view to enhance competitiveness and lower costs in response to future potential inflation.

(II) Policies on high-risk, highly-leverage investments, lending funds others, endorsement and guarantee, and derivatives transactions for the most recent year, main reasons for gain or loss, and future countermeasures:

Item	Policy	Reasons for gain or loss	Future countermeasures:
High-risk, highly-leverage investments	Not engaged in such investment.	None	None
Lending funds to Others	1. Those with business relationship 2. Those that have the need for short-term financing.	The funds lending was mainly made to subsidiaries and no gain or loss was generated.	None
Endorsement and guarantee	Mainly by endorsement and guarantee.	None	None
Derivative transactions - sale of forward foreign exchange	Not executed.	None	None

(III) Future R&D plans and estimated R&D expenses.

1. To enhance the overall technical capability and product development and service capability to become a supplier of differentiated products.
2. To develop internationally attractive product designs and provide the best service solutions for OEM customers.

(IV) The impact of significant domestic and foreign policy and legal changes on the Company's finance and business matters in the most recent year and the countermeasures:

The European Union economies and countries such as Canada regularly investigate whether the importation of bicycles involves dumping, and if dumping cases are established, anti-dumping tariff may be levied on bicycles imported into their countries. Response: The Company is a multinational enterprise with production bases in Taiwan, Mainland China and Poland. If a dumping case is established, the Company can adjust the supply area to avoid anti-dumping tariff.

(V) Impacts of technology changes (including information security risks) and industrial changes upon financial businesses of the Company and countermeasures:

1. The material, design and function of bicycles are constantly improving with the technology, and the Company combines the development of new products with the market demand to enhance the competitiveness of our products.
2. A growing percentage of products have been made electronic/information-based. Compared with the production process of traditional products, more integration technologies are needed, and rely on information communication load to a greater extent. Evaluate level of information security risks based on status quo. Review and

adjust the compliance status of executed strategies.

3. The issues on product liability have become more and more controversial year by year. Gradually improve production records. Integrate information communication channels and series connection of the supply chain.

(VI) Impact of recent corporate image change on corporate crisis management and countermeasures: None.

(VII) Expected benefits and possible risks of the merger and acquisition and countermeasures: None.

(VIII) Expected benefits of plant expansion and possible risks and countermeasures: None.

(IX) Risks associated with the concentration of purchases and sales and countermeasures:

Shimano is the main supplier and mainly produces advanced parts of bicycles. As the unit prices of bicycles tend to increase year by year, the ratio of these products rises. In addition, since the specifications of our parts and components and suppliers are mostly based on the customer's order, if the customer changes the specifications of their order, the proportion of these purchases will increase or decrease accordingly. In terms of sales, the Company's main sales customers are the customers that the Company has been working with for a long time. Therefore, under the current situation where the Company's production capacity is full, the Company's production capacity is prioritized to meet the needs of its main sales customers. If the demand for production capacity from major customers decreases, the Company will adjust its production capacity allocation and increase the proportion of sales to other customers.

(X) The impact on the Company and the risk and countermeasures of a substantial shift or change in shareholding of directors, supervisors or major shareholders holding more than 10 percent of the shares.

In accordance with the Securities and Exchange Act and the regulations of the relevant competent authorities, the Company reports monthly changes in the shareholdings of its directors, supervisors and major shareholders holding more than 10% of the shares. In addition, in respect of the Company’s management, all directors and supervisors of the Company uphold the concept of sustainable operations and have a strong sense of mission, growing together with the Company. As of the publication date of the annual report, it had not been found that any directors or supervisors transferred or exchanged their shares substantially.

(XI) The impact of the change in management rights on the Company, the risks and countermeasures:

The members of the Board of Directors are elected in accordance with the Company's Articles of Incorporation and relevant laws and regulations, and the Board of Directors elects the Company's managerial officers in accordance with their duties and responsibilities, who operate the Company in accordance with the management regulations. Since the Company has established sound management rules and proper approval authority, the change in management right should not have a significant impact on the Company.

(XII) For litigation or non-litigation events, if the Company, its directors, supervisors, general managers, de facto persons in charge, major shareholders with more than 10% stake, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report shall be disclosed: None.

(XIII) Other important risks and countermeasures:

1. Enhance the Company's information security management. For detailed instructions on management, please refer to Page 110.

VII. Other important matters: None.

Chapter 8. Special Items

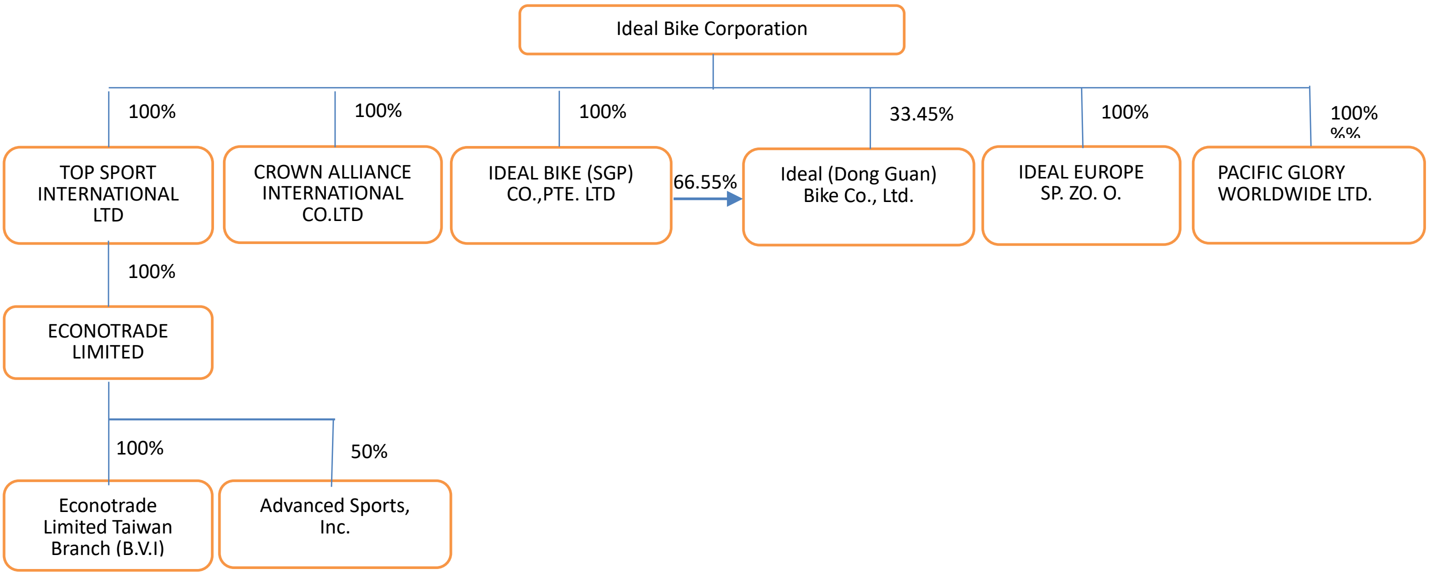
I. Information on Affiliates

(I) Consolidated business report of affiliates

1. Overview of affiliates

(1) Organizational chart of affiliates

December 31, 2022



(2) Basic information on affiliates

Company Name	Establishment Date	Address	Paid-in Capital	Main Business Operations
IDEAL BIKE (SGP) CO. PTE., LTD.	1996.11.05	8 Wilkie Road #03-01 Wilkie Edge Singapore 228095.	USD 9,471,734.94	Holding company
Ideal (Dong Guan) Bike Co., Ltd.	1997.04.23	No. 12, Jinfu 2nd Road, Liaobu Town, Dongguan, Guangdong, China	USD 21,000,000	Manufacture and trading of bicycles
TOP SPORT INTERNATIONAL LTD.	1997.11.24	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD 3,900,000	Trading
IDEAL EUROPE SP. ZO. O.	1999.03.01	Ul. Bohaterow Walk nad Bzura 2, 99-300 Kutno, Poland	PLN 50,000,000	Manufacture and trading of bicycles
ECONOTRADE LIMITED	2006.06.08	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 500,000	Trading
Econotrade Limited Taiwan Branch (B.V.I)	2019.09.19	No. 497, Sec. 1, Gangbu Rd., Wuqi Dist,Taichung City	NT$ 5,000,000	Trading of bicycles and accessories
CROWN ALLIANCE INTERNATIONAL CO., LTD.	2005.07.04	No.24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	USD 3,400,000	Holding company
PACIFIC GLORY WORLDWIDE LTD.	2019.01.03	Suite 1, Commercial House One, Eden Island,Republic of Seychelles	USD 1,667,721.09	Trading

(3) Entities presumed to have a parent-subsidiary relation according to Article 369-3 of the Company Act: None

(4) Businesses covered by affiliate companies:

A. Investment in production/marketing companies of bicycles.

B. Business related to assembly and manufacture of bicycles and sale of parts.

C. Trading of bicycles.

(5) Division of work among the affiliate companies that offer related services to each other:

A. Ideal (Dong Guan) Bike Co., Ltd. receives orders through Ideal Bike Corporation, and the finished bicycles produced by Ideal (Dong Guan) Bike Co., Ltd. are sold to investees like ECONOTRADE LIMITED, which resell the bicycles to foreign customers.

B. Some parts that Ideal Bike Corporation sells to customers are manufactured by Ideal (Dong Guan) Bike Co., Ltd.

C. Some parts necessary for production of Ideal Bike Corporation are machined or produced by Ideal (Dong Guan) Bike Co., Ltd. as entrusted or purchased from it. The parts are sold to Ideal Bike Corporation for assembly and selling.

(6) Information on directors, supervisors, and managers of affiliate companies:

December 31, 2022

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
IDEAL BIKE (SGP) CO. PTE., LTD	Chairman Director	Ideal Bike Corporation representative: Yuan-Pin Chang Ideal Bike Corporation representative: Yuan-Fu Chang	13,711,426 shares	100%
Ideal (Dong Guan) Bike Co., Ltd.	Chairman Director Director Director	Ideal Bike Corporation representative: Yuan-Pin Chang Ideal Bike Corporation representative: Yuan-Fu Chang Ideal Bike Corporation representative: Ching-Wang Chen Ideal Bike Corporation representative: Ming-Mei Lai	0 shares	100%
TOP SPORT INTERNATIONAL LTD.	Director	Ideal Bike Corporation representative: Fang-Ming Chang	39,000 shares	100%
IDEAL EUROPE SP. ZO. O.	Director Director Director Supervisor Supervisor Supervisor	Ideal Bike Corporation representative: Yuan-Pin Chang Ideal Bike Corporation representative: Ming-Mei Lai Ideal Bike Corporation representative: Ching-Wang Chen Zbigniew Chrząstek Ideal Bike Corporation representative: Fang-Ming Chang Ideal Bike Corporation representative: Yuan-Fu Chang	50,000 shares	100%
ECONOTRADE LIMITED	Director	Yuan-Fu Chang	500 shares	100%
Econotrade Limited Taiwan Branch (B.V.I)	Representative	Yuan-Fu Chang	500,000 shares	100%
CROWN ALLIANCE INTERNATIONAL CO., LTD.	Director	Yuan-Pin Chang	3,400,000 shares	100%
PACIFIC GLORY WORLDWIDE LTD.	Representative Director Director	Yuan-Pin Chang Ming-Mei Lai Ming-Lun Hu	15,100,000 shares	100%

2. Operating status of affiliates:

December 31, 2022

Unit: NT$ thousand

Company Name	Capital	Total Value of Assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit	Current Net Profit/Loss (after tax)	Earnings per Share (NT$) (after tax)
IDEAL BIKE (SGP) CO.PTE., LTD.	290,877	727,274	0	727,274	0	(304)	83,769	-
Ideal (Dong Guan) Bike Co., Ltd.	642,189	1,983,246	890,684	1,092,562	2,099,247	110,620	125,874	-
TOP SPORT INTERNATIONAL LTD.	119,769	94,558	6,432	88,126	130	(6,360)	29,532	-
IDEAL EUROPE SP.ZO.O.	348,835	1,079,930	676,264	403,666	898,415	27,638	37,400	-
ECONOTRADE LIMITED	15,355	490,599	398,351	92,248	71,535	28,669	36,172	-
Econotrade Limited Taiwan Branch (B.V.I)	5,000	135,943	96,486	39,457	24,038	231	3,671	-
CROWN ALLIANCE INTERNATIONAL CO, LTD.	104,414	35,315	12	35,303	0	(183)	(1,825)	-
PACIFIC GLORY WORLDWIDE LTD.	51,216	300,309	198,862	101,447	120,661	28,933	24,992	-

(II) Consolidated Financial Statements of the Affiliates

Ideal Bike Corporation

Statement of Declaration

In 2022 (fromJanuary1,2022 toDecember31,2022), the companies which should be considered in preparing the consolidated financial statements of the affiliates as stipulated by the Standards for Preparing Consolidated Business Reports, Consolidated Financial Statements and Relationship Reports of the Affiliates are the same as those considered for preparing the consolidated financial statements of the parent company and the subsidiaries under the International Financial Reporting Standard 10. Related information to be disclosed in the consolidated financial statements of the affiliates has been disclosed in those of the parent company and subsidiaries, so the consolidated financial statements of the affiliates are no longer prepared.

In witness thereof, the Declaration is hereby presented.

Company Name: Ideal Bike Corporation

Responsible person: Yuan-Pin Chang

March 13, 2023

(III) Affiliation Report

Since no corporate investors of the Company were the parent companies meeting the requirements of entities presumed to have a parent-subsidiary relation as specified in Article 369-3 of the Company Act, there was no need to compile any affiliation report.

II. Private placement of securities in the most recent year up till the publication date of this annual report: Yes.

Item	1st Private Placement in 2018 (Note 1) Issuance Date: November 19, 2018	2nd Private Placement in 2018 (Note 1) Issuance Date: November 19, 2018
Types of securities for private placement (Note 2)	Common stock	Common stock
Date of approval by the shareholders' meeting and amount (Note 3)	A maximum of 60,000,000 shares were approved on June 11, 2018; 20,000,000 shares were actually issued under private placement.	A maximum of 60,000,000 shares were approved on June 11, 2018; 20,000,000 shares were actually issued under private placement.
The basis for determination of the price and its reasonableness	1. The price of the common stocks under the private placement was determined pursuant to the "Directions for Public Companies Conducting Private Placements of Securities". The reference price was calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 and 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. The actual issue price was not less than the reference price. 3. As calculated with the price determination date on October 3, 2018 on which the board of directors meeting was held, the stock price calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, was NT$ 8.41, NT$ 8.40, or NT$ 8.38, respectively, and the closing price of NT$ 8.41 one business day earlier was selected. The stock price calculated based on the simple average closing price for either the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, was NT$ 8.94. The higher price or NT$ 8.94 was the reference price of this private placement. The actual price under this private placement was NT$ 7.6 or 85.01% of the reference price. This met the resolution of the 2018 shareholders' meeting requiring that the actual price should not less than the resolved minimum percentage of 80%.	1. The price of the common stocks under the private placement was determined pursuant to the "Directions for Public Companies Conducting Private Placements of Securities". The reference price was calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 and 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. The actual issue price was not less than the reference price. 3. As calculated with the price determination date on October 3, 2018 on which the board of directors meeting was held, the stock price calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, was NT$ 8.41, NT$ 8.40, or NT$ 8.38, respectively, and the closing price of NT$ 8.41 one business day earlier was selected. The stock price calculated based on the simple average closing price for either the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, was NT$ 8.94. The higher price or NT$ 8.94 was the reference price of this private placement. The actual price under this private placement was NT$ 7.6 or 85.01% of the reference price. This met the resolution of the 2018 shareholders' meeting requiring that the actual price should not less than the resolved minimum percentage of 80%.
Method for selecting specific persons (Note 4)	The counterparts of this private placement of securities were limited to the specific persons required in relevant laws and regulations, including Article 43-6 of the Securities and Exchange Act, and the administrative rules of the competent authority, because these persons understood the business of the Company and might be	The counterparts of this private placement of securities were limited to the specific persons required in relevant laws and regulations, including Article 43-6 of the Securities and Exchange Act, and the administrative rules of the competent authority, because these persons understood the business of the Company and might be

<table>
<tr><td></td><td colspan="5">collaboratively dedicated to the operation of the Company through the private placement to facilitate the operation and development of the Company in the future.</td><td colspan="5">collaboratively dedicated to the operation of the Company through the private placement to facilitate the operation and development of the Company in the future.</td></tr>
<tr><td>Reasons for the necessity of the private placement</td><td colspan="5">The Company conducted increase of capital by issuing common stocks under private placement to ensure the timeliness and feasibility of raising funds and reduce the funding cost effectively. In addition, the Board of Directors is authorized to perform private placement according to market situation and in combination with the Company’s actual needs, to increase flexibility and efficiency of the Company’s financing. The restriction on transfer of the securities issued under the private placement within 3 years could further ensure the long-term cooperation with the investors.</td><td colspan="5">The Company conducted increase of capital by issuing common stocks under private placement to ensure the timeliness and feasibility of raising funds and reduce the funding cost effectively. In addition, the Board of Directors is authorized to perform private placement according to market situation and in combination with the Company’s actual needs, to increase flexibility and efficiency of the Company’s financing. The restriction on transfer of the securities issued under the private placement within 3 years could further ensure the long-term cooperation with the investors.</td></tr>
<tr><td>Full payment date</td><td colspan="5">October 17, 2018, total raised fund of NT$ 152,000,000</td><td colspan="5">October 17, 2018, total raised fund of NT$ 152,000,000</td></tr>
<tr><td rowspan="3">Information on placees</td><td>Private placement target (Note 5)</td><td>Qualification (Note 6)</td><td>Subscription quantity</td><td>Relationship with the Company</td><td>Participating in operation</td><td>Private placement target (Note 5)</td><td>Qualification (Note 6)</td><td>Subscription quantity</td><td>Relationship with the Company</td><td>Participating in operation</td></tr>
<tr><td>Yuan-Pin Chang</td><td>Article 43-6 of the Securities and Exchange Act.</td><td>5,500,000 shares</td><td>Chairman</td><td>Yes</td><td>Fulltech Fiber Glass Corp.</td><td>Article 43-6 of the Securities and Exchange Act.</td><td>20,000,000 shares</td><td>Corporate directors</td><td>Participation in board meeting</td></tr>
<tr><td>Fulltech Fiber Glass Corp.</td><td>Article 43-6 of the Securities and Exchange Act.</td><td>14,500,000 shares</td><td>Corporate directors</td><td>Participation in board meeting</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Actual subscription (or conversion) price (Note 7)</td><td colspan="5">NT$ 7.6</td><td colspan="5">NT$ 7.6</td></tr>
<tr><td>Actual subscription (or conversion) price and reference price (Note 7)</td><td colspan="5">The actual subscription price was NT$ 7.6 or 85.01% of the reference price. This met the resolution of the 2018 shareholders’ meeting requiring that the actual price should not less than the resolved minimum percentage of 80%.</td><td colspan="5">The actual subscription price was NT$ 7.6 or 85.01% of the reference price. This met the resolution of the 2018 shareholders’ meeting requiring that the actual price should not less than the resolved minimum percentage of 80%.</td></tr>
<tr><td>Impacts of private placement upon shareholders’ equity (e.g. causing an increase in accumulated losses...)</td><td colspan="5">The purpose of the private placement was to replenish working capital, improve the financial structure of the Company, reduce debt ratio, meet the growing requirements of the business in the future, and decrease the financial operation risk of the Company. The intended benefits to be realized were enhancement of the Company’s competitiveness, improvement of the operating performance, and saving of the interest. The private placement was also good to the equity of the shareholders.</td><td colspan="5">The purpose of the private placement was to replenish working capital, improve the financial structure of the Company, reduce debt ratio, meet the growing requirements of the business in the future, and decrease the financial operation risk of the Company. The intended benefits to be realized were enhancement of the Company’s competitiveness, improvement of the operating performance, and saving of the interest. The private placement was also good to the equity of the shareholders.</td></tr>
<tr><td>Use of the funds raised in the private placement and implementation progress of the plan</td><td colspan="5">Replenishment of working capital in Q4 of 2018.</td><td colspan="5">Replenishment of working capital in Q4 of 2018.</td></tr>
</table>

Realization of private placement benefits	The funds raised were used for replenishing working capital, improving the Company's financial structure, and facilitating the stable growth of the Company's business.	The funds raised were used for replenishing working capital, improving the Company's financial structure, and facilitating the stable growth of the Company's business.

Item	First Private Placement in 2019 Issuance Date: January 20, 2020 Second Private Placement in 2019 Issuance Date: January 20, 2020 Third Private Placement in 2019 Issuance Date: January 20, 2020 Fourth Private Placement in 2019 Issuance Date: January 20, 2020
Types of securities for private placement (Note 2)	Common stock
Date of approval by the shareholders' meeting and amount (Note 3)	A maximum of 80,000,000 shares were approved on June 21, 2019; 80,000,000 shares were actually issued under private placement.
The basis for determination of the price and its reasonableness	1. The price of the common stocks under the private placement was determined pursuant to the "Directions for Public Companies Conducting Private Placements of Securities". The reference price was calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 and 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. The actual issue price was not less than the reference price. 3. As calculated with the price determination date on December 24, 2019, on which the board of directors meeting was held, the stock price calculated based on the simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any capital reduction, was NT$ 6.88, NT$ 6.28, or NT$ 6.11, respectively. The average closing price of NT$ 6.11 for the fifth business days is selected as a basis. In addition, the stock price calculated based on the simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any capital reduction, was NT$ 5.92. The two prices whichever was higher was taken, and the reference price was determined as NT$ 6.11. The actual price of this private placement was NT$ 5 or 81.83% of the reference price. This met the resolution of the shareholders' meeting requiring that the actual price should not be less than the resolved minimum percentage of 80%.
Method for selecting specific persons (Note 4)	The counterparts of this private placement of securities were limited to the specific persons required in relevant laws and regulations, including Article 43-6 of the Securities and Exchange Act, and the administrative rules of the competent authority, because these persons understood the business of the Company and might be collaboratively dedicated to the operation of the Company through the private placement to facilitate the operation and development of the Company in the future.
Reasons for the necessity of the private placement	The Company conducted increase of capital by issuing common stocks under private placement to ensure the timeliness and feasibility of raising funds and reduce the funding cost effectively. In addition, the Board of Directors is authorized to perform private placement according to market situation and in combination with the Company's actual needs, to increase flexibility and efficiency of the Company's financing. The restriction on transfer of the securities issued under the private placement within 3 years could further ensure the long-term cooperation with the investors.
Full payment date	1st private placement on December 26, 2019, total raised fund of NT$ 100,000,000 2nd private placement on December 26, 2019, total raised fund of NT$ 100,000,000 3rd private placement on December 26, 2019, total raised fund NT$ 100,000,000 4th private placement on December 26, 2019, total raised fund NT$ 100,000,000

Information on placees

1st private placement in 2019	Issuance (Delivery) date: January 20, 2020			
Private placement target (Note 5)	Qualification (Note 6)	Subscription quantity	Relationship with the Company	Participating in operation
Yuan-Pin Chang	Article 43-6 of the Securities and Exchange Act.	10,000,000 shares	Chairman	Yes
Yuan-Fu Chang	Article 43-6 of the Securities and Exchange Act.	1,000,000 shares	Second-degree relative of the Chairman	None
Guo Ling Investment Co., Ltd.	Article 43-6 of the Securities and Exchange Act.	8,880,000 shares	Corporate directors	Participation in board meeting
Fang-Ming Chang	Article 43-6 of the Securities and Exchange Act.	60,000 shares	Vice Chairman	Participation in board meeting
Feng-Kuei Wang	Article 43-6 of the Securities and Exchange Act.	60,000 shares	Supervisor	Attending board meeting

2nd private placement in 2019	Issuance (Delivery) date: January 20, 2020			
Private placement target	Qualification	Subscription quantity	Relationship with the Company	Participating in operation
Unitech Printed Circuit Board Corp.	Article 43-6 of the Securities and Exchange Act.	20,000,000 shares	Related party	None

3rd private placement in 2019	Issuance (Delivery) date: January 20, 2020			
Private placement target	Qualification	Subscription quantity	Relationship with the Company	Participating in operation
Unitech Printed Circuit Board Corp.	Article 43-6 of the Securities and Exchange Act.	14,000,000 shares	Related party	None
Tse-Min Yu	Article 43-6 of the Securities and Exchange Act.	6,000,000 shares	Strategic investor	None

4th private placement in 2019	Issuance (Delivery) date: January 20, 2020			
Private placement target	Qualification	Subscription quantity	Relationship with the Company	Participating in operation
Tse-Min Yu	Article 43-6 of the Securities and Exchange Act.	18,000,000 shares	Strategic investor	None
Pi-Yun Ko	Article 43-6 of the Securities and Exchange Act.	1,000,000 shares	Strategic investor	None
Yu-Ming Chen	Article 43-6 of the Securities and Exchange Act.	1,000,000 shares	Strategic investor	None

Actual subscription (or conversion) price (Note 7)	1st private placement in 2019 NT$ 5 2nd private placement in 2019 NT$ 5 3rd private placement in 2019 NT$ 5 4th private placement in 2019 NT$ 5

Difference between actual subscription (or conversion) price and reference price (Note 7)	The actual subscription price was NT$ 5 or 81.83% of the reference price. This met the resolution of the 2019 shareholders' meeting requiring that the actual price should not less than the resolved minimum percentage of 80%.
Impacts of private placement upon shareholders' equity (e.g. causing an increase in accumulated losses...)	The purpose of the private placement was to replenish working capital, improve the financial structure of the Company, reduce debt ratio, meet the growing requirements of the business in the future, and decrease the financial operation risk of the Company. The intended benefits to be realized were enhancement of the Company's competitiveness, improvement of the operating performance, and saving of the interest. The private placement was also good to the equity of the shareholders.
Use of the funds raised in the private placement and implementation progress of the plan	Replenishment of working capital and repayment of loans in Q4 of 2019 and Q1 of 2020.
Realization of private placement benefits	The funds raised were used for replenishing working capital, improving the Company's financial structure, and facilitating the stable growth of the Company's business.

Note 1: Number of columns is adjusted based on actual times of private placement. If negotiable securities are subject to several private placements, they shall be separately listed.

Note 2: This field is filled out with the type of securities under private placement such as common stock, preferred stock, convertible preferred stock, preferred stock with warrant, common corporate bond, convertible corporate bond, corporate bond with warrant, overseas convertible corporate bond, overseas depositary receipt, and employee stock option warrant.

Note 3: For any private placement corporate bonds that do not need the approval at the shareholders' meeting, the information on the approval date and approved number of shares at shareholders' meeting is needed.

Note 4: Where any place has been determined for a private placement case in progress, the name of the place and its relation with the Company must be indicated.

Note 5: The number of spaces may be adjusted subject to the actual circumstances.

Note 6: This column shall be filled out with Article 43-6, Paragraph 1, Subparagraph 1, 2, or 3 of the Securities and Exchange Act.

Note 7: The actual subscription (or conversion) price stands for the subscription (or conversion) price determined when private placement of securities is actually conducted.

III. Holding or disposal of the Company’s shares by its subsidiaries in the most recent year up to the publication date of this annual report: None.
IV. Other necessary supplementary information: OTC commitments: None.
V. Other disclosures:
Occurrence of matters with material impacts upon the shareholders’ equity or securities prices as stipulated under Subclause 2, Clause 3, Article 36 of the Securities and Exchange Act in the most recent years and as of the publication date of the annual report: None.