Code
6165

Lang Inc.

(Original Name: Jye Tai Precision Technology, Inc.)

2022
Annual Report

Website for checking annual report:
https://mops.twse.com.tw
Company website: https://langinc.com.tw

Published on May 31, 2023

I. Spokesperson, Acting Spokesperson, Title, & Contact infomation

Spokesperson: Wang, Guan-jung/Chairmen

Acting Spokesperson: Chen, Hua-tze/Financial Manager

Tel: (02) 2731-0868

Email:investor@jyetai.com

II. Company Address & Telephone:

Head Office: Rm 2, 6F, No.400, Sec.2, Bade Rd., Songshan District, Taipei City

Tel: (02) 2731-0868

III. Stock Transfer Agent & Contact Information

Name: Grand Fortune Securities

Address: 6F, No.6, Sec.1, Zhongxiao West Road, Zhongzheng District, Taipei City

Tel: (02) 2371-1658

URL: https://www.gfortune.com.tw

IV. Attesting CPAs for 2022 Annual Report: Name, Firm, & Contac Information

CPA Name: Lin, Heng-sheng; Yang, Shu-tze

Firm: KPMG

Address: 68F, No.7, Sec. 5, Xinyi Rd., Xinyi District, Taipei City

Tel: (02) 8101-6666

Website: https://kpmg.tax.com.tw

V. Securities Listing & Trading Overseas/Information Available Overseas: None

VI. Company website: https://langinc.com.tw

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One. Report to Shareholders

With the advent of the internet era and the rise of new media, live streaming has become a new trend among the masses. Coupled with the significant impact of the pandemic, live streaming featuring entertainment and real-time interactivity has become a trend. Meanwhile, the Company's traditional electronic connector business is facing a rise of the mainland supply chain, resulting in intensified competition pressure for connector manufacturers. To enhance our competitiveness and respond to the rapidly changing market, the Company has conducted an internal evaluation and acquired ShineRay Co., Ltd. (hereinafter referred to as "ShineRay") in 2020. ShineRay mainly operates the Lang Live streaming platform, currently serving as the primary source of the Company's consolidated operating revenue.

With the collective efforts of all employees in 2022, the company not only successfully offset the accumulated losses from previous years but also continued to expand its overseas operations and diversify its live broadcasting business. These initiatives were aimed at enhancing core competitiveness and improving operational efficiency in order to achieve better profitability.

I. 2022 Business Report

(I) Implementation Results of the Business Plan:

The Company's consolidated operating revenue for 2022 was $3,011,423 thousand, along with a consolidated net income before tax from continuing operations of $115,811 thousand and a consolidated net income of $31,559 thousand.

(II) 2022 Budget Implementation:

The Company did not prepare any financial forecasts for 2022 thus there was no information available on the implementation of the budget.

(III) Financial Revenue, Expenditure, and Profitability

1. Financial revenue and expenditure

Unit: NT$1,000

Item	2022	2021	Increase (decrease) amount	Increase (decrease) %
Operating revenue	3,011,423	2,716,193	295,230	10.87
Operating costs	2,168,089	2,009,232	158,857	7.91
Gross profit	843,334	706,961	136,373	19.29
Operating expenses	750,058	590,102	159,956	27.11
Operating profit (loss)	93,276	116,859	-23,583	-20.18
Non-operating net income and expenses	22,535	74,475	-51.940	-69.74
Net income (loss) before tax	115,811	191,334	-75,523	-39.47
Net income (loss) from continuing operations	31,559	128,552	-96,993	-75.45

Income/loss from discontinued operations	0	1,647	-1,647	-100.00
Net income (loss)	31,559	130,199	-98.640	-75.76

Explanation of the increase or decrease of ratios in the last the two years:

Operating revenues, operating costs, gross profit, and operating expenses: Significantly increased compared to the previous period, mainly due to the increase in the operating revenue of the live streaming platform, which improved its overall operating performance, but operating costs and operating expenses also increased accordingly.

2. Profitability analysis

Item	2022	2021
Return on assets (%)	2.29	9.75
Return on equity (%)	4.56	21.14
Ratio of net income before tax to paid-in capital (%)	21.75	35.94
Net profit ratio (%)	1.05	4.73
Basic earnings per share ($)	0.62	2.60
Diluted earnings per share ($)	0.61	2.27

(IV) Research and Development

Since 2020, the Company has undergone an organizational transformation and expanded into the fields of internet technology and cultural creativity, with the internet live streaming business as the primary development focus. To continuously optimize the internet live streaming platform and boost the Company's revenue and profitability, we invested NT$118,354 thousand in R&D expenses in 2022.

II. 2023 Business Plan Summary

(I) Business Policy and Objectives

In the future, the Company will actively expand into the fields of internet technology and cultural creativity, with a main focus on related businesses such as online live streaming to enhance the Company's value and profitability. In addition to stabilizing our position in the Taiwan market, we plan to lay out a global development strategy from now on. Currently, ShineRay's Lang Live streaming platform already has a certain presence in Taiwan's live streaming market. Going forward, in addition to stabilizing the Taiwan market, we will also keenly develop our live-streaming business for overseas markets. Our initial plan will be expanding into the live streaming markets in Southeast Asia or Japan in Northeast Asia as the next step in our corporate expansion approach.

(II) Major Production & Marketing Policy

The Company will emphasize the internet business henceforward, with online live streaming as the core development. To fortify the Company's internet business, we will diversify around live streaming products, such as the gaming buddy APPs or other peripheral-related internet APPs.

(III) Expected Sales and the Basis thereof

The Company has expanded its business operations by adding information software services and data processing services. In particular, the Lang live streaming platform provided by ShineRay has generated online streaming-related revenue for the Company. Nonetheless, the Company has not prepared any financial forecasts at present, so there are no relevant statistics on expected sales volume.

III. Future Development Strategy

Under dynamic transformation, the Company has achieved remarkable results, mainly due to Lang Live, the internet live streaming business, operated by the subsidiary ShineRay. In the future, we will further advance internet-related businesses, with live streaming as the core, bolstering the integration of internet businesses and replicating the monetization model of live streaming in other internet businesses to provide players with more diversified network platforms and create maximum benefits for shareholders.

IV. Effect of External Competition, Legal Environment, and Overall Business Environment

Owing to the impact of COVID-19, which has not only affected the global economy but also led to new changes to the internet industry and generated greater benefits for ShineRay's live streaming platform at the same time. In 2022, in addition to a good performance in revenue, there was also a decent profit.

Besides complying with domestic policies and regulations, the Company's relevant finance, business, and audit units are also constantly monitoring policies that may affect our operations. At present, there is no material impact on the Company's financial operations in view of changes in domestic and foreign regulatory environment. We will constantly track updates and comply with current and potential regulatory developments and changes to ensure maximum shareholder benefit.

The above report provides the Company's 2022 business overview, 2023 operation outlook, future development strategies, and external environmental impact. We are deeply grateful for the support of all shareholders. The management team will continue to reinforce the Company's strengths, enhance competitiveness, provide customers with the best service, and look forward to continuing to generate the highest returns for shareholders.

Wishing all shareholders good health and every success in all endeavors!

Chairman: Wang, Guan-Jung,

General Manager: Wang, Guan-Jung,

Chief Financial Officer: Chen, Hua-Tze

Two. Company Profile

I. Date of Incorporation: April 18, 1973

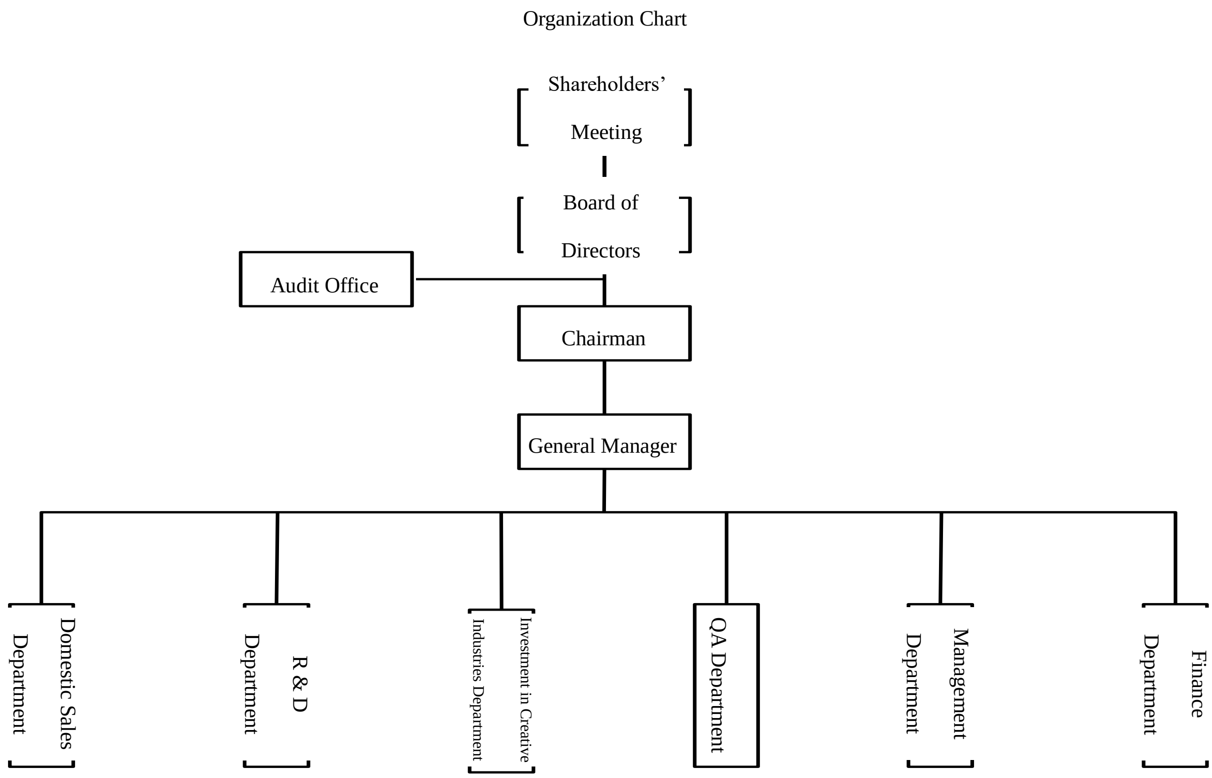
II. Company History

Time	Material Events
October 2006	Capital amount increased to NT$932,230,000 after Issuing new common stocks transferred from company profits and employee dividends totaled NT$17,490,000 and NT$10,000,000, respectively.
October 2007	Capital amount increased to NT$953,174,000 after Issuing new common stocks transferred from company profits and employee dividends totaled NT$18,044,000 and NT$2,900,000, respectively.
October 2007	Capital amount became NT$923,174,000 after buying back 3,000,000 shares as treasury stock and reduce capital by NT$30,000,000.
October 2008	Capital amount increased to NT$960,101,000 after Issuing new common stocks, totaled NT$36,927,000, transferred from company profits.
March 2009	Received certifications of ISO-14001/2004 and OHSAS18000/2007.
April 2009	Received certification of ISO-9001/2008 from SGS.
December 2010	Received certification of ISO-14064/2006 from SGS. Capital amount increased to NT$983,811,000 after Issuing new common stocks, totaled NT$23,709,000, transferred from company profits.
February 2011	Capital amount became NT$961,811,000 after buying back 2,200,000 shares as treasury stock and reducing capital by NT$22,000,000.
September 2011	Capital amount became NT$950,091,000 after buying back 1,172,000 shares as treasury stock and reduce capital by NT$11,720,000.
June 2015	Capital amount decreased to NT$496,824,000 after reducing capital by NT&$453,267,000.
June 2020	Capital amount increased to NT$532,424,000 after issuing 35,600,000 common shares by private placement.
August 2020	Acquired 100 percent shareholder right of “ShineRay Co., Ltd.”
November 2020	Increased capital of subsidiary ShineRay Company by NT$100,000,000
December 2020	Company name was changed from “Jye Tai Precision Technology, Inc.” to “Lang Inc.”

Three. Corporate Governance

I. Organization

1. Corporate Structure



2. Major Functions of Each Department

Name	Functions
Audit Office	Internal audit planning and making suggestions for system improvements.
Domestic Sales Department	Marketing, sales planning, and customer services.
Finance Department	Accounting and financial management.
QA Department	Quality control of raw materials, work-in-process, and finished goods entering or leaving the warehouse.
R & D Department	Product design and development.

Investment in Creative Industries Department	Investing in domestic entertainment-related industries, developing entertainers, and managing creative design industries and cultural/artistic technology industries.
Management Department	Stock, personnel, IT, purchase, production, and warehouse management.

II. Info on Directors, Supervisors, General Manager, Vice General Manager, Associate Manager & Other Executives:

1. Information on Directors (I)

April 09, 2023

Title	Nationality/ Place of Registration	Name	Gender	Date Elected/Assume Office	Term Expires	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse and Minors		Shares Held in Name of Others		Main Education & Professional Qualifications	Other Positions in the Company & Other Companies	Spouse/Within 2nd Degree Relative of Other Managing Officers, Directors, and Supervisors			Notes
			Age				Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Director	R.O.C.	Chanyeh Investment Co., Ltd.	-	June 15, 2020	June 14, 2023	June 15, 2020	12,000	0.02%	12,000	0.02%	0	0	0	0	-	-	-	-	-	None
Chairman	R.O.C.	Chanyeh Investment Co., Ltd. Representative: Wang, Guan-jung	Male 51-60	June 15, 2020	June 14, 2023	June 15, 2020	0	0.00%	670,000	1.26%	0	0	0	0	Department of Finance, University of Southern California Co-founder of London Asia Capital plc Managing Director of London Asian Infrastructure Investment Bank	Note 2	None	None	None	None
Director	R.O.C.	Yungmei Investment Co., Ltd.	-	June 15, 2020	June 14, 2023	June 27, 2017	26,000	0.05%	26,000	0.05%	0	0	0	0	-	-	-	-	-	None
Director	R.O.C.	Yungmei Investment Co., Ltd. Representative: Ma, Yung-rui	Male 51-60	December 8, 2020	June 14, 2023	December 8, 2020	0	0.00%	0	0.00%	0	0	0	0	Graduate Institute of Graphic Arts & Communications, National Taiwan Normal University Note 1	Consultant of Eastern Media International Co., Ltd.	None	None	None	None
Director	R.O.C.	Yungmei Investment Co., Ltd. Representative: Li, Wan-yu	Female 41-50	June 15, 2020	June 14, 2023	March 30, 2018	0	0.00%	0	0.00%	0	0	0	0	Soochow University Capital Futures	Manager of FUTURE LEADING INVESTMENT PTE. LTD.	None	None	None	None
Director	R.O.C.	Yungmei Investment Co., Ltd. Representative: Hsiao, Che-ying	Female 41-50	November 10, 2022	June 14, 2023	November 10, 2022	0	0.00%	0	0.00%	0	0	0	0	Fashion Design Program, John Casablancas Institute Marketing/Sales Manager of Perfect World Co., Ltd.	-	None	None	None	None

Independent Director	R.O.C.	Chang, Chih-chao	Male 41-50	June 15, 2020	June 14, 2023	June 29, 2018	0	0.00%	0	0.00%	0	0	0	0	Department of History, Fu Jen Catholic University Sales Manager of Bino International Co., Ltd. Sales Director of Sun Ten Pharmaceutical Co., Ltd.	Chao Yii International Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Liu, Yu-wen	Female 41-50	June 15, 2020	June 14, 2023	June 29, 2018	0	0.00%	0	0.00%	0	0	0	0	Department of Management, Chungyu Junior College of Business Management Sales, David's English Center/Taoyuan Director Director-in-charge, David's English Center/Taichung	Vice President of Finance, Li Guang Technology International Corp.	None	None	None	None
Independent Director	R.O.C.	Shih, Ching-hui	Female 61-70	June 15, 2020	June 14, 2023	June 15, 2020	0	0.00%	0	0.00%	0	0	0	0	PH. D., Graduate Institute of International Business Administration, Chinese Culture University Associate Professor, Department of Computer Science & Information Engineering, Asia University Supervisor, Hwa Kang Arts School	Adjunct Associate Professor, Department of Accounting, Chinese Culture University Adjunct Associate Professor, Department of Accounting Information, National Taichung University of Science and Technology Crown & Co., CPAs	None	None	None	None

Note 1: Chairman Ma, Yung-rui holds the following positions as well: 1. CEO, Management Dept., Eastern Media International; 2. Vice Chairman, ET New Media Holding Co., Ltd.; 3. Chairman, QT Entertainment Co., Ltd.; 4. Chairman, ET E-Sports Co., Ltd.; 5. Chairman, ETtoday Cloud Co., Ltd. ; and 6. Chairman and CEO of CtiTV (Chinese Television System) Co., Ltd.

Note 2: Chairman Wang, Guan-jung also serves as General Manager, Lang Inc, and holds the following positions: 1. Chairman & General Manager, ShineRay Co., Ltd.; 2. Chairman, PlayOne Co., Ltds.; 3. PuPu Media Co., Ltd.; 4. Chairman, ShineRay Hong Kong; and 5. Supervisor, 1 Production Film Co., Ltd.

Note 3: When one person serves both as Chairman and general manager/equivalent position or the two holders are spouses or relatives within the 1st degree, the reasons, justification, necessity, and countermeasures, such as having more independent directors, shall be explained and more than half directors shall not be Lang Inc. employees or managers.

That the chairman and general manager of Lang Inc. are held by one person is helpful for maintaining customer relations, developing more business, and improving operation efficiency. However, in order to strengthen the independence of the Board of Directors, the Company is actively looking for appropriate candidates and plans to increase the number of independent directors so that the Board more effectively functions and supervises. The Company has taken the following measures to improve the functioning of the Board.

1. The 3 incumbent independent directors are professionals in finance, management, and business, respectively, with much working experience in corporate operations.
2. Board members continue to receive training for better Board operations.
3. There are two female directors and more than half directors are not Lang Inc. employees or managers.

2. Major Institutional Shareholders:

April 09, 2023

Name of Institutional Shareholder	Main Shareholder(s)
Yungmei Investment Co., Ltd.	Li, Wan-yu (100%)
Chanyeh Investment Co., Ltd.	Wang, Guan-jung (100.00%)

3. Main Shareholders are Institutions: None.

4. Info on Directors (II)

(1) Professional Qualifications and Independence Status of Directors and Supervisors

Criteria / Name	Professional Qualifications & Experience (Note 1)	Independence Status (Note 2)	Number of Serving as Independent Director in Other Listed Companies
Chanyeh Investment Co., Ltd. Representative: Wang, Guan-jung	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Director; Co-founder of London Asia Capital plc; and Managing Director of London Asian Infrastructure Investment Bank. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None
Yungmei Investment Co., Ltd. Representative: Ma, Yung-rui	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Chairman; CEO, Management Dept., Eastern Media International; Vice Chairman, ET New Media Holding Co., Ltd.; Chairman, QT Entertainment Co., Ltd.; Chairman, ET E-Sports Co., Ltd.; and Chairman, ETtoday Cloud Co., Ltd. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent	None

		Directors and Compliance Matters for Public Companies.	
Yungmei Investment Co., Ltd. Representative: Li, Wan-yu	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Director and Manager of FUTURE LEADING INVESTMENT PTE. LTD. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None
Chanyeh Investment Co., Ltd. Representative: Hsiao, Che-ying	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Director; Marketing Business Manager, Perfect World co., ltd. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None
Chang, Chih-chao	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Independent Director; Sales Manager of Bino International Co., Ltd.; Sales Director of Sun Ten Pharmaceutical Co., Ltd.; Chaoyii International Co., Ltd. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None

Liu, Yu-wen	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Independent Director; Sales Director, David's English Center/Taoyuan; Director-in-charge, David's English Center/Taichung ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None
Shih, Ching-hui	● Working Experience in Management, Commerce, & Other Business Operations. ● Lang Inc. Independent Director; Associate Professor, Department of Computer Science & Information Engineering, Asia University; Supervisor, Hwa Kang Arts School. ● No situations as stipulated in Article 30 of the Company Law have arisen	There is no spouse or immediate relatives up to the second degree serving as directors of the Company. Neither the individual nor the spouse, nor any other individual in proxy, holds any issued shares of the Company. No services such as auditing, business, legal, financial, or accounting have been provided to the Company, and no related remuneration has been received. Additionally, compliance is maintained with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None

2. Diversification of Board Members:

The Company has set a diversification goal that directors of each gender comprise more than 1/3 of the Board. Current there are currently 7 directors and the following is the result of reaching this goal:

- The ratio of female directors is 57% and that of male directors 43%.
- The ratio of independent directors is 43% and none of their service terms is more than 3.
- Age distribution of directors: 61-70, one; 51-60, two; 41-50, four.
- Diversified Status of Board Membership:

Name of Directors Under Core Diversified Items		Gender	Age	Core Diversified Items								
				Finance/ Accounting	Law	Industry	Capability for Operation Judgment	Capability for Business Administration	Capability for Crisis Management	Industrial Knowledge	Knowledge of International Markets	Capability to Lead and Make Decisions
Director	Wang, Guan-jung	Male	51-60	✓		✓	✓	✓	✓	✓	✓	✓
	Chairman	Male	51-60	✓	✓	✓	✓	✓	✓	✓	✓	✓

	Ma, Yung-rui											
	Li, Wan-yu	Female	41-50	✓			✓		✓	✓	✓	✓
	Hsiao, Che-ying	Female	41-50	✓		✓	✓		✓	✓	✓	✓
Independent Director	Chang, Chih-chao	Male	41-50	✓	✓	✓	✓	✓	✓	✓		✓
	Liu, Yu-wen	Female	41-50	✓		✓	✓	✓	✓	✓		✓
	Shih, Ching-hui	Female	61-70	✓	✓		✓		✓	✓		✓

Management Goals & Implementation of Board Diversification:

Management Goals	Achievements
The consecutive terms of more than 1/2 Directors would not exceed 3 terms.	Achieved
At least one director would specialize in finance/accounting.	Achieved
There would be at least 4 independent directors.	Under planning
More than half directors shall not be spouses of relatives within 2nd degree to each other.	Achieved
Appropriate Diversity of Professional Knowledges & Expertises	Achieved

3. Status of Board Independence

The current Lang Inc. Board is made up of 3 independent directors and 4 general directors. As of April 9, 2023, all independent directors meet the criteria set in the Securities and Exchange Act. No more than 2 directors are related as spouses or relatives within a 2nd degree. There is no violation of Article 26-3 (3) & (4). In addition, an Audit Committee has been established by all independent directors. It mainly oversees the quality and integrity of company financial statements; the hiring/dismissal and independence/performance of CPAs; effective internal control; regulatory compliance; management of existing/potential risks. For an overview of Audit Committee operations, please see “Part III of this annual report: Corporate Governance under III. Status of Corporate Governance, (II). Audit Committee Operations”.

5. Info on General Manager, Vice General Manager, Associate Manager, & Other Executives:

April 09, 2023

Title	Nationality	Name	Gender	On-board Date	Shares Currently Held		Shares Currently Held by Spouse and Minors		Shares Held in Name of Others		Main Education & Professional Qualifications	Positions in Other Companies	Managers Related to Each Other As Spouse or Relatives within 2nd Degree			Notes
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
General Manager and Head of Domestic Sales Department	R.O.C.	Wang, Guan-jung	Male	August 12, 2020	670,000	1.26%	0	0%	0	0%	Managing Director of London Asian Infrastructure Investment Bank Department of Finance, University of Southern California	Chairman and General Manager of ShineRay Co., Ltd. 1 Supervisor, Production Film Co., Ltd.	None	None	None	None
Finance Department Manager	R.O.C.	Chen, Hua-tze	Female	November 13. 2018	0	0%	0	0%	0	0%	Manager of Top Management Consultant Co., Ltd. Assistant Manager of Orangebear International Co., Ltd. Graduate Institute of Accounting, Tamkang University	None	None	None	None	None
Management Department Manager	R.O.C.	Hsieh, Ling-ling	Female	November 10, 2017	3,372	0.01%	0	0%	0	0%	Senior Manager, General Manager	None	None	None	None	None

											Office, Jye Tai Precision Technology Co., Ltd. Department of Accounting, Open College					
Audit Office Manager	R.O.C.	Wang, Sung-min	Male	February 1, 2023	0	0%	0	0%	0	0%	Assistant Manager for Auditing of Microlife Corporation. Department of Accounting, Chung Yuan Christian University	None	None	None	None	None

Note: Where the president or person of an equivalent post (the highest level manager) of a company, and the chairperson of the board of directors are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (e.g. adding seats of independent directors and more than half directors do not serve concurrently as employees or managerial officers) adopted in response thereto.

That the chairman and general manager of Lang Inc. are held by one person is helpful for maintaining customer relations, developing more business, and improving operation efficiency. However, in order to strengthen the independence of the Board of Directors, the Company is actively looking for appropriate candidates and plans to increase the number of independent directors so that the Board more effectively functions and supervises. The Company has taken the following measures to improve the functioning of the Board.

1. The 3 incumbent independent directors are professionals in finance, management, and business, respectively, with much working experience in corporate operations.
2. Board members continue to receive training for better Board operations.
3. There are two female directors and more than half directors are not Lang Inc. employees or managers.

III. Remuneration Paid to Directors, Supervisors, General Manager, and Vice General Manager

1. Dirctor/Independent Director’s Remuneration (Names & Ways of Payment Disclosed)

Unit: NT$1,000

Title	Name	Director’s Remuneration								The total sum of A, B, C, and D, as well as the proportion relative to post-tax net income (Note 10).		Compensation for Director Who Is Also Lang Inc. Employee								The total sum of A, B, C, D, E, F ,and G, as well as the proportion relative to post-tax net income. (Note 10)		Receipt of remuneration from entities other than subsidiaries for investment ventures or from the parent company (Note 11)
		Base Compensation (A)		Severance Pay and Pension (B)		Director’s Compensation (C)		Expenses for Providing Services (D)				Compensation, Bonus, & Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.		All Companies Listed in Financial Statements		Lang Inc.	All Companies Listed in Financial Statements	
																Amount of Cash	Amount of Shares	Amount of Cash	Amount of Shares			
Chairman	Chanyeh Investment Co., Ltd. Representative: Wang, Guan-jung	0	0	0	0	0	0	18	18	18 0.05%	18 0.05%	1,531	1,531	87	87	0	0	0	0	1,636 4.93%	1,636 4.93%	None
Chairman	Yungmei Investment Co., Ltd. Representative: Chiu, Chien-cheng (Note 1)	1,651	1,651	0	0	0	0	0	0	1,651 4.97%	1,651 4.97%	0	0	0	0	0	0	0	0	1,651 4.97%	1,651 4.97%	None
Director	Yungmei Investment Co., Ltd.	1,080	1,080	0	0	0	0	0	0	1,080 3.25%	1,080 3.25%	0	0	0	0	0	0	0	0	1,080 3.25%	1,080 3.25%	None
Director	Yungmei Investment Co., Ltd. Representative: Ma, Yung-rui	0	0	0	0	0	0	18	18	18 0.05%	18 0.05%	0	0	0	0	0	0	0	0	18 0.05%	18 0.05%	None
Director	Yungmei Investment Co., Ltd. Representative: Li, Wan-yu	0	0	0	0	0	0	18	18	18 0.05%	18 0.05%	0	0	0	0	0	0	0	0	18 0.05%	18 0.05%	None
Director	Yungmei Investment Co., Ltd. Representative: Hsiao, Chieh-ying (Note 1)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	None
Director	Chanyeh Investment Co., Ltd.	360	360	0	0	0	0	0	0	360 1.08%	360 1.08%	0	0	0	0	0	0	0	0	360 1.08%	360 1.08%	None
Independent Director	Chang, Chih-chao	360	360	0	0	0	0	53	53	413 1.24%	413 1.24%	0	0	0	0	0	0	0	0	413 1.24%	413 1.24%	None
Independent Director	Liu, Yu-wen	360	360	0	0	0	0	53	53	413 1.24%	413 1.24%	0	0	0	0	0	0	0	0	413 1.24%	413 1.24%	None
Independent Director	Shih, Ching-hui	360	360	0	0	0	0	53	53	413 1.24%	413 1.24%	0	0	0	0	0	0	0	0	413 1.24%	413 1.24%	None

1. The policies, systems, standards, and structure of remuneration paid to independent directors while linking it to responsibilities, risks, & time spent:
   Lang Inc. pays remuneration to independent directors according to Article 24 of its Articles of Incorporation. The Compensation Committee reviews the extent & value contributed to the company’s business & management by each director, taking into account industrial standard, and then make suggestions to be decided by the Board.
2. Other than details disclosed above, compensation received by directors for providing services to all companies listed in the financial statements (such as being a non-employee consultant to the parent company, all companies in the financial statements, and subsidiaries): none.
3. On March 15, 2023, it was approved to allocate a director's remuneration of NTD 1,051,663 for the year 2022. But it has not been paid yet.

Note 1: The representative of Director Yungmei Investment Co., Ltd. was changed to Ms. Hsiao, Chieh-ying, after the previous representative, Mr. Chiu, Chien-cheng resigned on November 10, 2022.

Note 2: The Annual Shareholders' Meeting, held June 15, 2020, elected a new Board of Directors. Under Article 14-4 of the Securities and Exchange Law, an Audit Committee should be set up to replace supervisors. Therefore, the Board needs not elect supervisors, beginning the 15th Board of Directors.

2. Compensation Paid to General Manager & Vice General Manager

Unit: NT$1,000

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus & Allowance (C)		Employee Compensation Amount (D)				The total sum of A, B, C, and D, as well as the proportion relative to post-tax net income. (Note 8)		Receipt of remuneration from entities other than subsidiaries for investment ventures or from the parent company (Note 9)
		Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.		All Companies Listed in Financial Statements		Lang Inc.	All Companies Listed in Financial Statements	
								Amount of Cash	Amount of Shares	Amount of Cash	Amount of Shares			
Chairman & General Manager	Wang, Guan-jung	1,411	1,411	87	87	120	120	-	-	-	-	1,618 4.87%	1,618 4.87%	None
Note: On March 15, 2023, it was approved to allocate a director's remuneration of NTD 1,051,663 for the year 2022. But it has not been paid yet.														

3. Remuneration of Top 5 Highest Ranking Managers (Names & Ways of Payment Disclosed)

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus & Allowance (C)		EmployeeCompensationAmount (D)				The total sum of A, B, C, and D, as well as the proportion relative to post-tax net income. (Note 6)		Receipt of remuneration from entities other than subsidiaries for investment ventures or from the parent company (Note 7)
		Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.	All Companies Listed in Financial Statements	Lang Inc.		All Companies Listed in Financial Statements		Lang Inc.	All Companies Listed in Financial Statements	
								Amount of Cash	Amount of Shares	Amount of Cash	Amount of Shares			
Chairman & General Manager	Wang, Guan-jung	1,411	1,411	87	87	120	120	-	-	-	-	1,618 4.87%	1,618 4.87%	None
Manager	Chen, Hua-tze	1,412	1,412	87	87	120	120	-	-	-	-	1,619 4.88%	1,619 4.88%	None

Note: On March 15, 2023, it was approved to distribute employee remuneration for the year 2022 in the amount of NTD 794,467, to be disbursed in cash. However, it has not been paid out yet.

4. Distribution of Employee Compensation:Name of Managers And Distribution Status

Unit: NT$1,000

Title	Name	Amount of Shares	CashAmount(Note)	Total	Ratio to Net Income After Tax (%)
General Manager	Wang, Guan-jung	0	0	0	0%
Manager	Chen, Hua-tze	0	0	0	0%

Note: On March 15, 2023, it was approved to distribute employee remuneration for the year 2022 in the amount of NTD 794,467, to be disbursed in cash. However, it has not been paid yet..

5. Compare & explain ratios to the net income after tax, disclosed in the consolidated and individual financial statement, of payments made by Lang Inc. as well as all companies listed in the financial statements to directors, general manager and vice general manager in the last 2 years. Also explain the policies, standards & compositions, decision procedures and linkage to company performance of remuneration payments.

(1) Analyze the ratios to net income, disclosed in the consolidated or individual financial statement, of payments to directors, general manager, and vice genera manager by Lang Inc. and all companies listed in financial statements in the last 2 years.

Unit: NT$1,000

Item / Title	Ratio of Compensation to Net Income After Tax				Increase (Decrease)
	2021		2022		
	Lang Inc.	All Companies in Consolidated Statements	Lang Inc.	All Companies in Consolidated Statements	
Director	11.48%	11.48%	18.09%	18.09%	6.61%
General Manager & Vice General Manager	5.56%	5.56%	4.87%	4.87%	(0.69%)

(2) Remuneration policies, standards & compositions, decision procedures, and linkage to performance & future risks:

Policies of directors remuneration should be stipulated in the Articles of Incorporation while taking into account industrial practices. An earnings distribution plan should be compiled and approved by the Board & Shareholders Meeting before distribution, which should be closely related to performance.

Remunerations of general manager/equivalent position and vice general manager should follow company rules; consider education & professional qualifications and industrial practices; and taking into account work performances as well as achievements of long & short-term goals. They should be properly readjusted according to profits and risks.

IV. Implementation of Corporate Governance

1. Board of Directors Meetings

The Board convened 6 meetings in 2022 (A). Directors' attendance status is as follows:

Title	Name	Times of Attendance in Person (B)	By Proxy	Attendance Rate in Person (B/A) (%)	Notes
Director	Wang, Guan-Jung, representative of Chanyeh Investment Co., Ltd.	6	6	100%	None
Chairman	Chiu, Chien-cheng, representative of Yungmei Investment Co., Ltd.	4	4	0%	Resigned November 10, 2022
Director	Ma, Yung-rui, representative of Yungmei Investment Co., Ltd.	6	0	100%	None
Director	Li, Wan-yu, representative of Yungmei Investment Co., Ltd.	6	0	100%	None
Director	Hsio, Che-ying, representative of Yungmei Investment Co., Ltd.	2	0	100%	Newly Onboard November 10, 2022
Independent Director	Chang, Chih-chao	6	0	100%	None
Independent Director	Liu, Yu-wen	6	0	100%	None
Independent Director	Shih, Ching-hui	6	0	100%	None

Annotations:

1. (1) Matters under Article 14-3 of the Securities and Exchange Act:

Meeting Date	Material Resolutions	Opinions of Independent Directors	Implementation of Independent Directors' Opinions
March 30, 2022	1. Approved remuneration plans for directors and managers. 2. Approved 2021 earnings distribution plans for employees and directors. 3. Passed the resolution that account receivables	Approved As Proposed	Executed According to Resolution

	from Dove Media Co., Ltd., Shanghai, to Lang Inc. subsidiary, ShineRay, would be listed as 100% bad debt allowance. 4. Approved 2021 Business Report and consolidated & individual financial statements. 5. Approved 2021 profit distribution plans. 6. Passed the resolution that no 2021 earnings would be distributed as cash dividends. 7. Passed a resolution regarding whether account receivables from Subsidiary ShineRay when overdue after 3 months, the regular credit term, should be treated as funding loans. 8. Approved 2021 “Effectiveness Assessment of Internal Control System” and “Statement of Internal Control System” of the Company. 9. Passed the resolution to sue Liu, Chung-yi, former Lang Inc. chairman, for reparation of company losses and clarification of legal accountability. 10. Passed the resolution of lending capital to 100%-owned Subsidiary of the Company, PlayOne Co., Ltd. 11. Passed amendments to the Company’s “Procedures for Acquisition/Disposal of Assets”. 12. Approved the Company’s plan to issue 2022 common shares and domestic convertible bonds with warrants by private placements. 13. Passed the resolution to make donations for the establishment of the “Lang Charity Foundation” in Hualien County”. 14. Approved amendments to the Company’s “Articles of Incorporation”. 15. Passed the resolution to convene the 2022 Annual Shareholders’ Meeting.		
May 10, 2022	1. Resolved not to execute for the remaining period the plan adopted by the 2021 Shareholders’ Meeting to issue common shares and domestic convertible bonds with warrants by private placements. 2. Approved amendments to the Company’s “Articles of Incorporation”. 3. Approved the Company’s follow-on offering plan to issue common shares by book building. 4. Passed the resolution to lend funds to 100%-owned Subsidiary of the Company, Hong Kong ShineRay Co., Ltd. 5. Approved the plan of Subsidiary ShineRay Co., Ltd. for cash capital increase to its subsidiaries through ShineRay Media Co. Ltd., Hong Kong. 6. Passed the revised resolution to convene the 2022 Annual Shareholders’ Meeting.	Approved As Proposed	Executed According to Resolution

August 10, 2022	1. Approved the distribution of 2021 remuneration for all directors. 2. Approved the distribution of 2021 employee compensation for managers. 3. Approved performance bonus for General Manager. 4. Passed the proposal to set up a committee to evaluate & review investments in creative industries. 5. Passed the resolution to draft guidelines for setting up the committee for evaluation & review of investments in creative industries. 6. Approved the proposal to revise the "Authorization Table". 7. Approved amendments to the Company's "Guidelines for Investment Cycles". 8. Approved measures to fulfill working capital needs of Jye Tai Precision Technology Co., Ltd., Wuhu.	Approved As Proposed	Executed According to Resolution
October 12, 2022	1. Approved the proposal for the Company to purchase operational properties. 2. Approved the line of credit for the Company to seek bank loans to purchase the properties. 3. Approved the line of credit for the Company to seek bank loans for working capital. 4. Approved the line of credit for bank loans of the subsidiary ShineRay Co., Ltd. (ShineRay).	Approved As Proposed	Executed According to Resolution
November 11, 2022	1. Approved the assessment of independence of attesting CPA services. 2. Approved the Company's 2023 audit plan. 3. Approved the establishment of a 100%-owned subsidiary in Singapore 4. Approved the "Procedures for Lending Funds to Other Entities" of the subsidiary Jye Tai Electronics Ltd. 5. Passed the resolution that the 100%-owned subsidiary Jye Tai Electronics to lend funds to its subsidiary Jye Tai Electronics, Wuhu. 6. Pass the resolution to set up the position of Information Safety Officer. 7. Passed amendments to the Company's "Procedures for Material Information Management". 8. Approved the non-assurance services to be provided by KPMG in 2023.	Approved As Proposed	Executed According to Resolution
November 11, 2022	1. Passed the resolution to reelect Company Chairman.	Approved As Proposed	Executed According to Resolution

(2) Other Board resolutions with dissenting opinion or qualified opinion from any independent director by written or otherwise recorded statements: none.

2. Implementation of Directors' Recusal due to Conflict of Interests:

Resolution on performance bonus for general managers of subsidiaries, August 10, 2022: Meeting chairman Wang, Guan-jung recused because of conflict of interests. All other attending directors approved with consensus the resolution under acting chairman Ma, Yung-rui.

3. Self-assessment by Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Results
Once per year	Assessment of Performance January 1, 2022 to December 31, 2022	Board of Directors	Board of Directors Self-assessment	I. Involvement in the Company's operations. II. Knowledge of Responsibilities of Functional Committees. III. Improvement of Decision-making Quality of Functional Committees. IV. Composition and Member Selection of Functional Committee. V. Internal Control.
		Performance Evaluation of Individual Directors	Board Member Self-assessment	I. Understanding of the Company's goals and mission. II. Awareness of director's duties. III. Involvement in the Company's operations. IV. Internal relationship and communication. V. Director's professionalism and knowledge advancement. VI. Internal control.
		Performance Evaluation of Functional Committees (Audit Committee and Compensation Committee)	Internal Functional Committee Self-assessment	I. Involvement in the Company's operations. II. Knowledge of Responsibilities of Functional Committees. III. Improvement of Decision-making Quality of Functional Committees. IV. Composition and Member Selection of Functional Committee. V. Internal Control.

(1) The assessment results of Board performance will be used as reference for electing Board members and those of individual director's performance will be reference for individual remuneration.

(2) The assessment results of 1st quarter, 2023, was reported on March 15. They will be used as reference for continual improvement of Board functions and have been disclosed at the Company website for investors to check.

4. Enhancing the valuation regarding the target achievement and execution by the Board of Directors in the current and most recent year (e.g., establishing Audit Committee, increase information transparency):
The Board meets under its "Rules of Procedure" in order to better systemize its operation. All material Board resolutions have been disclosed at the Market Observation Post System (MOPS) to comply with regulations on information transparency.

2. Audit Committee Meetings/Supervisors' Participation in Board Matters:

(1)Audit Committee Meeting Status.

The Audit Committee convened 5 meetings in 2022 (A). Independent Directors' attendance status is as follows:

Title	Name	Times of Attendance in Person (B)	By Proxy	Attendance Rate in Person (B/A) (%)	Notes
Independent Director	Chang, Chih-chao	5	0	100%	None
Independent Director	Liu, Yu-wen	5	0	100%	None
Independent Director	Shih, Ching-hui	5	0	100%	None

Annotations:

I. When the Audit Committee conducts any of the following, its date, period, proposals, dissenting opinions or qualified opinions or major recommendations by independent directors, final resolutions, and the Company's execution should be recorded:

(I) Matters stipulated under Article 14-5 of the Securities and Exchange Act

(II) Matters other than above-mentioned and approved by 2/3 Board members or more: none.

Date	Major Resolutions	Audit Committee Resolutions	Responses to Audit Committee Opinions by the Company
March 30, 2022	1. Passed the resolution that account receivables from Dove Media Co., Ltd., Shanghai, to Lang Inc. subsidiary, ShineRay, would be listed as 100% bad debt allowance. 2. Approved 2021 Business Report and consolidated & individual financial statements. 3. Approved 2021 earnings distribution plans. 4. Passed a resolution regarding whether account receivables from Subsidiary ShineRay when overdue after 3 months, the regular credit term, should be treated as funding loans. 5. Approved 2021 "Effectiveness Assessment of Internal Control System" and "Statement of Internal Control System" of the Company. 6. Passed the resolution to sue Liu, Chung-yi, former Lang Inc. chairman, for reparation of company losses and clarification legal accountability. 7. Passed the resolution of Subsidiary ShineRay Co., Ltd. for lending capital to 100%-owned Subsidiary of the Company, PlayOne Co., Ltd.. 8. Passed amendments to the Company's "Procedures for Acquisition/Disposal of Assets". 9. Approved the Company's 2022 plan to issue common shares and domestic convertible bonds with warrants by private placements.	Approved As Proposed	Not applicable
May 10, 2022	1. Approved the Company's offering plan to issue common shares by book building. 2. Approved the plan of Subsidiary ShineRay Co., Ltd. for cash capital increase to one of its subsidiaries through ShineRay Media Co. Ltd., Hong Kong. 3. Approved the plan of Subsidiary ShineRay Co., Ltd. for cash capital increase to one of its subsidiaries through ShineRay Media Co. Ltd., Hong Kong.	Approved As Proposed	Not applicable
August 10, 2022	1. Approved performance bonus for general managers of subsidiaries. 2. Passed the proposal to set up a committee to evaluate & review investments in creative industries. 3. Passed the resolution to draft guidelines for setting up the committee for evaluation & review of investments in creative industries. 4. Approved the proposal to revise the "Authorization Table". 5. Approved amendments to the Company's "Guidelines for Investment Cycles". 6. Approved measures to fulfill working capital needs of Jye Tai Precision Technology Co., Ltd., Wuhu.	Approved As Proposed	Not applicable
October 12, 2022	1. Approved the proposal for the Company to purchase operational properties. 2. Approved the line of credit for the Company to seek bank loans to purchase the properties. 3. Approved the line of credit for the Company to seek bank loans for working capital. 4. Approved the line of credit for bank loans of the subsidiary ShineRay	Approved As Proposed	Not applicable

	Co., Ltd. (ShineRay).		
November 11, 2022	1.Approved the Company's 2023 audit plan. 2.Approved the "Procedures for Lending Funds to Other Entities" of the subsidiary Jye Tai Electronics Ltd. 3.Passed the resolution that the 100%-owned subsidiary Jye Tai Electronics to lend funds to its subsidiary Jye Tai Electronics, Wuhu. 4.Approved the assessment of independence of attesting CPA services. 5.Passed amendments to the Company's "Procedures for Material Information Management". 6.Approved the non-assurance services to be provided by KPMG in 2023.	Approved As Proposed	Not applicable

II. Implementation of independent directors' recusal due to conflict of interests and the independent director's name, the resolution, reasons for recusal, and the voting process should be stated: none.

III. Communication Status between independent directors, internal auditing officer, and CPAs (including material matters communicated regarding Company finance, business operations, etc., the method of communication, and results.

1. Communication between independent directors and CPAs:
   Independent directors discussed with CPAs before voting on any proposals of major investments, financing schemes, or financial statements.

Date	Key Points Communicated	Execution Results
March 30, 2022	(1) Independent directors discussed with CPAs about key audit items and audit results of 2021 (such as adjusting entry & recommendations on internal items). (2) CPAs explained, discussed, and communicated questions raised by participants.	CPAs sent in responses to opinions/recommendations of independent directors. The responses were reported to the Board after being reviewed & approved
May 10, 2022	(1) CPAs explained the consolidated financial statements and their audit report after completing auditing for 1st quarter of 2022. (2) CPAs explained, discussed, and communicated questions raised by participants.	Reported to the Board after review & approval
August 10, 2022	Independent directors discussed with CPAs about major recent regulation revisions (including rules of procedure of Board meetings, criteria for establishment of a corporate governance officer, and deadline for submitting financial statements).	CPAs responded to opinions/recommendations of independent directors.
August 10, 2022	(1) CPAs explained the consolidated financial statements and their audit report after completing auditing for 2nd quarter of 2022. (2) Independent directors discussed with CPAs about audit results of 2nd quarter, 2022. (3) CPAs explained, discussed, and communicated with independent directors about their own independence. (4) CPAs explained, discussed, and communicated questions raised by participants.	CPAs sent in responses to opinions/recommendations of independent directors. The responses were reported to the Board after being reviewed & approved
November 11, 2022	Independent directors discussed with CPAs about internal control and optimizing business processes.	CPAs responded to questions raised by independent directors
November 11, 2022	(1) CPAs explained the consolidated financial statements and their audit report after completing auditing for 3rd quarter of 2022. (2) CPAs explained, discussed, and communicated about their own independence. (3) CPAs explained, discussed, and communicated questions raised by participants.	Reported to the Board after review & approval

2. Communication between internal auditor & Audit Committee members:
   (1) Audit results and improvement of deficiencies would be discussed at least once per year at an Audit Committee meeting and Board meeting.
   (2) Following directions from independent directors to conduct audit projects or further analyze results of previous audit reports .
   (3) Direct communication by telephone or email.
   (4) Key points discussed between independent directors and internal auditor, and follow-up

execution results:

Date	Key Points Communicated	Execution Results
January 27, 2022	Internal Audit Report, December 2021	Audit results, suggestions, & conclusions reported by email
February 25, 2022	Internal Audit Report, January 2022.	Audit results, suggestions, & conclusions reported by email
March 30, 2022	Audit reports completed in current year submitted	Reports from Audit Committee and Board of Directors submitted
March 31, 2022	Internal Audit Report, February 2022.	Audit results, suggestions, & conclusions reported by email
April 30, 2022	Internal Audit Report, March 2022.	Audit results, suggestions, & conclusions reported by email
May 10, 2022	Audit reports completed in current year submitted	Reports from Audit Committee and Board of Directors submitted
May 30, 2022	Internal Audit Report, April 2022.	Audit results, suggestions, & conclusions reported by email
June 29, 2022	Internal Audit Report, May 2021.	Audit results, suggestions, & conclusions reported by email
July 29, 2022	Internal Audit Report, June 2021.	Audit results, suggestions, & conclusions reported by email
August 10, 2022	Audit reports completed in current year submitted	Reports from Audit Committee and Board of Directors submitted
August 30, 2022	Internal Audit Report, July 2021.	Audit results, suggestions, & conclusions reported by email
September 29, 2022	Internal Audit Report, August 2021.	Audit results, suggestions, & conclusions reported by email
October 31, 2022	Internal Audit Report, September 2021.	Audit results, suggestions, & conclusions reported by email
November 10, 2022	Internal Audit Report, October 2021.	Audit results, suggestions, & conclusions reported by email
November	Audit reports completed in current year submitted	Reports from Audit Committee and Board of Directors

11, 2022		submitted
December 13, 2022	Internal Audit Report, November 2021.	Audit results, suggestions, & conclusions reported by email

(III) Corporate conduct & differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and causes of difference:

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
I. Has the Company established and disclosed its Code of Ethics and Business Conduct according to the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		The Company's "Code of Ethics and Business Conduct" has been approved and revised by the Board of Directors and disclosed at Company website & MOPS.	None.
II. Shareholding Structure & Shareholders' Rights (I) Has the Company established Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters and implemented them accordingly?	✓		The Company has designated its spokesperson, acting spokesperson, and Department of Shareholders Services to handle shareholders' suggestions, concerns, or disputes. Shareholders can check information and leave remarks on the Company website. Should there be any litigation matters, they will be handled by Company lawyers.	None.
(II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The Company tracks such information by following the Regulations Governing the Administration of Shareholder Services of Public Companies. It also commissions external institutions to help keeping track. Any shareholding changes of insiders (directors & managers) and shareholders holding 10% or more shares will be disclosed at MOPS monthly. The Company also keeps good relationship with investors.	None.
(III) Has the Company established and been maintaining risk management and a "firewall" against its affiliates?	✓		The Company has enacted "Procedures for Monitoring Subsidiaries" to establish and maintain risk management and a firewall against its affiliates.	None.

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
(IV) Has the Company established internal bylaws prohibiting insider trading of securities by capitalizing on undisclosed information?	✓		The Company has enacted “Procedures for Handling Material Information” & “Procedures for Preventing Insider trading”, prohibiting any insider trading by taking advantage of undisclosed information. The Company abides by these procedures when handling/disclosing material information. It also reviews these procedures to meet regulatory demands from time to time. These procedures can be found at Company website.	None.
III. Composition & Responsibilities of Board of Directors (I) Has the Board of Directors established guidelines for its own diversification and implemented them accordingly?	✓		According to Article 20-3 of the Company’s “Guidelines for Corporate Governance Practices”, the diversity factor should be considered when selecting Board members. Directors who are also company managers should not exceed 1/3 of total directors. These guidelines has also been established taking into account the Company’s operations, business type, and future development needs. Criteria for Board diversification include but are not limited to the following 2 major aspects: I. Basic Qualification & Value: Gender, Age, Nationality, and Culture. II. Professional Knowledge & Expertise: professional background (such as law, accounting, industry, finance, marketing, or technology), specific expertise, and industrial experience. All Board members shall preferably possess necessary knowledge, skills and capacities for fulfilling their duties. In order to realize the Company’s ideal goals, all Board members should possess the following capabilities: I. Business Judgment. II. Accounting/financial Analysis. III. Business Administration. IV. Crisis Management. V. Industrial Knowledge. VI. Knowledge of International Markets. VII. Leadership Skill. VIII. Decision-making. For diversification realized by of each director, please refer to Note 1.	None.

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
(II) Is the Company willing to set up other functional committees other than a compensation committee and an audit committee stipulated by law?		✓	The Company has set up its Compensation Committee and Audit Committee. It will set up other functional committees when needed in the future.	None.
(III) Has the Company established procedures and methods to assess Board performance, done regular assessments, reported assessment results to the Board, and used them to decide remuneration and reelection nomination for individual directors?		✓	The Company has enacted "Procedures for Assessment of Board Performance". At least one such assessment will be done every year. Assessment results will be reported to the Board of Directors at the first Board meeting held after the assessment in the next fiscal year. Board performance is assessed on the following 5 aspects: (1) Involvement in the Company's operations. (2) Enhancing the quality of the Board's decision-making. (3) Composition/Structure of Board of Directors. (4) Election & Knowledge Advancement of Directors. (5) Internal Control. Assessment of individual director's performance covers the following 6 aspects: (1) Understanding of the Company's goals and mission. (2) Awareness of director's duties. (3) Involvement in the Company's operations. (4) Internal relationship and communication. (5) Director's professionalism and knowledge advancement. (6) Internal Control. Assessment results of the Board and directors in 2022 reached more than 85% completion rate. All performance indicators showed excellent efficiency and effectiveness. The results were submitted to the Board.	None.
(IV) Does the Company regularly evaluate its CPAs' independence?	✓		No CPAs hired by the Company was a director, manager, employee, or shareholder of it. They were confirmed not being a stakeholder of the Company. The assessment by Its Department of Finance indicated compliance of regulatory requirements. Please refer to Appendix I for assessment criteria of CPA's independence. The Company's Board of Directors regularly assesses an attesting CPA's independence and competence. The 2022	None.

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
			results met all assessment criteria and were reviewed and approved by the Board on November 11, 2022.	
IV. Does the Company appoint competent and a proper number of corporate governance personnel and appoint a corporate governance officer in charge of corporate governance affairs (including but not limited to furnishing information required by directors and supervisors to fulfill their duties, assisting directors and supervisor's compliance of the law, handling matters related to Board meetings and shareholders' meetings, and recording minutes of Board meetings and shareholders' meetings)?	✓		The Company has not yet appointed a corporate governance officer. Its Department of Finance is responsible for the logistics, including the provision of information required by directors, organizing Board meetings and shareholders' meetings, making and changing company registration, and recording meeting minutes. The ''Standard Operation Procedure for Handling Directors' Requests" was adopted by the Board of Directors on May 10, 2019 to help directors fulfill their duties and increase Board effectiveness.	None.
V. Has the Company established communication channels with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and created a Stakeholders Section on the Company website? Does the Company appropriately respond to stakeholders' concerns over material corporate social responsibilities?	✓		There is a Stakeholders Section on the Company website for communicating with stakeholders and responding to FAQ, including those of corporate social responsibilities.	None.
VI. Has the Company appointed a professional stock transfer agent to handle matters regarding shareholders' meetings?	✓		The Company has appointed "Grand Fortune Securities" for matters regarding shareholders' meetings and other stock-related matters.	None.
Information Disclosure (I) Has the Company set up a Website to disclose information regarding	✓		There is a Shareholders Section on the Company website: http://www.jyetai.com to publish a variety of announcements and information on financial matters and	None.

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
financial matters and corporate governance?			corporate governance. The information will regularly be updated for investors' reference.	
(II) Does the Company use other information disclosure methods (e.g. maintaining an English-language website, designating staff to collect and disclose Company information, appointing spokespersons, putting on its website replays of investors conferences etc.)?	✓		The Company has designated appropriate staff for the disclosure of material information on the MOPS and Company websites. It has appointed spokespersons as required by relevant regulations. It holds regular/irregular investor conferences and disclose relevant information on the MOPS and Company websites.	None.
(III) Does the Company announce and report annual financial statements within 2 months after the fiscal year ends, and announce and report the 1st, 2nd, and 3rd quarter's financial statements as well as monthly operating status before the prescribed deadline?	✓		The Company follows regulations stipulated in the Securities and Exchange Act to announce and report annual financial statements within 3 months after the fiscal year ends. As for quarterly financial statements and monthly revenues, all the announcements and reporting have been completed according to relevant regulations.	No difference except that the financial statements were not reported within 2 months after the fiscal year ends.
VIII. Does the Company have other information to help with better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors' continuing education, implementation status of risk management policies and risk evaluation criteria, implementation status of customer relation policies, and purchase of liability insurance	✓		I. Employee Rights and Wellness: 1. The Company protects employee rights according to the Labor Standard Law and other relevant regulations. 2. The Company builds good relationship, mutual trust, and interdependence with employees through substantial and stable compensation and benefits as well as a good continuous education system. e.g.: (1) provides employees with labor and health insurance. (2) The Company allocates funding for employee benefits, organizes an employee benefit committee, regularly holds employee events, and implements other benefit measures.	None.

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
for directors and supervisors)?			(3) Allocates employee retirement funding. II. Investor Relations and Stakeholder's Rights: The Company has appointed its Spokesperson as a communication channel with stakeholders and maintains a Shareholders Section, an Investor Section, and a Corporate Governance Section on its Company website: http://www.jyetai.com to disclose financial, revenue, and corporate governance information. It also holds investors conferences to help investors understand Company operations and future development directions. III. Supplier Relations: The Company has established rules for supplier management in its written internal control system in order to ensure their quality and prices meet Company needs. Internal auditors regularly examine the implementation of these rules. IV. Continuing education/training of directors and supervisors: all the Company's directors and supervisors possess professional backgrounds and business operation experience. They take specialized courses to strengthen their corporate governance capabilities. Please refer to Appendix II for details. V. Implementation Status of Risk Management Policy & Risk Evaluation Criteria: 1. The Company regularly examines and evaluates fair market price changes of financial products it has invested in so as to identify all risks the Company may face (including market risk, credit risk, liquidity risk, and cash flow risk), and help its management team to effectively control and evaluate all these risks. 2. The goal of the Company's risk management is to reach the optimal risk position, maintain an appropriate liquidity position, and centralize management of all market risks by properly taking into account the economic environment, competition situation, and market value risks.	

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
			VI. Implementation Status of Customer Relation Policies: the Company has established for its customers a professional services team and smooth communication channels to maintain good and stable relations with them, understand and carefully resolve customers' complaints, and protect users' rights and interests. VII. Purchase of Liability Insurance for Directors and Supervisors: The Company has purchased D&O insurance from Mingtai Fire & Marine Insurance Co., Ltd. for all directors, supervisors, and executives between July 20, 2022 and July 20, 2023. Total coverage is US$3,000,000 (approximately NT$90,000,000). VIII. Certificate awarded and training courses taken by personnel related to financial information transparency as commanded by authorities: The Company's principal accounting officer has been hired in accordance with relevant TWSE regulations and has been taking more than 12 hours of training courses in accounting, audit, financial management, financial regulations, corporate governance, code of ethics, and corporate responsibilities every year. The training record is reported to authorities. The Company's Audit Officer and Audit staff are all hired following relevant regulations and meet practitioner requirements. They continue to take training courses and report courses taken to authorities. For continuing education/training status of the principal accounting officer and audit officer, please refer to Appendix III.	
IX. Improvements made regarding results of Corporate Governance Evaluation announced by Taiwan Stock Exchange and proposals for further priority improvements. The Company will continue to enhance the effectiveness of its Board of Directors for better functioning; conduct corporate governance assessment aiming at shaping a governance culture; establish a comprehensive platform for connections with				

Assessment Item	Conduct			Differences from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies & causes of difference:
	Yes	No	Summary	
stakeholders to promote shareholder activism; upgrade the disclosure quality of non-financial information; fulfill corporate social responsibilities; and increase information transparency.				

- Other material information regarding corporate governance:

Appendix I: Assessment Criteria of CPA's independence(Results)

The criteria are established by referring to Article 47 of the Certified Public Accountant Act and the 10th announcement on code of ethics by Taiwan CPA Associations on Integrity, Impartiality, and Independence.

Assessment Item	Assessment Results	Independence
1. Are the CPAs directly or indirectly but materially related to the Company's financial interests?	No	Yes
2. Is there any financing or guarantee activities between the CPAs and the Company or its Directors?	No	Yes
3. Are there any close business relationship and potential employment relationship between the CPAs and the Company?	No	Yes
4. Do the CPAs and their audit team members currently serve or have served in the last 2 years as the Company's directors, managers, or staff of material influence to the auditing work?	No	Yes
5. Are the CPAs providing non-audit services to the Company that may affect the auditing work?	No	Yes
6. Are the CPAs acting as agents of stocks or other securities issued by the Company?	No	Yes
7. Have the CPAs been defenders of the Company or acted on its behalf to negotiate disputes with third parties?	No	Yes
8. Are the CPAs related to any of the Company's directors, managers, or staff	No	Yes

Assessment Item	Assessment Results	Independence
of material influence to the auditing work?		

Assessment of Competence

Assessment Item	Assessment Results	
	Yes	No
1. Do the CPAs hold certificates to practice?	✓	
2. Do the CPAs possess relevant knowledge of the industry?	✓	
3. Do the CPAs audit the Company’s financial statements according to auditing standards generally accepted and Regulations Governing Auditing and Attestation of Financial Statements by CPAs?	✓	
4. Has the CPAs used their professional status for improper business competitions?	✓	
No exceptions found in assessment results of aforementioned items.		

Appendix II: Continuing Education/Training of Directors

Title	Name	Date	Number of Hours	Course Name	Host by
Director	Wang, Guan-jung	September 1, 2021	3	The 13th Taipei Corporate Governance Forum	Securities and Futures Institute
		July 27, 2022	2	“Sustainable Development Roadmap” Industry Theme Promotion Conference	Taiwan Stock Exchange
		October 5, 2022	3	2022 Insider Trading Compliance Promotion Conference	Securities and Futures Institute
Director	Li, Wan-yu	November 19, 2019	3	Enhancing Effective Functions of Directors Promotion Conference	Taiwan Stock Exchange
		September 1, 2021	3	The 13th Taipei Corporate Governance Forum	Securities and Futures Institute
Independent Director	Liu, Yu-wen	November 21, 2019	3	Enhancing Effective Functions of Directors Promotion Conference	Taiwan Stock Exchange
		August 4, 2020	3	Shareholders Interests: Management Right Disputes Forum	Corporate Operating & Sustainable Development Association
		October 23, 2020	3	Fubon Insurance Seminar on Supervisor’s Responsibilities and Risk Management	Taiwan Corporate Governance Association
		October 27, 2020	3	Management Right Disputes and Company Act Amendments	Corporate Operating & Sustainable Development Association
Independent	Shih,	August 4,	3	Shareholders Interests:	Corporate Operating &

Title	Name	Date	Number of Hours	Course Name	Host by
Director	Ching-hui	2020		Management Right Disputes Forum	Sustainable Development Association
		October 23, 2020	3	Fubon Insurance Seminar on Supervisor's Responsibilities and Risk Management	Taiwan Corporate Governance Association
		October 27, 2020	3	Management Right Disputes and Company Act Amendments	Corporate Operating & Sustainable Development Association
		September 1, 2021	3	The 13th Taipei Corporate Governance Forum	Securities and Futures Institute
Independent Director	Chang, Chih-chao	September 1, 2021	3	The 13th Taipei Corporate Governance Forum	Securities and Futures Institute

Appendix III Continuing Education/training Status of Principal Accounting officer & audit officer

Title	Name	Date	Course Name	Host by	Number of Hours
Finance Department Manager	Chen, Hua-tze	November 17, 2022 November 18, 2022	Continuing Education Seminar for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Accounting Research and Development Foundation	12
Acting Principal Accounting Officer	You, Tze-guan	November 24, 2022 November 25, 2022	Continuing Education Seminar for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Accounting Research and Development Foundation	12
Internal Audit Officer	Hsieh, Ling-ling	December 6, 2022 December 12, 2022	Practice Changes of Materiality Standards of Misrepresentations of Financial Statements and Affirmation of Director's Accountability The Reading, Analysis, and Application of Financial Statements	Institute of Internal Auditors	12

(IV)Composition, Duties,andOperation of Compensation Committee:

1. Information on Committee Members

Capacity (Note 1)	Criteria / Name	Professional Qualifications & Experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies Concurrently Serving as a Compensation Committee Member	Notes
Independent Director (Committee Chairman)	Liu, Yu-wen	• Chairman of Compensation Committee. • Department of Management, Chungyu Junior College of Business Management. • Sales, David's English Center/Taoyuan. • Director-in-charge, David's English Center/Taichung. • Vice President of Finance, Li Guang Technology International Corp.	(1) Committee chairman, his/her spouse, or relatives within 2nd degree is a director, supervisor, or employee of the Company or its subsidiaries: None. (2) Committee chairman, his/her spouse, or relatives within 2nd degree (or in name of others) holds Company shares: None. (3) Committee chairman is a director or supervisor, or being an employee of companies with specific relations with the Company (as prescribed in Article 6-1.5~8 of Regulations Governing the Establishment and Exercise of Powers by the Compensation Committee of a TWSE/GTSM Listed Company): None. (4) Committee chairman has received compensation for providing commercial, legal, financial, accounting services to the Company or its subsidiaries within the preceding 2 years: None.	None	None
Independent Director	Chang, Chih-chao	• Sales Manager of Bino International Co., Ltd. • Sales Director of Sun Ten Pharmaceutical Co., Ltd. • Chao Yii International Co., Ltd.		None	None
Independent Director	Shih, Ching-hui	• PH. D., Graduate Institute of International Business Administration, Chinese Culture University • Associate Professor, Department of Computer Science & Information Engineering, Asia University • Supervisor, Hwa Kang Arts School • Adjunct Associate Professor, Department of Accounting, Chinese Culture University • Associate Professor, Department of Computer Science & Information Engineering, Asia University		None	None

2. Compensation Committee Operation Status

(1) The committee is comprised of 3 members.

(2) Term of Current Members: June 15, 2020 to June 14, 2023. The Committee convened 2 meetings (A) during the latest fiscal year (2022). Qualifications & attendance status of committee members are as follows:

Title	Name	Attendance by person (B)	By Proxy	Actual Attendance Rate (%) (B/A)	Notes
Committee Chairman	Liu, Yu-wen	2	0	100%	None
Committee	Chang, Chih-chao	2	0	100%	None

Member					
Committee Member	Shih, Ching-hui	2	0	100%	None

Meeting Date	Proposals Discussed by Compensation Committee	Opinions of Committee Members	Actions Taken by the Company regarding Compensation Committee Opinions
March 30, 2022	1. Reexamination of bylaws governing remuneration of the Company's directors and managers. 2. Compensation distribution plans of 2021 for employees and directors .	Unanimously passed by all attending committee members.	Recommendation submitted to one of the Board of Directors meetings and was approved by all attending members.
August 10, 2022	1. Compensation distribution plan of 2021 for all directors. 2. Employee compensation distribution plan of 2021 for managers. 3. Performance Bonus for general managers of subsidiaries	Unanimously passed by all attending committee members.	Recommendation submitted to one of the Board of Directors meetings and was approved by all attending members.

Annotations:

1. If the Board of Directors disapproves or revises recommendations of the Compensation Committee, the Board meeting date, term, recommendations discussed, final Board resolutions, and responses to the Compensation Committee's opinions should be disclosed (e.g. when compensation plans approved by the Board are superior to those suggested by the Committee, the differences and their reasons should be explained): none.
2. If any member of the Compensation Committee holds dissenting or qualified opinions with recorded or written statements regarding any Committee resolutions, the meeting date, term, proposals discussed, all members' opinions, and responses to the opinions should be disclosed: none.

(V) Implementation status of promoting sustainable development and the differences between the "Sustainable Development Code of Practice of TWSE/GTSM Listed Companies" and that of the Company as well as reasons for the differences.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences with the "Sustainable Development Code of Practice of TWSE/GTSM Listed Companies" and the causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>I. Does the Company have a governance structure for sustainable development and a unit to specifically (concurrently) promote it while the Board of Directors authorizes senior management to be responsible for and the Board supervises the implementation?</td><td></td><td>V</td><td>Although the Company has not yet established a "Sustainable Development Committee", the Board of Directors profoundly recognizes the necessity and will soon discuss setting up such a committee.</td><td>A proposal will be made for the Board to discuss in the near future.</td></tr>
<tr><td>II. Does the Company, based on the materiality principle, conduct risk assessment of environmental, social and corporate governance (ESG) issues related to its operations, and has established risk management</td><td>V</td><td></td><td>The Company has combined relevant data from all departments to assess material ESG issues and established risk management policies for effective identification, measurement, monitoring, and control of such risks. The Company also has adopted action plans to reduce the effects of ESG risks. According to results of risk assessment, the Company has established the following risk management policies:
<table><tr><th>Material Issue</th><th>Risk Assessment Item</th><th>Explanation</th></tr><tr><td>Environment</td><td>Environmental</td><td>1. The Company</td></tr></table></td><td>None</td></tr>
</table>

policies?					Risk	continues to educate employees for higher environmental protection awareness. 2. The Company pushes for reducing wastes and waste water and power conservation to lessen environmental impacts made by the Company's operations.		
				Society	Occupational Safety	1. The Company conducts fire safety checks and drills to strengthen employee awareness of occupational safety and prevent any occupational hazards. 2. The Company regularly reviews safety and health regulations in effect to revise its internal bylaws and inform all units so that they can abide by the bylaws.		
				Corporate Governance	Regulatory Compliance	1. The Company ensures all its personnel and		

					operations comply with laws and regulations by establishing a corporate governance unit and implementing internal control procedures. 2. The Company provides suggestions for Directors' continuing education/training and informs them of any latest revisions of laws/regulations, system developments, and policies. 3. The Company has purchased liability insurance for Directors for possible future litigations and indemnity claims.		
				Communication with Stakeholders	1. A variety of channels have been established for active communications and reduction of oppositions and misunderstandings. 2. There is an email account specially		

			set up for investors to handle and respond to concerns of stakeholders.	
III. Environmental Issues (I) Has the Company established an environmental management system suitable for its industrial nature?		V	The Company will concurrently discusses for an appropriate environmental management system when it sets up a sustainable development committee.	The system will be established after discussions in the near future.
(II) Is the Company committed to improvement of energy efficiency and usage of renewable materials to lower impacts on the environment?	V		The Company belongs to the creative industries. Therefore, it produces substantially less operational wastes and consumes substantially less energy than the manufacturing industries. However, the Company still promotes concepts of waste reduction and energy conservation and holds activities to facilitate compliance by its staff.	None
(III) Does the Company evaluate potential risks and opportunities of current and future climate changes and take responsive measures?	V		Other than actively saving energy and cutting down carbon emissions in the office area, the Company also evaluates climate change impacts and responds by readjusting its short, medium, long-term governance policies for related issues.	None
(IV) Has the Company been collecting data on greenhouse gas emission, water usage level, and total waste weight in the past two years and formulate reduction policies or other waste management policies?		V	The Company has not yet collected data on greenhouse gas emission, water usage level, and total waste weight in the past two years. However, it will take necessary measures in the future to react to international trends and domestic government requirements.	Proposals for taking actions on related issues will be discussed in the near future.
IV. Social Issues (I) Does the Company have policies and	V		The Company abides by local labor laws and regulations. It supports and adheres to human rights norms and principles such as the *International Bill of Human Rights,*	None

procedures for managing social matters that follow relevant regulations and internationally recognized human rights principles?			the *United Nations Global Compact*, and the International Labor Organization's *Declaration on Fundamental Principles and Rights at Work* in order to forestall human rights violations and improve management of related issues. Specific measures taken are as follows: 1. The Company has forbidden all its units from child labor and forced labor and demanded no discrimination, bullying, and harassment. It implements a comprehensive leave system and encourages balance of work and life. 2. The Company takes seriously employee safety and health. It has established "Safety and Health Rules for Employees" and its "Work Rules" stipulates that employees pay attention to and abide by all working rules in order to maintain a safe and healthy working environment.	
(II) Has the Company planned and implemented reasonable employee welfare measures (including compensation, leave and other benefits) and appropriately reflected operational performance or achievements on employees compensation?	V		The Company has planned and implemented reasonable employee welfare measures and appropriately reflected operational performance or achievements on employees compensation: 1. Employee Compensation Policy: Compensation for each employee is decided by personal capabilities, contributions to the Company, personal performance, market value of the position, and consideration of future operational risks. In a year when the Company makes profits, no less than 2% of the earnings shall be allocated for employees compensations. The basic compensation of an employee mainly includes basic salary, bonus, and benefits. The payment standards for basic salary and benefits are decided by market value of the position held by an employee. Employee bonus is linked to achieving goals of each employee and his/her department as well as Company operational performance. 2. Leave System: The Company has a comprehensive leave system designed in accordance with local labor laws and regulations. It is included in the "Work Rules" to inform employees. 3. Benefits: based on regulatory stipulations and employee	None

			needs, the Company employees enjoy benefits such as parking lot, nursing room, health examination, profit sharing, marriage/childbirth/funeral subsidies, parental leave, etc. 4. Retirement System: The Company's retirement system totally agrees with the Labor Standards Act and the Labor Pension Act. An employee may apply for retirement if he/she is 55 years old and has served in the Company for at least 15 years or 60 years old for 25 and 10 years. A monthly contribution equal to 6% of each employee's monthly salary is paid to his/her pension account. 5. Diversity and Equal Treatment: The Company pays equal compensation for equal work. All employees have equal promotion opportunities. Each employee holds a position appropriate for himself/herself and may become a manager.	
(III) Does the Company provide employees with a safe and healthy working environment and conduct regular safety and health training?	V		1. In order to ensure a healthy and safe working environment for the employees during the COVID-19 pandemic, the Company sterilizes its offices once per quarter. 2. The Company has established "Safety and Health Rules for Employees" and stipulates in its "Work Rules" that employees pay attention to and abide by all working rules in order to maintain a safe and healthy working environment.	None
(IV) Has the Company established effective career development training plans?	V		The Company provides diversified functional training courses for all its managers and employees, including new employee orientation, professional advancement training, and management training, so that they may continue to grow and develop key capabilities.	None
(V) Does the Company's products and services comply with related regulations and international standards on customers' health	V		1. The Company has set rules for protecting and managing personal data. All its units are responsible for managing and protecting customers' privacy. Through internal auditing, crisis prevention, education/training, and awareness promotion, customers' personal data will be protected. 2. The Company has assigned specific Sales Department staff to provide services to costumers and actively understand their satisfaction and resolve their	None

and safety, privacy, marketing, and labelling? Has it formulated policies and appeal procedures to protect consumers' or customers' rights?			complaints to protect customers' material interests.	
(VI) Has the Company formulated a supplier management policy and requested suppliers to comply with relevant standards on environmental, occupational safety and health, or human rights issues? What is the implementation status?	V		1. Before doing business with any supplier the Company would consider its pollution prevention, waste handling, energy conservation, carbon reduction, hazard material control, sanitary condition, and employee health and sanitation. Suppliers will be assessed by these standards and only qualified suppliers may do business with the Company in order to reduce the impact on the environment. 2. Before signing a contract with a supplier, the Company will consider its implementation of corporate social responsibilities, good faith, human rights practices, occupational safety and health practices, and waste handling. The Company plans to include these considerations in the supplier contract.	None
V. Does the Company refer to international reporting rules or guidelines to compile its sustainability report to disclose non-financial information? Has the aforementioned report received third		V	The Company has not yet compiled a sustainability report. It plans to do so in the future when the Board of Directors passes such a resolution and will adjust the report content according to changes of its size and industries.	The Company will compile the report and adjust its content according to changes.

party verification or statement of assurance?				
VI. If the Company has established its sustainable development code of practice according to the "TWSE/GTSM Listed Companies Sustainable Development Code of Practice", please describe its operational status and differences between the 2 codes: The Company has not yet established its sustainable development code of practice. In the future it will do so and design a management system for related matters when it sets up a "Sustainable Development Committee".				
VII. Other material information to facilitate understanding of the Company's implementation of sustainable development: None.				

(VI)Implementation Status of Ethical Corporate Management and Measures Taken:

Assessment Item	Conduct			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies & causes of difference:
	Yes	No	Summary	
I. Establishment of Ethical Corporate Management Policy and Implementation Plan (I) Does the company have an ethical corporate management policy approved by its Board of Directors and clearly state in its rules/procedures and publicly available documents its ethical management policy, measures, and commitment to implementing the policy by the Board of Directors and the top management team ?	✓		The Company has clearly stated in its human resources management rules, code of ethical corporate management, and code of ethical conduct its relevant policy and measures. The directors and managers are committed to implementing the policy. The Board of Directors also actively implements the policy by adding a recusal system in the "Board Meeting Procedures" that a director or the representative of an institutional director shall not take part in discussion and voting when there is a conflict of interest.	None.
(II) Does the Company have an assessment mechanism for the risk of unethical conduct; regularly analyze and evaluate business activities with a higher risk	✓		The Company clearly requires in its Employee Code of Ethics and Ethical Corporate Management Principles that each employee shall abide by the honest and clean principle and faithfully interact with	None.

Assessment Item	Conduct			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies & causes of difference:
	Yes	No	Summary	
of unethical conduct in its operational sphere; and have designed a program to prevent unethical conduct, which contains at least prevention measures against behaviors prescribed in Article 7-2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?			customers, investors, coworkers, suppliers and any individual they have contact with. The employees are strictly forbidden to accept any improper gifts or hospitality. The Company has an informer system to prevent unethical conduct. It treats seriously all proven unethical cases. Violators will receive severe punishment such as ending the employment or business relationship and the Company will take legal actions when appropriate.	
(III) Are there procedures, guidelines, and a penalty/appeal system in the Company's implementation plan to prevent unethical conduct? Is the plan duly enforced and regularly reviewed and revised?	✓		The Company's directors, supervisors, managers, and employees are strictly prohibited to directly/indirectly provide, commit, ask for, or accept any improper gains and should not do anything that violates the law, the ethics, or their entrusted duties. To ensure reaching the goals of providing correct, reliable, and timely financial and operational information as well as employees' compliance of rules and regulations, the Internal Auditor will conduct audits according to the annual audit plan approved by the Board of Directors. Audit results and suggested follow-up improvements will be reported to the Board and the Management.	None.
II. Ethic Management Practice (I) Does the Company assess the ethical records of those it has business relationship with and include in contracts signed with them ethics-related clauses?	✓		The Company does business activities by adhering to the ethical and legal principles. Internally, it advises its staff not to take or offer any bribery during business activities. Externally it clearly requests compliance of the ethical principles in contracts signed with vendors.	None.
(II) Does the Company have an unit under the Board of Directors dedicated to	✓		The General Manager's Office is concurrently responsible for implementing ethical corporate	None.

Assessment Item	Conduct			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies & causes of difference:
	Yes	No	Summary	
promoting ethical corporate management and regularly (at least once per year) reports to the Board of Directors on the implementation status of relevant policy, measures, and its supervision work?			management. All units of the Company abide by relevant best practices when fulfilling their functions. A specific unit for ethical corporate management will be appointed in the future.	
(III) Has the Company formulated policies to prevent conflict of interests, provide appropriate communication channels, and implement them properly	✓		There is a recusal system in the Company's "Board Meeting Procedures". A director or the representative of an institutional director shall state the material stakes between the Company and them. They can express opinions and answer questions but cannot take part in discussions and vote for themselves or on behalf of other directors when there is a conflict of interest.	None.
(IV) To implement relevant policies on ethical conduct, has the Company established effective accounting and internal control systems, made audit plans based on risk assessment results of unethical conduct, and audit the compliance status of its prevention of unethical conduct measures or has it audited by CPAs?	✓		The Company has established accounting and internal control systems. The systems and all revisions to them have been approved by Board meetings. The Company also has set up an Internal Audit unit and hired CPAs for auditing. All audit results and follow-up improvement recommendations have been reported to the Board of Directors and the Management for them to know how internal control has been implemented and to achieve management goals.	None.
(V) Does the company organize internal and external ethical conduct training sessions on a regular basis?	✓		The Company held in 2022 internal and external training sessions on ethical corporate management issues (including regulatory compliance, the accounting system, and internal control). Attendance was 14 persons and 66 hours.	None.
III. Operational Status of Informer System (I) Does the company have a	✓		All persons related to the Company operations can inform any fact of unethical conduct of a Company	None.

Assessment Item	Conduct			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies & causes of difference:
	Yes	No	Summary	
specific informing and rewarding system and conveniently accessible informing channels and specifically designate staff to handle the person being informed against?			member through the following channels: Internal: direct supervisor or the employee complaint box. External: when an informing case is found in the independent directors complaint box, the investigation process will begin. Specifically designated staff and the audit unit will form a committee to do the investigation.	
(II) Has the company established standard operation procedures for accepting and investigating the reported cases and measures to ensure confidentiality of such cases?	✓		The Company has set up operation procedures, designated a responsible unit to handle reported cases, and explained the investigation process in its “Rules for Handling Reported Illegal/Unethical Conduct”. Confidentiality of personal data is guaranteed. Retaliation against colleagues is strictly forbidden.	None.
(III) Has the Company adopted measures to protect an informer from any improper treatment for whistleblowing?	✓		The Company takes responsibility for keeping the informer in secret. The system is written in the Company bylaws.	None.
IV. Enhancement of Information Disclosure Does the company disclose its principles of ethical corporate management and the implementation results on its website and MOPS	✓		The Company’s code of practice for ethical corporate management has been disclosed on its website.	None.
V. If the Company has established its code of practice for ethical corporate management according to the “TWSE/GTSM Listed Companies Sustainable Development Code of Practice”, please describe its operational status and differences between the 2 codes: The Company’s relevant code of practice has been drawn up, approved by the Board of Directors, implemented, and disclosed on Company website and MOPS for employees to follow.				
VI. Other material information to facilitate understanding of the operational status of the Company’s code of practice for ethical corporate management: The Company requests all its people from top to bottom to faithfully abide by all laws and regulations. There is a special section in its bylaws to ensure ethical corporate management and legal compliance.				

(VII) Where to find corporate governance code of practice and relevant rules:

The Company has disclosed its corporate governance code of practice and relevant rules on its website: https://langinc.com.tw/

(VIII) Other material information to facilitate understanding of the operational status of the Company’s corporate governance code of practice:

The Company regularly/irregularly communicates with attesting CPAs on financial statement auditing and implementation of internal control.

The Company has established Insider Trading Prevention Procedures for managing material information according to Article 157-1.5 & 6 of the Securities and Exchange Act and for disclosure of such information according to the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

To prevent insider trading, all individuals who know material internal information of the Company shall trade its securities according to Article 157-1 of the Securities and Exchange Act. The Company also has established an internal control system to proclaim and inform employees, managers, and directors lest they violate relevant laws and regulations or do insider trading.

(IX) Disclosure Items of Implementation Status of Internal Control System:

1. Statement on Internal Control

Lang Inc.

Statement on Internal Control System

Date: March 15, 2023

The Company states as follows the results of its Control Self Assessment in 2022:

I. The Company realizes it's the responsibility of the Board of Directors and the Management to establish, implement, and maintain an internal control system. The Company has established such a system. The system is designed to provide reasonable assurance for the effectiveness and efficiency of Company operations (including profitability, performance and safety of assets), reliability, timeliness, transparency, and compliance of its reporting, as well as compliance of applicable laws and regulations.

II. Any internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the aforementioned 3 objectives. And the effectiveness of the internal control system may change due to changes in the business environment and circumstances. The self-monitoring mechanism in the Company's internal control system will identify defects and the Company will take corrective actions at once.

III. The Company judges the effectiveness of the design and implementation of its internal control system based on the criteria prescribed in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations have identified 5 key components for conducting internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component includes several items. Please refer to the Regulations for these items.

IV. The Company has evaluated the effectiveness of design and implementation of its internal control system according to the aforementioned components.

V. Based on results of the above-mentioned assessment, the Company believes that, up until December 31, 2022, its internal control system had been effective (including supervision and management of subsidiaries) and provided reasonable assurance for progress of operational effectiveness and efficiency, for reliability, timeliness, transparency and regulatory compliance of reporting, and for compliance with applicable laws and regulations.

VI. This Statement is an integral part of the Company's annual report and prospectus and is to be disclosed. Any falsehood, concealment, or other illegality in the above-mentioned disclosed statement will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

VII. This Statement was passed by the Board of Directors in their meeting held onMarch 15, 2023.with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Lang Inc.

Chairman: Wang, Guan-jung, Signature

General Manager: Wang, Guan-jung, Signature

2. If a company hires a CPA to audit its internal control system, the audit report should be disclosed: not applicable.

(X) Penalties imposed for violation of laws or regulations on the Company or its employees, or Company punishment against employees for violating internal control rules, or material defects and improvements in the current year and as of the publication date of this Annual Report: there have been no material defects.

(XI) Material Resolutions of Shareholders' Meetings and Board Meetings in 2022 and as of Publication Date of Annual Report:

1. Material Resolutions of Shareholders' Meetings in 2022 and as of the Publication Date of this Annual Report:

Meeting	Date	Material Resolutions	Follow-up Actions
Shareholders' Meeting	June 22, 2022	1. Approval of the Company's 2021 business report and financial statements.	For details, please refer to the 2021 data listed in Appendix 3.
		2. Approval of the Company's 2021 earnings distribution p.	The earnings will be reserved and not distributed as shareholder dividends for considerations of business needs.
		3. Passed of amendments to the Company's "Articles of incorporation.	The revisions have been made according to this resolution and are being implemented.
		4. Passed amendments to the Company's "Procedures for Acquisition/Disposal of Assets".	The revisions have been made according to this resolution and are being implemented.
		5. The Company plans to issue 2022 common shares and domestic convertible bonds with warrants by private placements.	Due to the approaching one-year deadline and ongoing planning for the related project, the execution has been halted as it has not been completed.
		6. The Company plans to issue common shares by book building to increase capital.	Due to the approaching one-year deadline and ongoing planning for the related project, the execution has been halted as it has not been completed.

2. Material Resolutions of Board of Directors Meetings in 2022 and as of the Publication

Date of this Annual Report:

Date	Meeting	Material Resolutions	Implementation Status
March 30, 2022	Board of Directors	1. Approved remuneration plans for directors and managers. 2. Approved 2021 earnings distribution plans for employees and directors. 3. Passed the resolution that account receivables from Dove Media Co., Ltd., Shanghai, to Lang Inc. subsidiary, ShineRay, would be listed as 100% bad debt allowance. 4. Approved 2021 Business Report and consolidated & individual financial statements. 5. Approved 2021 profit distribution plans. 6. Passed the resolution that no 2021 earnings would be distributed as cash dividends. 7. Passed a resolution regarding whether account receivables from Subsidiary ShineRay when overdue after 3 months, the regular credit term, should be treated as funding loans. 8. Approved 2021 “Effectiveness Assessment of Internal Control System” and “Statement of Internal Control System” of the Company. 9. Passed the resolution to sue Liu, Chung-yi, former Lang Inc. chairman, for reparation of company losses and clarification of legal accountability. 10. Passed the resolution of Subsidiary ShineRay Co., Ltd. for lending capital to 100%-owned Subsidiary of the Company, PlayOne Co., Ltd. 11. Passed amendments to the Company’s “Procedures for Acquisition/Disposal of Assets”. 12. Approved the Company’s plan to issue 2022 common shares and domestic convertible bonds with warrants by private placements. 13. Passed the resolution to make donations for the establishment of the “Lang Charity Foundation” in Hualien County”. 14. Passed amendments to the Company’s “Articles of Incorporation”. 15. Passed the resolution to convene the 2022 Annual Shareholders’ Meeting.	Executed According to Resolution
May 10, 2022	Board of Directors	1. Resolved not to execute for the remaining period the plan adopted by the 2021 Shareholders’ Meeting to issue common shares and domestic convertible bonds with warrants by private placements. 2. Approved amendments to the Company’s “Articles of Incorporation”. 3. Approved the Company’s follow-on offering plan to issue common shares by book building. 4. Passed the resolution of Subsidiary ShineRay Co., Ltd. for lending capital to 100%-owned Subsidiary of the Company, PlayOne Co., Ltd. 5. Passed the plan of Subsidiary ShineRay Co., Ltd. for cash capital increase to one of its subsidiaries through ShineRay Media Co. Ltd., Hong Kong. 6. Passed the revised resolution to convene the 2022 Annual Shareholders’ Meeting.	Executed According to Resolution Executed According to Resolution

Date	Meeting	Material Resolutions	Implementation Status
August 10, 2022	Board of Directors	1. Approved the distribution of 2021 remuneration for all directors. 2. Approved the distribution of 2021 employee compensation for managers. 3. Approved performance bonus for General Manager. 4. Passed the proposal to set up a committee to evaluate & review investments in creative industries. 5. Passed the resolution to draft guidelines for setting up the committee for evaluation & review of investments in creative industries. 6. Approved the proposal to revise the "Authorization Table". 7. Approved amendments to the Company's "Guidelines for Investment Cycles". 8. Approved measures to fulfill working capital needs of Jye Tai Precision Technology Co., Ltd., Wuhu.	Executed According to Resolution
October 12, 2022	Board of Directors	1. Approved the proposal for the Company to purchase operational properties. 2. Approved the line of credit for the Company to seek bank loans to purchase the properties. 3. Approved the line of credit for the Company to seek bank loans for working capital. 4. Approved the line of credit for bank loans of the subsidiary ShineRay Co., Ltd. (ShineRay).	Executed According to Resolution
November 11, 2022	Board of Directors	1. Approved the assessment of independence of attesting CPA services. 2. Approved the Company's 2023 audit plan. 3. Approved the establishment of a 100%-owned subsidiary in Singapore 4. Approved the "Procedures for Lending Funds to Other Entities" of the subsidiary Jye Tai Electronics Ltd. 5. Passed the resolution that the 100%-owned subsidiary Jye Tai Electronics to lend funds to its subsidiary Jye Tai Electronics, Wuhu. 6. Pass the resolution to set up the position of Information Safety Officer. 7. Passed amendments to the Company's "Procedures for Material Information Management". 8. Approved the non-assurance services to be provided by KPMG in 2023.	Executed According to Resolution
November 11, 2022	Board of Directors	1. Passed the resolution to reelect Company Chairman.	Executed According to Resolution
January 10,2023	Board of Directors	1. Approval of the Principles of the 2022 Year-end Bonus Distribution of the Company. 2. Approval of the Salary Compensation Proposal for the Chairman and Managing Director of the Company. 3. Approval of the 2023 Operations Plan of the Company.	Executed According to Resolution

Date	Meeting	Material Resolutions	Implementation Status
March 15,2023	Board of Directors	1. Approval of the company’s 2022 business report, and the consolidated financial statements and individual financial statements. 2. Approval of the company’s Distribution of 2022 Profits. 3. Approval of the company’s Employees' and Directors' Remuneration for the Year 2022. 4. Approval of the Status of the Cash Dividends without Surplus distribution for the Year 2022 of the company. 5. Approval that the “issuance of employee stock option certificates and the related procedures” approved in the board meeting on December 21, 2021, will not be conduct. 6. Approval of the "Statement of Internal Control System" for the fiscal year 2022 of our company. 7. Approval of the bank financing limit for the purchase of the company's office building. 8. Approval of the donation by the subsidiary, ShineRay Co., Ltd., to the "Lang Charity Foundation" in Hualien County". 9. Approval of cash capital increase plan for Hong Kong ShineRay Co., Ltd. by the company's subsidiary, ShineRay Co., Ltd. 10. Approval of the appointment of the company's audit supervisor. 11. Approval of The Reelection of The company’s Directors, including the Independent Directors. 12. Approved the convening of 2023 annual general meeting of shareholders of the company.	Executed According to Resolution
April 25,2023	Board of Directors	1. Approval of the roster of candidates for nomination of directors (including independent directors). 2. Approval that Private Placement of Common Stock and Domestic Secured Convertible bonds approved by the 2022 Annual General Meeting of Shareholders, will not be processed during the remaining period. 3. Approval of the Amendment on Articles of the Rules of Procedure for Shareholder Meetings 4. Approval of the conduct of Private Placement of	Executed According to Resolution

Date	Meeting	Material Resolutions	Implementation Status
		Common Stock and Domestic Secured Convertible bonds by the company for the year 2023. 5. Approval of the situation of domestic cash capital increase and issuance of common stock by book building approved by the 2022 Annual General Meeting of Shareholders 6. Approval of the conduct of the domestic cash capital increase and issuance of common stock by book building by the company. 7. Approval of Releasing the Prohibition on Directors from Participation in Competitive Business. 8. Approval of Amendments to the Company's internal control system. 9. Approval of the Proposal to add items for convening 2023 Annual General Shareholders' Meeting of the company.	

(XII) In 2022 and as of Publication Date of this Annual Report any material Board meeting resolutions with dissenting opinion from any director or supervisor by written or otherwise recorded statements: there was no such resolutions in 2022.

(XIII) Resignation or dismissal of Company chairman, general manager, and the principal officer of the accounting, finance, internal audit, Corporate Governance Officer, and R&D units in 2022 and as of the publication date of this Annual Report:

Title	Name	On-board Date	Resignation Date	Reasons for Resignation/Dismissal
Chairman	Chiu, Chien-cheng	June 27, 2017	November 11, 2022	Because of a tight personal schedule
Internal Audit Officer	Kao, Wei-hung	March 29, 2021	November 8, 2022	To pursue personal career development

V. Information on CPAs' Audit Fees

Unit: NT$1000

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees (Note)	Total	Notes

KPMG	Lin, Heng-Sheng	2022.01.01-2022.12.31	3,600	342	3,942	1
	Yang, Shu-Chi	2022.01.01-2022.12.31				

Note 1: Mainly related to tax certification, tax consulting services, and issuance of material difference statements for fiscal and tax audits.

(1) Where the non-audit fees paid by the Company to the CPAs, the CPA firm at which the CPAs work, and the CPA firm's affiliates account for 25% or more of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: N/A.

(2) If the CPA firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount and ratio of the decrease in the audit fees and the reason thereof shall be disclosed: N/A.

(3) When the audit fees paid for the current year are lower than those paid for the prior year by 15% or more, the amount and percentage of the decrease and thereof shall be disclosed :N/A.

V. Information on Changing of CPA: N/A.

VI. Where the chairman, general manager, chief financial officer, or chief accounting officer have been employed by the accounting firm or its affiliates in the most recent year: None.

VII. The changes in the transfer or pledge of equity shares by directors, supervisors, managers, or shareholders holding more than 10% of the shares issued by the Company in the most recent year and up to the publication date of this annual report.

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

Unit: Shares

Title	Name	2022		April 9, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares held	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares held
Corporate director	Yungmei Investment Co., Ltd. (Inaugurated on 2017/06/27)	-	26,000	-	-
Corporate director	Chan Yeh Investment Company Limited (Inaugurated on 2020/06/15)	-	-	-	-
Juristic person of the Chairman Representative	Hsiao, Che-ying (Inaugurated on 2022/11/11)	-	-	-	-
Juristic person of the board Representative	Wang, Guan-jung (Inaugurated on 2020/06/15)	(150,000)	(100,000)	-	-
Juristic person of the board Representative	Chairman Ma, Yung-rui (Inaugurated on 2020/12/8)	-	-	-	-
Juristic person of the board Representative	Li, Wan-yu (Inaugurated on 2018/03/30)	-	-	-	-
Independent Director	Chang, Chih-chao (Inaugurated on 2018/06/29)	-	-	-	-
Independent Director	Liu, Yu-wen (Inaugurated on 2018/06/29)	-	-	-	-

Title	Name	2022		April 9, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares held	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares held
Independent Director	Shih, Ching-hui (Inaugurated on 2020/06/15)	-	-	-	-
Manager/Finance and Accounting Supervisor	Chen, Hua-tze (Inaugurated on 2018/11/13)	-	-	-	-

(II) Information on share transfer: Not applicable.

(III) Information on pledged share transfer: Not applicable.

VIII. Relationship information among the top ten shareholders based on the shareholding ratio:

April 30, 2022：Unit: Shares

Name	Shares Held by Individual		Shares Currently Held by Spouse and Minors		Shares Held in Name of Others		Names or relationships of related parties among the top ten shareholders, including spouses, relatives within the second degree.		Note
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relationship	
Deng,Zi-fang	1,651,000	3.10%	0	0%	0	0%	None	None	None
Chen,Shi-zhi	1,400,000	2.63%	0	0%	0	0%	None	None	None
Qiu,Jian-cheng	1,340,000	2.52%	0	0%	0	0%	None	None	None
Xiao,Yi-ren	906,645	1.70%	0	0%	0	0%	None	None	None
Lin,Jing-yao	766,000	1.44%	0	0%	0	0%	None	None	None
Wang,Guan-zhong	670,000	1.26%	0	0%	0	0%	None	None	None
Liao,Meng-zhu	561,000	1.05%	0	0%	0	0%	None	None	None
Zhou,Ding-xin	530,000	1.00%	0	0%	0	0%	None	None	None
Lin,Jia-hong	510,000	0.96%	0	0%	0	0%	None	None	None

Name	Shares Held by Individual		Shares Currently Held by Spouse and Minors		Shares Held in Name of Others		Names or relationships of related parties among the top ten shareholders, including spouses, relatives within the second degree.		Note
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relationship	
HSBC Bank (Taiwan) Limited, Trustee Services	363,000	0.68%	0	0%	0	0%	None	None	None

IX. Numbers & total percentage of shares reinvested in another company by its directors, supervisors, management, & directly or indirectly owned subsidiaries

April 28, 2023 : Unit: Shares

Investee	The Company's Investment		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Comprehensive investment	
	Shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Wu, Yi- Wan Investment Co., Ltd.	6,000,000	100	-	-	6,000,000	100
JYE TAI PRECISION INDUSTRIAL (B.V.I.)CO.,LTD.	1,701	100	-	-	1,701	100
JYE TAI Eelectronics LTD.	12,304,568	100	-	-	12,304,568	100
Wuhu Jietai Precision Industry Limited Company	(Note)	100	-	-	(Note)	100
Flagwin Technology Co., Ltd.	600,000	30	-	-	600,000	30
ShineRay Co., Ltd.	25,000,000	100	-	-	25,000,000	100
PlayOne Co., Ltd.	2,750,000	91.67	-	-	2,750,000	91.67
Bubu Co., Ltd.	7,500,000	100	-	-	7,500,000	100
Hong Kong ShineRay Co., Ltd.	910,000	100	-	-	910,000	100
Shanghai Langhong Culture Media Co., Ltd.	(Note)	100	-	-	(Note)	100

Note: Not applicable, the Company is not a joint stock limited company with unissued shares.

Four. Fundraising

I. Capital and Shares

(I) Capitalization

Unit: NT$1,000/1000 shares

Month/ Year	List price	Authorized Share Capital		Paid-in Share Capital		Notes		
		Shares	Amount	Shares	Amount	Capitalization	Paid by Non-cash Property	Other
April 1973	10	20	200	20	200	Cash Paid as Share Capital	None	
June 1987	10	1,500	15,000	1,500	15,000	Cash Capital Increase 14,800	None	Effective Date: June 30, 1987 Ref. No. of Approval: Chienyitzi 178998
November 1993	10	2,900	29,000	2,900	29,000	Cash Capital Increase 14,000	None	Effective Date: December 3, 1993 Ref. No. of Approval: Chienyitzi 801263
September 1996	10	7,000	70,000	7,000	70,000	Cash Capital Increase 41,000	None	Effective Date: September 16, 1996 Ref. No. of Approval: 85ChienIIIchatzi 231486
December 1997	10	14,000	140,000	14,000	140,000	Cash Capital Increase 70,000	None	Effective Date: February 10, 1998 Ref. No. of Approval: Ching(87)shangtzi 102240
June 1998	10	36,500	365,000	36,500	365,000	Cash Capital Increase 162,000 Capitalization from Earnings 63,000	None	Effective Date: July 23, 1998 Ref. No. of Approval: (87)Taichaicheng(I) 59552
July 1999	10	47,450	474,500	47,450	474,500	Capitalization from Earnings 99,645 Capitalization from Capital Reserves 9,855	None	Effective Date: July 26, 1999 Ref. No. of Approval: (88)Taichaicheng(I) 69701
November 2000	10	57,500	575,000	57,500	575,000	Capitalization from Earnings 94,900 Capitalization from Employee Bonus 5,600	None	Effective Date: July 11, 2000 Ref. No. of Approval: (89)Taichaicheng(I) 59924
November 2001	10	96,000	960,000	67,300	673,000	Capitalization from Earnings 92,000 Capitalization from Employee Bonus 6,000	None	Effective Date: October 25, 2001 Ref. No. of Approval: (90)Taichaicheng(I) 164957
June 2002	10	96,000	960,000	74,257	742,570	Capitalization from Earnings 60,570 Capitalization from Employee Bonus 9,000	None	Effective Date: June 28, 2002 Ref. No. of approval: (91)Taichaicheng(I) 135532
April 2003	10	96,000	960,000	76,111	761,113	New Common Shares Issued for Convertible Bonds 18,543	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
July 2003	10	115,000	1,150,000	76,313	763,134	New Common Shares Issued for Convertible Bonds 2,021	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
October 2003	10	115,000	1,150,000	78,795	787,956	Capitalization from Earnings 14,719 Capitalization from Employee Bonus 10,000 New Common Shares Issued for Convertible Bonds 104	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184 Effective Date: August 19, 2003 Ref. No. of Approval: Taichaichengyi 0920137445
January 2004	10	115,000	1,150,000	79,517	795,175	New Common Shares Issued for Convertible Bonds 7,219	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
April 2004	10	115,000	1,150,000	86,336	863,357	New Common Shares Issued for Convertible Bonds 68,181	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
August 2004	10	115,000	1,150,000	89,603	896,030	New Common Shares Issued for Convertible Bonds 32,673	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
October 2004	10	115,000	1,150,000	93,099	930,992	Capitalization from Earnings 24,961 Capitalization from Employee Bonus 10,000	None	Effective Date: July 13, 2004 Ref. No. of approval: Chinkuanchengyi 0930131122
November 2004	10	115,000	1,150,000	104,252	1,042,522	New Common Shares Issued for Convertible Bonds 111,530	None	Effective Date＆ Ref. No. of Approval: September 3, 2002: Taichaichengyi 0910147184
February 2005	10	115,000	1,150,000	101,232	1,012,322	Capital Decrease by Treasury Stock Buyback 30,200	None	Effective Date: December 29, 2004 Ref. No. of approval: Chinkuanchengsan 0930159359

Month/ Year	List price	Authorized Share Capital		Paid-in Share Capital		Notes		
		Shares	Amount	Shares	Amount	Capitalization	Paid by Non-cash Property	Other
May 2005	10	115,000	1,150,000	99,382	993,822	Capital Decrease by Treasury Stock Buyback 18,500	None	Effective Date: March 31, 2005 Ref. No. of approval: Chinkuanchengsan 0940111010
July 2005	10	115,000	1,150,000	96,382	963,822	Capital Decrease by Treasury Stock Buyback 30,000	None	Effective Date: June 13, 2005 Ref. No. of approval: Chinkuanchengsan 0940123739
September 2005	10	115,000	1,150,000	97,091	970,915	Capitalization from Earnings 4,693 Capitalization from Employee Bonus 2,400	None	Effective Date: July 28, 2005 Ref. No. of approval: Chinkuanchengyitzi 0940130644
February 2006	10	115,000	1,150,000	90,473	904,735	Capital Decrease by Treasury Stock Buyback 66,180	None	Effective Date: March 12, 2003 Ref. No. of approval: Chinkuanchengsan 0920108498 Effective Date: November 25, 2005 Ref. No. of approval: Chinkuancheng-III 0940155163
October 2006	10	115,000	1,150,000	93,223	932,230	Capitalization from Earnings 17,490 Capitalization from Employee Bonus 10,000	None	Effective Date: July 18, 2006 Ref. No. of approval: Chinkuanchengyitzi 0950131154
October 2007	10	115,000	1,150,000	95,317	953,174	Capitalization from Earnings 18,044 Capitalization from Employee Bonus 29,00	None	Effective Date: July 30, 2007 Ref. No. of approval: Chinkuanchengyitzi 0960040012
October 2007	10	115,000	1,150,000	92,317	923,174	Capital Decrease by Treasury Stock Buyback 30,000	None	Effective Date: May 6, 2004 Ref. No. of approval: Chinkuanchengsantzi 0930116919
October 2008	10	115,000	1,150,000	96,010	960,101	Capitalization from Capital Reserves 36,927	None	Effective Date: August 5, 2008 Ref. No. of approval: Chinkuanchengyitzi 0970039473
December 2010	10	115,000	1,150,000	98,381	983,811	Capitalization from Earnings 23,709	None	Effective Date: November 2, 2010 Ref. No. of approval: Chinkuanchengfazhi 0990059775
February 2011	10	115,000	1,150,000	96,181	961,811	Capital Decrease by Treasury Stock Buyback 22,000	None	Effective Date: January 10, 2011 Ref. No. of approval: Chinkuanchengchaotzi 1000000870
September 2011	10	115,000	1,150,000	95,009	950,091	Capital Decrease by Treasury Stock Buyback 11,720	None	Effective Date: August 28, 2008 Ref. No. of approval: Chinkuanchengsantzi 0970043941
June 2015	10	115,000	1,150,000	49,682	496,824	Capital Decrease 453,267	None	Effective Date: June 29, 2015 Ref. No. of approval: Chinkuanchengfazhi 1040023453
June 2020	10	115,000	1,150,000	53,242	532,424	Capital Increase by Issuance of Common Shares and Private Placements 35,600	None	Effective Date: June 30, 2020 Ref. No. of approval: Chingshoushangtzi 10901115650

(II) Capital and Shares

April 9, 2023/Unit: Share

Type of Stock	Authorized Share Capital			Notes
	Shares Outstanding	Unissued Shares	Total	
Common Share	53,242,403	61,757,597	115,000,000	

(III) Information Related to Shelf Registration: not applicable.

See accompanying notes to consolidated financial statements.

(IV) Structure of Shareholders

April 9, 2023

Shareholding structure / Number	Government Agencies	Financial Institutions	Other Judicial Persons	Natural Persons	Foreign Institutions and Persons	Total
Number of Shareholders	0	0	158	22,746	26	22,930
Shareholding	0	0	820,224	51,069,892	1,352,287	53,242,403
Shareholding Ratio	0%	0%	1.54%	95.92%	2.54%	100.00%

(V) Distribution of Shareholding

1. Common Share

April 9, 2023 Unit: person; share

Shareholding Range	Number of Shareholders	Shareholding	Shareholding Ratio
1 to 999	17,834	254,564	0.48%
1,000 to 5,000	3,653	7,913,649	14.86%
5,001 to 10,000	662	5,358,529	10.06%
10,001 to 15,000	237	3,074,827	5.78%
15,001 to 20,000	130	2,412,276	4.53%
20,001 to 30,000	137	3,542,192	6.65%
30,001 to 40,000	76	2,749,618	5.16%
40,001 to 50,000	49	2,287,000	4.30%
50,001 to 100,000	85	6,113,103	11.48%
100,001 to 200,000	37	5,530,000	10.39%
200,001 to 400,000	21	5,672,000	10.65%
400,001 to 600,000	3	1,601,000	3.01%
600,001 to 800,000	2	1,436,000	2.70%
800,001 to 1,000,000	1	906,645	1.70%
Exceeding 1,000,001	3	4,391,000	8.25%
Total	22,930	53,242,403	100.00%

2. Dispersal of preferred shares: The Company did not issue any preferred shares.

(VI) List of major shareholders: Shareholders with more than 5% shareholding ratio or among the top 10 shareholders

April 9, 2023 Unit: share

shares / Major shareholder name	Shareholding	Shareholding Ratio
Deng,Zi-fang	1,651,000	3.10%
Chen,Shi-zhi	1,400,000	2.63%
Qiu,Jian-cheng	1,340,000	2.52%
Xiao,Yi-ren	906,645	1.70%
Lin,Jing-yao	766,000	1.44%

See accompanying notes to consolidated financial statements.

Wang,Guan-zhong	670,000	1.26%
Liao,Meng-zhu	561,000	1.05%
Zhou,Ding-xin	530,000	1.00%
Lin,Jia-hong	510,000	0.96%
HSBC Bank (Taiwan) Limited, Trustee Services	363,000	0.68%

(VII) Market Price, Net Worth, Earnings, and Dividends Per Share and Related Information of the last 2 years

Unit: NT$; 1,000 shares

Item \ Year			2021	2022	Up to March 31, 2023 (Note 4)
Market Price Per Share	Highest		53.20	43.85	36.30
	Lowest		27.95	22.95	26.60
	Average		38.48	28.60	30.29
Net Worth Per Share	Before Distribution		12.67	13.29	12.56
	After Distribution		Note 5	Note 5	Note 5
Earnings Per Share	Weighted Average Shares		53,242	53,242	
	Earnings Per Share	Before Retroaction	2.60	0.62	(0.73)
		After Retroaction	2.60	0.62	(0.73)
Dividends Per Share	Cash Dividend		-	-	-
	Issuance of Bonus Shares	Issuance of Earnings Shares	-	-	-
		Issuance of Capital Reserve Shares	-	-	-
	Accumulated Undistributed Dividend		-	-	-
Return on Investment Analysis	Price/Earnings Ratio (Note 1)		14.8	46.13	-
	Price/Dividend Ratio (Note 2)		-	-	-
	Cash Dividend Yield (Note 3)		-	-	-

Note 1: Price/Earnings Ratio = Annual Average Market Price/Earnings Per Share.
Note 2: Price/Dividend Ratio = Annual Average Market Price/Cash Dividends Per Share.
Note 3: Cash Dividend Yield = Cash Dividends Per Share/Annual Average Market Price.
Note 4: Data audited by CPAs as of March 31, 2023.
Note 5: The amounts after distribution are not listed here because the 2022 financial statements have not been approved by the Shareholders' Meeting.

(VIII) The Company's dividend policy and implementation:

1. Dividend policy:

As stated in Article 27 of the Company's Articles of Incorporation: Appropriate 2% ~

10% of the earnings, if any, as remuneration to employees, including the employees of the parent company or subsidiaries of the company meeting certain specific requirements; also, the board of directors is authorized to resolve the conditions and distribution methods. At the same time, the board of directors may appropriate an amount not more than 3% of the aforementioned earnings as director remuneration. The board of directors shall determine whether to have the aforementioned remuneration distributed in the form of stock or cash before reporting it to the shareholders meeting. However, directors' remuneration can only be paid in cash. The Company shall reserve an amount equivalent to the accumulated losses, if any, for compensation in advance, and then appropriate employee remuneration and director remuneration according to the proportion stated in the preceding paragraph.

After closing of accounts, if there is surplus earning, the Company shall first pay taxes and make up for the cumulative losses, then set aside a legal reserve of 10% of the net profit (except when the accumulated legal reserve equals to the paid-in capital of the company). In addition, the Company may appropriate or reverse the special reserve in accordance with the laws and regulations. The remaining profit, if any, together with the accumulated unappropriated retained earnings are the accumulated distributable amount. The board of directors shall propose the earnings distribution plan, which should be reported to the shareholders meeting for resolution before distribution if it is to be distributed with new shares issued. If the Company distributes dividends and bonuses or all or part of the legal reserve and additional paid-in capital in cash, the board of directors is authorized to handle it with the presence of more than two-thirds of the directors and the consent of more than half of the directors present, which should be reported to the shareholders meeting afterwards.

Taking into account the interests of shareholders and the long-term financial planning of the Company, an amount equivalent to 15% or more of the distributable earnings is appropriated and distributed as shareholder dividends every year; however, the accumulated distributable earnings less than 50% of the paid-in capital may not be distributed. Among them, cash dividends shall not be less than 10% of the total dividends. If the cash dividend per share is less than NT$0.5, stock dividends should be distributed instead.

2. Dividend distribution proposed in the current shareholders' meeting:
   (1) Stock dividends: None.
   (2) Cash dividends: None.

(IX) Impacts of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(X) Employee bonus and remuneration to directors:

1. The percentage and range of remuneration to employees and directors as stated in the Articles of Incorporation: Please refer to Dividend Policy (p. 38).

2. Basis for estimation of employee remuneration and directors' remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the

estimated amount: None.

3. The distribution of remuneration approved by the board of directors:
   (1) Values of employees' cash remuneration, stock dividends, and directors' remuneration: In 2022, after being reviewed by the remuneration committee and submitted to the board of directors for resolution, the Company was allocated NT$794,467 as employees' cash remuneration and NT$1,051,663 as directors' remuneration.
   (2) If the amounts of remuneration to employees in cash, stock remuneration, and remuneration to directors are different from the amounts estimated for the year, the differences, causes and status: Remuneration to employees totaling NT$794,467 and directors' remuneration totaling NT$1,051,663 in 2022 were proposed to be the appropriated amounts. After the amounts were reviewed by the remuneration committee and submitted to the board of directors for resolution, the cash remuneration to employees totaling NT$794,467 and the directors' remuneration totaling NT$1,051,663 were in line with the estimates.
   (3) Proposed amount of employee stock-based remuneration, and its ratio to the after-tax income and total employee remuneration in the parent company only financial statement or individual financial report for the current period: None.
4. Where there is a difference between the employees' bonus and directors' and supervisors' remuneration paid out and the estimated amounts for the prior year, the amount of the difference, reason, and accounting treatment shall also be specified: None.

(XI) Repurchase of the Company's shares by the Company: The Company did not repurchase any shares of the Company in the most recent year and up to the printed date of the annual report.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of depository receipts: None.

V. Issuance of employee stock warrants:

(I) The issuance status as of the printed date of the annual report and the impact on shareholders' equity of the Company's unexpired employee stock warrants shall be disclosed: The Company did not have any unexpired employee stock warrants as of the printed date of the annual report.

(II) Names of managers who have obtained employee stock warrants and the top ten employees with the most employee stock warrants up to the printed date of this annual report as well as their acquisition and subscription: None.

See accompanying notes to consolidated financial statements.

VI.Implementation of Employee Restricted Stock Plan:

(I) New restricted employee shares that have not been fully vested in the Company's shares must be disclosed as of the date the annual report was printed and the impacts to shareholders' equity: The Company did not issue any new restricted shares to employees as of the date the annual report was printed.

(II) Names of managers and top-ten employees who have acquired new restricted employee shares as of the printed date of this annual report, and the status of their acquisitions: No such situation was found in the Company.

VII. New Share Issuance Related to Mergers and Acquisitions:

(I) In the most recent year and up to the printed date of the annual report, the Company has not merged or acquired any new shares issued by other companies.

(II) In the most recent year and up to the printed date of the annual report, the Company has not merged or acquired any new shares issued by other companies that have been approved by resolution of the board of directors.

VIII. Implementation of fund application plans:

The Company has not issued an unfinished plan or has a plan that’s been carried out in the last three years and the benefits have not yet materialized.

See accompanying notes to consolidated financial statements.

Five. Operation Overview

I. Business Activities

(I) Scope of Business

1. The main business scope of the Company
   (1) Electronics business segment: Sales of various audio, video, multimedia audio and video systems, computers, communication and information appliances, information technology, and telecommunication connectors, wireless remote controls, and connection cables.
   (2) Streaming platform segment: The Lang Live platform is an APP that integrates real-time video broadcast and social interaction. The platform was established in October 2016 to focus on the development and training of talented streamers. In 2020, it was extended to game streaming channels, teammate matching platforms, and social audio platforms; in 2021, POPO Notes was established to combine various popular information sharing platforms. In addition, a physical murder mystery game store was opened in 2021, allowing players to play different roles to carry out reasoning around the case in the script, restore the relationship between the characters, dig for evidence, and eventually find the culprit.

2. Percentage of total net operating revenue

   The consolidated percentages of total net operating revenue the Company's main products are as follows:

Unit: NT$1,000

Business items	**Net operating revenue**	**Percentage of total net operating revenue (%)**
Streaming platform	3,010,587	99.97
Sale of goods	836	0.03
Total	3,011,423	100.00

3. Current business items:
   (1) Trading of electronic components: Sales of connectors and connecting cables.
   (2) Lang Live Streaming Platform: It is an APP that integrates real-time live video and social interaction. The platform was established in October 2016 to focus on the development and training of talented streamers.
   (3) PlayOne gaming buddy platform: An entertainment platform that is dedicated to provide gamers a platform where they're willing to their share passion for esports.
   (4) LARP Planet: LARP Planet is an emerging cultural entertainment murder mystery game that allows players to experience various dramatic life for 3 hours and test their logic and critical thinking skills. It provides players with the most fashionable entertainment in the new era with the highest standard of gameplay experience, cultural value, and social interaction.
   (5) POPO Notes: In the initial stages, it focuses on the daily lives of people where

the themes include gourmet food and desserts, travel spots, fashion trends, beauty and maintenance. Then, it will combine social media with online shopping to become a new online shopping and sharing platform.

4. New product (services) strategies planned to be developed: "Lang Live" is currently Taiwan's largest streaming social platform. To continue to grasp the trend and drive business growth, it plans to extend the social platform to related fields. In the early stages, it focuses on influencer training and e-commerce market testing; in the future, it will position itself as a combination of Taiwanese social platform + influencers + streaming + e-commerce market and establish a new online sharing platform that integrates social media that people nowadays are heavily relied on with online shopping.

(II) Industry overview

1. Current status and development of the industry

A. Electrical connector market:

Electrical connector is an important bridge between the connection circuit and the signal. To maintain the normal and stable functions of an electronic product, the product quality of an electrical connector is very important. Initially, connectors were mainly used in the military industry. As time went by along with the improvement of science and technology, connectors is now widely used in communications, consumer electronics, national defense, computers, automobiles, rail transit and other fields, and have become a complete range of products with rich specifications, diverse structures, subdivisions in professional directions, standardized standard system, serialization, and specialization.

The global connector industry is in a steady upward stage. With the development of downstream industries and the improvement of the connector industry itself, connectors have become a bridge for the stable circulation of energy and information in the equipment, and the overall market scale has basically maintained a steady growth trend. According to the statistics of Bishop&Associate, the scale of the global connector market has grown from US$48.9 billion in 2011 to US$62.7 billion in 2020. It is expected that the scale of the global connector market will exceed US$90 billion in 2023.

B. Online Streaming Industry:

In fact, the online streaming industry has been developing for several years, starting from 2011~2012 in China and gradually expanding to other countries. In the late 1990s and early 2000s, the Internet industry was led by the .COM trend where the representative Internet companies included Yahoo and Google; By early to mid 2000, the representative company that everyone is still familiar with to this day was YouTube; And by the mid 2000s, we reached the social media era where the representative companies include Twitter, Facebook, LINE, WhatsApp, and WeChat. After the mid 2000s, online media streaming platforms went viral, of which the representative companies included Netflix, iQIYI, Tencent, etc. The development lasted all the way to around 2011~2012 where online streaming platforms began to become a sensation, among which the US esports streaming platform, Twitch, became the most well-known and the most developed; Other streaming platforms that mainly focused on esports, such as China's Huya and Douyu also emerged at the time, followed by other talent or dating-oriented streaming platforms such as Inke, Huajiao, YY, etc. In Taiwan, 17 Live, MeMe Live, UpLive, and our Group's Lang Live, and each of the platforms have gradually developed a profit model that relies on players' recharges or subscriptions. Mobile streaming mainly emerged in 2015 to 2016. Users were no longer limited by the venue and could watch streams anytime, anywhere, and even be the ones to lead the streamer’s streaming content (User Generated Content, or UGC). Compared to the traditional entertainment models or things like Facebook or YouTube Live, shows/talent streaming is highly monetizable and highly interactive, and can naturally attract influencers and users quickly.

In 2020, the industry was affected by coronavirus disease (COVID-19), which accelerated the transformation of all walks of life into live broadcast. From press conferences to fashion shows to automobiles press conferences, people have become accustomed to using streaming as the main medium of promotion. With the increasing convenience of e-commerce, various livestreaming of entertainment shows have developed over the years. The world's leading streaming platform "Up" has experienced explosive growth of more than 100% in just three months in 2021 under the influence of the pandemic. Its growth has been surging where the increase in number of users and the income of the streamers is obvious to all. If we look at full-time streamers, the average monthly income has increased from NT$60,000 to NT$120,000, and their working hours are only 1/3 of the average office worker, making the number of people joining the streaming industry break record highs repeatedly.

According to the data from iiMedia Research, as of June 2021, the number of online streaming users in China reached 638 million, an increase of 47.2% compared to the same period in 2020, accounting for 63.1% of the overall netizens. iiMedia Research analysts believe that with the rapid development of Internet technology, the live streaming ecological chain has attracted much attention from users, the scale of online streaming users continues to rise, and the streaming industry has a massive development space in the market.

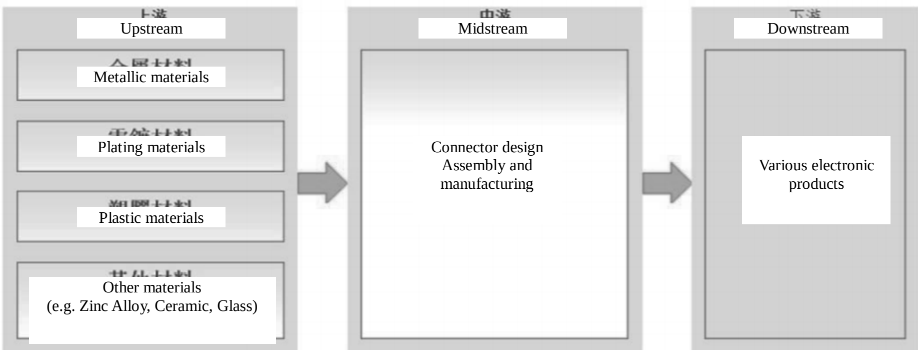
Juniper Research, a market research company, released a report on the global esports and game streaming market, claiming that between 2021 and 2025, the total revenue of the global esports and game streaming industry will increase by 70%. The research company expects that the total revenue of the global esports and game live broadcast industry will reach US$2.1 billion (approximately RMB¥13.67 billion) in 2021, and this figure will increase to US$3.5 billion (approximately RMB¥22.78 billion) in 2025. Revenues included in the report include advertising and subscription revenues from live streaming platforms such as Twitch and Facebook Gaming, as well as revenues from the sale of broadcasting rights for esports events, and from live event tickets and sponsorships, etc.

As far as live streaming is concerned, Taiwan is actually a relatively mature market. Its annual consumption of mobile games alone (including live streaming) is about US$1 billion, which is even more than the combined total of Hong Kong, Singapore, Indonesia, and Malaysia. In more mature markets, the market size of live streaming may even account for more than half of the overall mobile game consumption.

2. The relations between the up-, mid-, and downstream industries

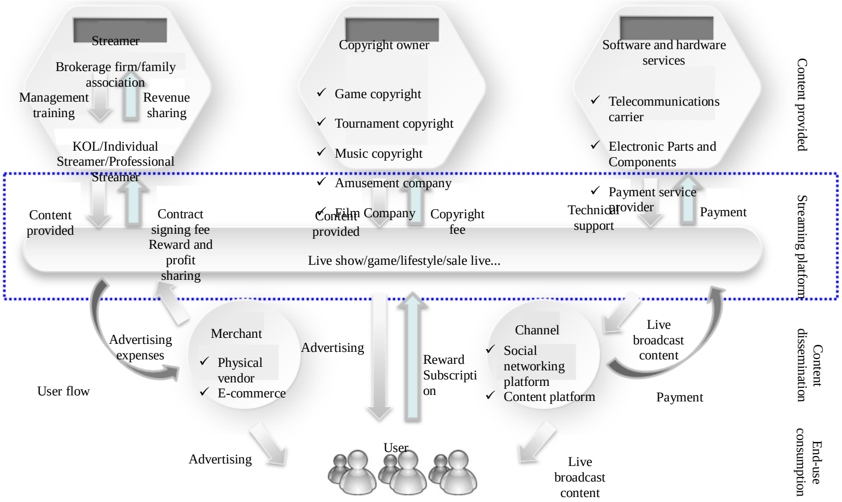
A. Electrical connector industry

Connector products generally refer to all the connection components and their accessories used for the signal and power of electronic products, including related wires, sockets, plugs, etc., which belong to the connector in a broad sense. It connects the circuits, modules and systems in electronic products, and is also a bridge between all signals. Its quality affects the reliability of current and signal transmission, and also the operation of the entire electronic product. Therefore,high sensitivity is required for the circuit design of a connector. The relationship between the up-stream, mid-stream and down-stream of the electrical connector industry is shown below:



B. Online Streaming Industry

When it comes to the streaming industry, one cannot help but mention influencers or internet celebrities; and when it comes to internet celebrities, that reminds people of streamers. With the reduction of the cost and technical threshold of streaming, many changes have taken place in the way of how many people remember and convey things. Nowadays, it’s quite normal to see people holding their mobile phones and sharing videos in real time at restaurants, shopping malls, scenic spots, airports, classrooms, and other places in daily life. These diverse communication scenarios have made people who are determined to develop a business model start to think about how to train internet celebrities or streams with good looks and various types of performance abilities to enter the streaming industry in a planned way. The relationship between the up-stream, mid-stream and down-stream of the streaming industry is shown below:



The upstream is mainly content providers (streamers), copyright owners, and software and hardware service companies; the mid-stream is mainly the streaming platform and content dissemination, and the downstream is the end consumer. The Group's Lang Live platform is more of a mid-stream player in the online streaming industry. The Group provides streamers with a channel for performances, and also provides talent management companies and artists (streamers) an outlet (a stage for development and performances).

3. Product development trends and competition

In the future, the Company will expand the online streaming market in Japan and Southeast Asia. Although Japan is a relatively closed market, apart from the mainland market, it is currently the second or third largest live streaming market in Asia. The market size of live streaming is expected to grow to US$29,057,070,000 between 2023 and 2027, and it is expected to grow at a compound annual growth rate of 13.47% during the forecast period.

During the COVID-19 pandemic, the stay-at-home order and the increase in social distancing have fueled widespread interest in games, which contributed to the 11.7% growth in the number of gaming stream viewers globally between 2019 and 2020. Live streaming has become a social channel where people can kill time during this period and also become a major contributor of viewership. Developing countries such as South America and India will maintain a relatively high growth rate in the number of gaming stream viewers until 2024.

In the field of gaming streams, China is a fast-moving forerunner, and the low growth rate of audience numbers also reflects China's mature market status. China is expected to become the country with the largest number of gaming stream viewers in the next four years, from 185.5 million in 2020 to 214.3 million in 2024. In emerging markets, the popularity of mobile esports will also become a powerful driver for the growth of the number of gaming stream viewers. In the next two years, the growth rate of the number of gaming stream viewers in Southeast Asian countries will exceed 20%.

In addition, streaming e-commerce is a new type of sales model that uses video and audio (including live-streaming) to introduce products, so that the e-commerce sales catalogs that were mainly based on pictures and texts in the past also need to be changed accordingly. In the past, buyers had to browse many websites before placing an order. Today, e-commerce streaming is like a store clerk introducing the product features and time-limited promotions to you in person. The two methods of shopping guide are completely different, and the shopping efficiency has also improved. In addition, due to the COVID-19, the e-commerce penetration rate in South Korea, China, and the United Kingdom has exceeded 20%. Based on the estimates done by the research institute, Mirai Business Research Institute, the penetration rate of e-commerce in Taiwan will reach 20% by 2023, and the total market size will exceed NT$1 trillion.

The competition in the streaming market in Taiwan is fierce, and there are more and more different types of streaming platforms. Therefore, according to the market survey and assessment, the Company will continue to create a "Streaming +" model so that streaming can bring additional value, such as "streaming + game", "streaming + e-commerce," and "streaming + esports accompaniment."

(III) Technology and research and development

1.Technological capabilities and R&D progress

A. Electrical connector business unit:

The revenue of the Company's electronic connector business unit has gradually decreased in recent years, so the Company no longer invests in the research and development of connector-related products. The connector-related products developed and acquired by the Company in the past few years are as follows:

(1) IR interface-compatible RF remote control	(9) IR remote control for lighting
(2) Vertical digital audio optical fiber connector	(10) Wireless video and audio sharing device
(3) US-based DC power connector for NB	(11) Light source probe
(4) Small DIP DC power connector	(12) 25Mbps TOSLINK optical fiber transmitter
(5) Switch-type DC power connector	(13) 25Mbps TOSLINK fiber optic receiver
(6) Energy-saving single-battery remote control	(14) Business card-type presenter
(7) High temperature remote control for car audio	(15) Lighting remote control with NFC
(8) Preset remote control with multi-function button	(16) RF remote control for lighting

B. Online Streaming Business:

After the Company successfully acquired 100% of the equity of ShineRay Co., Ltd. in 2020, it began to actively develop online streaming related services. Most of the R&D personnel within ShineRay Co., Ltd. had a background in the game industry; therefore, some elements of games were added to the idea of the livestreaming business. Streaming is more rich in content and fun to watch after mixing it with the DNA of gaming.

Which then further encourages players (consumers) to successfully tip and pay.

2. R&D expenses invested and successfully developed technologies or products in the most recent year and up to the date of printing of the annual report:

Unit: NT$1,000, %

Year	R&D achievements	R&D expenses	Percentage of total revenue
2020	I. Development of Lang Live audio streaming service Beta version II. Stream CDN freeze monitoring and network optimal management system III. Real-time image matting technology of mobile AI live streaming IV. Web version of Lang Play esports livestreams https://play.lang.live V. New web portal of Lang Live livestreams https://lang.live	44,044	5.21%
2021	I. Virtual character system II. Speech Tone AI Classifier III. Advertising to new users' onboarding and content distribution mechanism IV. MurMur live audio streaming social APP launched V. Development of a mini baseball game VI. PK treasure hunt, new user retention system optimization, and visitor mode VII. Million Heroes Promotion System VIII. Mini game - Where is the King, custom stickers feature IX. Revamped membership system was launched X. Revamped popularity system, Dynamic Square 2.0	82,444	3.04%
2022	Lang Live I. Voice Live Rooms with Interactive Games II. Live Streaming Engine V2 Version ∗ Reduced latency time ∗ Real-time face focusing mode to maintain clarity of the streamer's face even with limited internet bandwidth	118,354	3.93%

Year	R&D achievements	R&D expenses	Percentage of total revenue
	＊ AI multi-finger simultaneous detection for fairy wand-like effect gifts ＊ AI voice transformation effect (Phase One completed) III. Modularization and Architectural Renovation (Phase One completed) PLAYONE I. Real-time audio streaming service for sideline listeners in voice rooms, providing instant listening quality II. Real-time one-on-one voice chat module III. Multi-player gifting module for voice live streaming.		
2022 Q1	Lang Live **I.** System Architecture Optimization: Phase One Project (Reducing cloud server costs) **II.** Live Streaming Engine V3 Version: Phase Two Project (Reducing CPU/Power usage) **III.** AI Development: Voice Gifts, Patent Application Filed	31,634	4.76%

(IV) Short-term and long-term development plan

1. Short-term development plan: After completing the acquisition of ShineRay Co., Ltd. in 2020, the Company transformed into a network technology company mainly focused on livestreaming. In the future, the Company will actively search for businesses that are complementarity to livestreaming and further maximize the shareholders' equity.

2. Long-term development plan: Long-term speaking, the Company will stand firm in Taiwan and expand to the global market. Currently, ShineRay's Lang Live streaming platform already has a certain presence in Taiwan's live streaming market. Going forward, in addition to stabilizing the Taiwan market, we will also keenly develop our live-streaming business for overseas markets. Our initial plan will be expanding into the live streaming markets in Southeast Asia or Japan in Northeast Asia as the next step in our corporate expansion approach.

II. Overview of the market, production and sales

(I) Market analysis

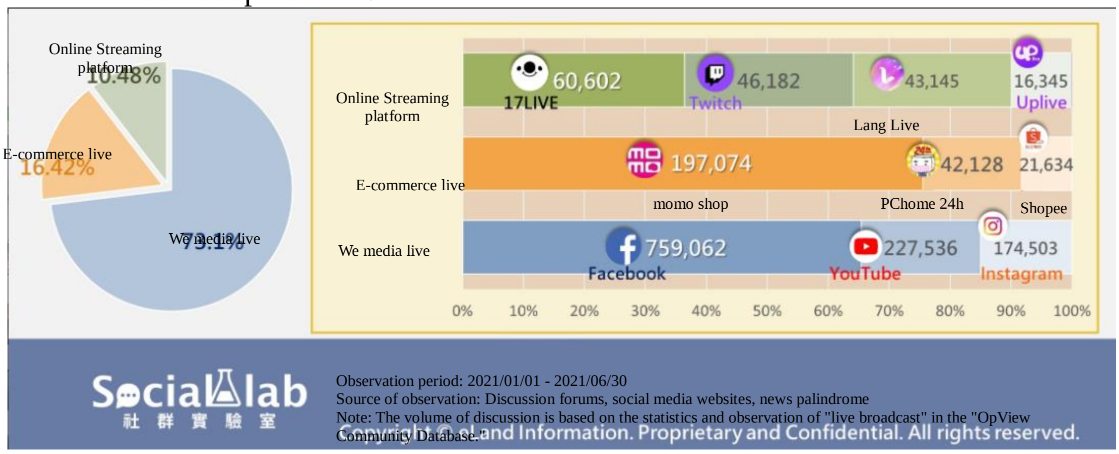
1. Sales regions of main products in 2022

Unit: NT$1,000; %

Sales area		Net sales	Ratio
Domestic sales			
Export	China		
	Others		
Total			

2. Market share

The live broadcast market in Taiwan is large. According to a Frost & Sullivan research report, the market output was about US$174 million in 2017 (the same below), about 267 million in 2018, and is expected to reach 674 million by 2022, or about NT$18.8 billion. The Group's revenue from live broadcast operations in 2022 was NT$3 billion. If the market output in 2022 is calculated, the market share would be about 14.84%. "Social Lab" tracks the volume of various types of livestreaming platforms, and Lang Live also has gathered quite a large crowd of fans when it comes to online live broadcast platforms.



3. Future supply, demand and growth in the market

In view of the government's policies in recent years to encourage the cultural and creative industries and the promotion of the development of the creative content industry in the country, coupled with the fact that the Company's original electrical connector-related business is facing industrial bottlenecks, the transformation is imminent, and the Company has begun to comprehensively transform into a network technology company. Due to the rapid development and popularization of the Internet in recent years, the online world and online consumption have undergone structural changes. Traditional recreation activities such as watching TV or listening to music at home or going to the theater to watch a movie is no longer the first choice for the younger generation. Watching TV and movies has been gradually replaced by online streaming platforms such as Netflix, iQIYI, or Tencent; listening to music through Spotify or YouTube, and live streaming is an emerging industry trend in recent years.

With the increasing popularity of YouTube, Facebook, Instagram, and Hotstar, instant video streaming has already become a trend. In addition, esports and video games are becoming more and more popular among the millennials and Generation Z, and real-time game streaming is gaining momentum. By the end of 2021, the number of global viewers of gaming streams will reach 728.8 million, an increase of 10% from 2020. Therefore, by 2024, the growth rate of the number of live game viewers will gradually return to a more natural level. By then, the total number of global live game viewers will reach 920.3 million. The Company is committed to creating an entertainment platform where gamers are happy to share their passion for esports platform.

Due to the impact of COVID-19, the economic development is affected to a certain extent in the short term, and the business activities of enterprises are hindered. However, because the live streaming industry is not limited by the characteristics of a venue, "since the outbreak of the pandemic in May, the revenue has grown by 30%, and the overall number of livestreams has doubled and the number of daily active users (DAU) has grown by more than 50%. The pandemic has accelerated the digitalization of society and the live streaming industry has also flourished. ”

Fueled by COVID-19, the e-commerce market also continues to grow. Based on the estimates done by Mirai Business Research Institute, the penetration rate of e-commerce in Taiwan will reach 20% by 2023, and the total market size will exceed NT$1 trillion. Faced with such a market trend, retailers, whether large or small, all step up their e-commerce deployments. In addition to the e-commerce platform and the official sales website, the more realistic, real-time and highly-interactive e-commerce livestream is also the focus.

According to a "MarketWatch" report, by 2024, the global market scale of social community e-commerce will reach US$2.05 trillion, and the compound annual growth rate (CAGR) from 2020 to 2024 will reach 31%. How important is the e-commerce livestream market? According to a forecast by the consulting firm McKinsey & Company, by 2026, the global sales of e-commerce livestreaming will account for 10% - 20% of all e-commerce. According to McKinsey & Company, the conversion rate of le-commerce livestreaming is expected to be close to 30%, which is 10 times that of traditional e-commerce.

Focusing on the Taiwan market, according to the survey data of Market Intelligence & Consulting Institute (MIC), in 2021, 26.4% of the respondents said that livestream content will increase their willingness to place orders online, an increase of 4.4 percentage points from 2020. The Company also established Bubu Co., Ltd. in November 2021 to combine the social platform heavily relied on by modern people with online shopping to create a new online sharing platform, in hope to lead the revenue growth, generate profit, and maximize shareholders' equity.

4. Competitive niche

Since its launch, the Group's Lang Live platform has continued to innovate, creating the best interests of the Company at all times, and continuing to provide consumers with the highest quality online livestreaming service. Currently, more than 11,000 streamers/hosts have signed a contract. They mainly focus on talent/show streaming, and boast a "green streaming" corporate culture that does not involve negative business models such as erotic nudity, political speech, violence and bloodshed, and streamers chatting on behalf of others. Monthly active users are nearly 200,000, and the download volume across Taiwan is nearly 5.5 million. The Group also has a 24-hour two-way monitoring system and online customer service. When there is inappropriate speech or message in the livestream room, a warning will be issued or the account will be frozen to eliminate controversial content.

Starting from live broadcasting, the Group has combined technology and cultural creativity to transform the ecology of the entertainment industry and the traditional star-making industry chain. In addition to the existing Lang Live, the company also continues to develop or distribute services that are complementary to the streaming service, in order to strengthen the Group's competitiveness in the online business, such as: PlayOne's gaming buddy business, POPO Notes that integrates social interaction with online shopping.

5. The favorable and unfavorable factors for future development and countermeasures
   A. Favorable factors
      The Group is currently committed to the development of Internet technology services. At present, the livestream industry in Taiwan is in the stage of rapid growth and its development is expected to be more diversified in the future; the Group has innovative business and R&D teams to continuously respond to the rapidly changing industry among the few livestreaming platforms in Taiwan, with a relatively balanced ratio of 5:5 for male and female consumers. Therefore, the livestreaming business of the Group is more developed than other peers since it does not appeal to specific genders, therefore the sources of revenue are less likely to be skewed towards a specific gender. increasing online response has always been something that's needed for a well-known person, so the media has always been regarded by celebrities as an important part of exposure; this is especially true of livestream platforms. In the past 1~2 years, many well-known personalities have been invited by the Group's Lang Live platform to participate in livestreaming, such as "The Arrival of VIPs" or "Wan Ka Meeting Room" to increase their online responses and exposure, and reached great results.
   B. Unfavorable factors and countermeasures
      i. The Internet industry has begun to compete excessively. For example, in online streaming, major platforms have begun to increase their investment in poaching for quality streamers. The Group's main response measures are to provide a good performance environment for the streamers, to strengthen the Group's green corporate culture, and to attract streamers who identify with the Group's corporate culture to join the Lang Live platform.
      ii. The ecology of online streaming is diversified, and the relatively simple streaming method is gradually unable to attract users and gamers. At present, live shows/talent/singing livestreams are the mainstream online. In order to attract more players and achieve diversification purposes, many livestream platforms have added other types of live broadcasts, such as games or shows. The Group's countermeasures against the diversified competition are to start developing new types of online live broadcasts; in addition, adding games and esports gaming buddies feature, POPO Notes combining social networking and online shopping, etc., the Group's online livestream-related products will become more and more popular. We believe that we will be able to respond to the increasingly competitive livestreaming industry.

(II) Important functions and production processes of main products

1. Important functions of the main products:

The Company was originally a cable manufacturer of electrical connectors, connecting cables and others. Its main products were the production, sales, and manufacturing of connector-related wire products. In recent years, due to the impact of product transformation in the market and industrial price competition, the company has faced operating losses.

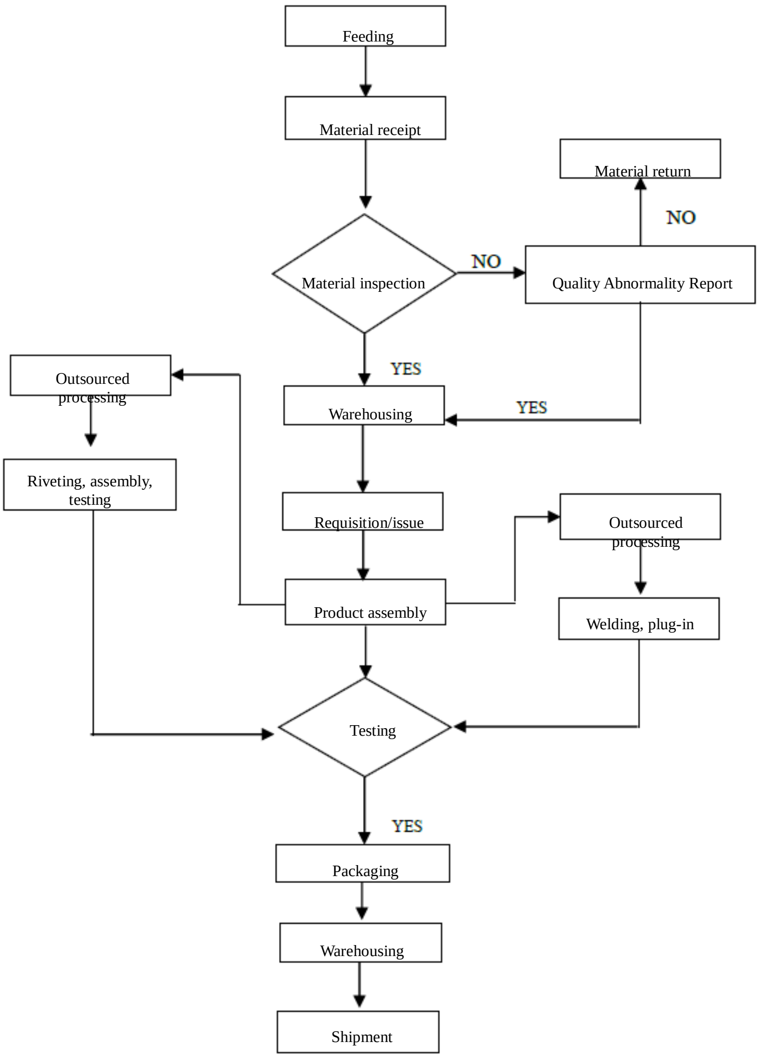
Product	Purpose
Connector	Installed in stereos, televisions, computers, communication equipment, and vehicles to facilitate connection with other external products to generate various functions.
Remote Control	Drive various functions of various electronic products by emitting infrared rays.
Connecting Cable	Transmit signals, voices, and images to various electronic and information products in order to exert their functions.

In order to reverse the loss situation in the past, the Company has begun to adjust the proportion of connector-related products, and organized transformation into the field of network technology and developed online livestream business since 2020. In the future, we will further root the Internet business and actively develop overseas markets.

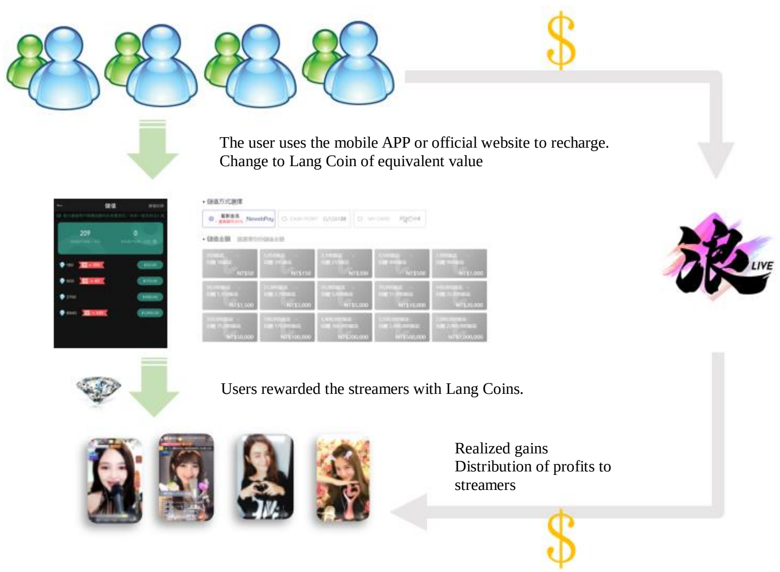
Product	Purpose
Lang Live Streaming Platform	An online platform that provides a platform for streamers to perform, sing, and interact real-time with players.
PlayOne Platform	A gaming buddies platform.
POPO Notes	A social networking platform and online shopping were combined to create a new online sharing platform.

2. Production processes of main products:

   A. Connectors, cables and remote controls:



B. Online Streaming Business:



(III)Supply of main raw materials

A. Connectors, cables and remote controls:

Main raw materials	Name of supplier
Connector hardware parts	Jyh Woei Industrial Co., Ltd.
Connector hardware parts	Yu Wei Enterprise Co., Ltd.
Plastic parts	C.Y.Machinery Co., LTD.
Connector hardware parts	FULL FENG INDUSTRIAL CO., LTD.
Connector hardware parts	COSEI Technology Co., Ltd.

B. Online Streaming Business:

The Company has organized a transformation into the field of network technology since 2020 and developed the online livestream business. The main business content is online livestream. Its cost structure mainly includes manpower input, online livestreaming product research and development, design, production, planning, and other non-physical product cost, thus it’s not applicable.

(IV) List of major customers:

3. Information of major suppliers in the past two years:

Unit: NT$1,000

	2021				2022				As of the end of Q1, 2023			
Item	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the net purchase as of the end of Q1 (%)	Relations with the issuer
1.	Others	2,009,232	100	None	Others	2,168,089	100	None	Others			None
	Net purchase	2,009,232	100		Net purchase	2,168,089	100		Net purchase			

Note: List the names of suppliers that have purchased more than 10% of the total purchases in the last two years, and the amount and percentage of purchase. However, due to contractual agreements not to disclose the name of the supplier or the counterparty of an individual and not a related party, it can be used as a code.

Reasons for changes:

The purchase amount in 2022 increased by 7.91% compared to 2021. This was primarily due to the overall revenue growth of the company in 2022, leading to a relative increase in purchase costs. In addition, there is no physical purchase of the livestream platform business, and the suppliers are relatively dispersed, so there are no suppliers with more than 10% of the total purchases (collectively referred to as "others").

4. Information of major customers in the past two years:

Unit: NT$1,000

Item	2021				2022				As of the end of Q1, 2023			
	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer	Title	Amount	As a percentage of the net sale as of the end of Q1 (%)	Relations with the issuer
1.	AA	1,925,866	70.91	None	AA	1,847,354	61.34%	None	AA			None
2.	KK	331,858	12.22	None	KK	413,846	13.74%	None	KK			None
3.	Others	458,469	16.87	None	Others	750,223	24.92%	None	Others			None
	Net sale	2,716,193	100		Net sale	3,011,423	100		Net sale			

Note: List the names of customers that have exceeded 10% of the total sales in the last two years, and the sales amount and percentage. However, due to contractual agreements not to disclose the names of customers or the counterparties of transactions are individuals and non-related parties, they can be used code numbers.

Reasons for changes:

The sales amount in 2022 increased by 10.87% compared to 2021. This growth was primarily driven by improved business operations in 2022. Additionally, the operations of livestreaming platform rely on user prepaid income, which comes from a diverse range of customers. However, these payments still need to be collected through third-party payment services, resulting in some customers accounting for more than 10% of the total sales amount.

(V) Production value in the most recent two years

Unit: thousand PCS /$NTD thousand

	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Connectors, cables and remote controls		4.865	1,549		2,347	777
Online streaming platform			2,007,683			2,167,312
Total		4.865	2,009,232		2,347	2,168,089

(VI) Sales volume in the most recent two years

Unit: thousand PCS /$NTD thousand

	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	volume	value	volume	value	volume	value	volume	value
Connectors, cables and remote controls	4,865	1,671			2,366	836	-	-
Online streaming platform		2,612,322						69,794
Total	4,865	2,612,993			2,366		-	69,794

III. Employment Information

The employment information is as follows:

Year		2021	2022	Up to March 31, 2023(Note)
Number of employees (persons)	Staff	219		239
	Operator	0		0
	Total	219		239
Average age (years)		33.4		33.4
Average years of service		2.06		1.7
Distribution of education attainment				0
	Master Degree	23%	23%	24%
	Bachelor Degree	67%	70%	69%
				0
	High School Diploma	5%	7%	7%
				0

IV. Information on environmental protection expenditure

A. Losses due to environmental pollution in the most recent year and up to the printed date of this annual report, and disclose the estimated amount and the countermeasures that may occur now and in the future: N/A.

V. Labor-management relations

(I) The Company's various employee benefit measures, continuing education, training, pension system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures:

1. Employee welfare measures, continuing education and training:

The Company believes that only when employees' welfare is valued can they free themselves from worries in life and devote their best efforts to work, exert their strengths, create higher-quality products to promote the overall progress and prosperity of the Company. To fulfill the Company's established mission of caring for employees' well-being and giving back to society, the Company's employee welfare measures include:

(1) Employee welfare: To enhance employee welfare, the Employee Welfare Committee has been established as required by law to allocate welfare funds and plan various activities related to employee welfare.

(2) Employee insurance and health care: The Company follows labor-related laws and regulations by providing employees with labor insurance, health insurance, and regular annual physical examinations.

(3) Year-end bonuses and employee remuneration: If the Company makes a profit for the year, the Company will appropriate 2% - 10% thereof as the remuneration to employees. Year-end bonuses may be distributed at the end of each fiscal year depending on the operating conditions and before the Lunar New Year holidays.

(4) Education and training courses: To support the Company's long-term development and improve the quality of its employees, the Company plans general and professional training, and encourages employees to participate in external training and to share what they have learned with colleagues. Through talent training, enable each employee to exert their maximum potential.

(5) Other benefits: The Group provides nursing rooms and contracts with child-care service agencies to provide child-care allowances to enable employees to live in peace of mind.

2. Retirement System:

The Group has adopted the new "Labor Pension Act" system in order to provide security for employees' retirement life and to improve the spirit of service on the job. Therefore, the employer appropriates 6% of the total salary to the individual account of the Bureau of Labor Insurance on a monthly basis.

3. Work environment and employee personal safety protection measures:

To ensure the working environment and the personal safety of employees, the Group has established the Labor Safety and Health Rules to provide a safe, sanitary and comfortable working environment. Strict access control and monitoring systems have been installed at all office locations, and elevators, air conditioners, water dispensers, fire-fighting equipment, electrical and mechanical equipment are regularly maintained and inspected in the leased buildings of the Group as required by the Building’s Public Safety Inspection and Fire Services Act to protect the personal safety of employees.

4. Important agreements between labor and management and various employee rights

protection measures:

The Company always adheres to the principles of "fairness and justice" and "reasonableness and legality". It communicates and coordinates with employees based on the consideration of reasonableness under fair and just treatment where there are no disputes, and we have been working together for sustainable management and the welfare of workers.

(1) Departmental meetings: The meetings are used to facilitate proper communication with employees so that they can understand the core and direction of the Company's development, listen to their ideas, and reach a consensus.

(2) Employee Welfare Committee meeting: This meeting enables employees to discuss various welfare measures with each other, strengthens mutual relationship, and serves as a source of reference for administrative management.

(3) Labor-management meetings: Labor-management meetings are held from time to time to communicate with employees on the Company's business and management status to protect employees' interests.

(II) Losses due to environmental pollution in the most recent year and up to the printed date of this annual report, and disclose the estimated amount and the countermeasures that may occur now and in the future:

Since the Company was founded, the relationship between labor and management has always been harmonious, and there hasn’t been any losses due to labor disputes. It is expected that there will be no losses due to labor disputes in the next year .

VI. Cyber security management

(I) Cyber security risk management framework:

(1). The Company's Cyber Security Department is responsible for the information and communication security of the Company. It is responsible for the overall planning, execution, and promotion of information and cyber security management policies, advocacy and promotion of cyber security awareness, and gathering and improving the management, techniques, procedures, use of products, etc.

(2). The audit unit conducts the internal audit and internal control system every year to review the cyber security, evaluate the effectiveness of the internal control of the Company's cyber security operations, and track and improve the results to reduce internal security risks.

(II) Cyber security policy:

(1) Ensure the three elements of cyber security: confidentiality, completeness, and availability.

(2) The scope of information access that meets and follows the functional specifications of each department.

(3) Maintain and ensure the sustainable operation of all information service systems.

(4) Prevent human negligence, improper intent, and illegal use.
(5) Prevent the risk of leakage of trade secrets and sensitive information.
(6) Prevent unauthorized modification or use of data and systems.
(7) Maintain the security of physical IT equipment and the related surrounding environment.
(8) Regularly execute information security audits to ensure the implementation of information security.

(III) Specific management plans:

(1) In response to emergencies and information and data recovery, the Company has begun planning information outage backup drills and inventory of backup assets. Drills are also used to learn more about the lack of contingency capabilities such as measures, equipment, and personnel proficiency. Subsequent reinforcement plans are used to strengthen the overall contingency capability and crisis management of the Company.
(2) The main server equipment and power management in the server room are regularly maintained in cooperation with the manufacturer to ensure disaster prevention, fire protection planning, and uninterrupted power supply system to protect the operation and maintenance environment.
(3) Use of next-generation firewalls to classify and apply service control to internal unit groups that need to use channels and services. In addition, time-slot management and application mechanisms are added to enhance channel management and flexible application.
(4) The mail service is equipped with the SPAM system, and the anti-virus module and advanced defense module are installed. The system program will automatically unpack files for scanning, discover potential codes and hidden logic paths, and read disassembled code to make it easier to compare them to the advanced malware. And also with advanced defense against spear-type attacks, remittance fraud, APT attacks, ransomware, and new types of attacks conducted through emails.
(5) Regular automatic backups of data files and system planes are arranged and multiple versions are retained and stored in off-site locations.
(6) Using the server virtualization technology and the system backup mechanism, the historical backup versions of the system can be loaded for fast system installation and service recovery in the event of an emergency.
(7) Anti-virus software should be installed on all Windows computers of the Company and updated regularly in line with the operating system. This can effectively prevent system loopholes and improve system security, thereby ensuring the reliability and safety of the Company's overall application, guidelines and management.
(8) For all systems used in the Company, in principle, the employee password must not be less than 8 characters long, and must be combined with special symbols, numbers, uppercase and lowercase letters, and cannot be the same as the other passwords.
(9) Regularly disseminate information on security policies and provide corrective measures to prevent internal colleagues from increasing internal risks and causing indirect and abnormal damage through the above-mentioned behavior, email content, USB plug-and-play, and the use and operation of personal devices.

(IV) Resources invested in cyber security management:

(1) Plan and implement the annual cyber security training for each cyber security personnel.

(2) The service equipment such as anti-virus software, firewalls, and mail filtering services installed in the Company shall be continuously used and shall be updated and upgraded in a timely manner when necessary.

(3) System development and purchase plans in 2022:

A. Backup management - storage equipment planning.

B. Upgraded endpoint defense mechanisms.

C. Reporting - Cyber security risk assessment.

(V) Specify any losses incurred due to major cyber security incidents, potential impacts, and countermeasures in the most recent year and up to the publication date of this annual report (if the amount cannot be reasonably estimated, please specify the fact that it cannot be reasonably estimated): None.

VII. Important Contracts

The Company	Nature of contracts	Parties involved	Start and end dates	Main contents	Restrictive covenants
Lang Inc.	Investment agreement	Magic Juice Film Production Co., Ltd.	2021/10/29	Film investment contract	None
Lang Inc.	Investment agreement	1 Production Film Co.	2023/02/08	Film investment contract	None

Six. Financial Overview

I. Condensed Balance Sheet & Statement of Comprehensive Income in the Past 5 Years

(I) Condensed consolidated balance sheet - International Financial Reporting Standards

Unit: NT$1,000

Item \ Year		Financial information for the past five fiscal years (Note 1)					Up to March 31, 2023
		2018	2019	2020	2021	2022	
Current asset		223,110	210,446	537,889	833,517	1,120,729	962,802
Property, plant and equipment (Note 2)		7,410	6,336	18,011	16,915	15,507	686,044
Net investment property (Note 2)		157,657	155,213	56,331	52,743	50,189	49,607
Intangible assets		17	0	273,593	277,972	242,281	231,466
Prepayment for equipment		-	-	-	-	137,781	-
Other assets		63,169	50,633	320,361	364,786	199,741	209,857
Total assets		451,363	422,628	1,206,185	1,545,933	1,766,228	2,139,776
Current liabilities	Before Distribution	20,302	20,737	419,234	614,456	933,330	819,242
	After Distribution	20,302	20,737	419,234	614,456	(Note 3)	(Note 3)
Non-current liabilities		1,676	1,420	243,172	258,596	123,026	650,890
Total liabilities	Before Distribution	21,978	22,157	662,406	873,052	1,056,356	1,470,132
	After Distribution	21,978	22,157	662,406	873,052	(Note 3)	(Note 3)
Equity attributable to owners of the parent company		429,385	400,471	541,596	674,452	708,987	669,710
Share capital		496,824	496,824	532,424	532,424	532,424	532,424
Additional paid-in capital		0	0	44,914	44,914	44,914	44,914
Retained earnings	Before Distribution	(63,306)	(90,313)	(30,408)	106,114	132,217	93,434
	After Distribution	(63,306)	(90,313)	(30,408)	106,114	(Note 3)	(Note 3)
Other equity		(4,133)	(6,040)	(5,334)	(9,000)	(568)	(1,062)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	2,183	(1,571)	885	(66)
Total equity	Before Distribution	429,385	400,471	543,779	672,881	709,872	669,644
	After Distribution	429,385	400,471	543,779	672,881	(Note 3)	(Note 3)

Note 1: Financial data for the fiscal years 2018 to 2022 have been audited and verified by CPAs. As of March 31, 2023, the financial data has been reviewed by CPAs.

Note 2: As of December 31, 2022, our company has not conducted any revaluation of assets.

Note 3: The amounts after distribution are not listed here because the 2022 financial statements have not been approved by the Shareholders' Meeting.

(II) Condensed consolidated comprehensive balance sheet - International Financial Reporting Standards

Unit: NT$1,000

Item \ Year	Financial information for the most recent five years (Note 1)					Up to March 31, 2023
	2018	2019	2020	2021	2022	
Operating revenue	7,102	2,265	845,362	2,716,193	3,011,423	664,454
Gross profit	2017	191	189,677	706,961	843,334	171,697
Operating income	(16,407)	(27,123)	(11,799)	116,859	93,276	(36,201)
Non-operating income and expenses	11,840	116	83,114	74,475	22,535	(2,727)
Net income (loss) before tax	(4,567)	(27,007)	71,315	191,334	115,811	(38,928)
Net income from continuing operations	(4,567)	(27,007)	61,103	128,552	31,559	(38,928)
Income/loss from discontinued operations	-	-	1,289	1,647	-	-
Net income (loss)	(4,567)	(27,007)	62,392	130,199	31,559	(38,928)
Other comprehensive income (net amount after tax)	(563)	(1,907)	706	(3,666)	8,432	(494)
Total comprehensive income for this period	(5,130)	(28,914)	63,098	126,533	39,991	(39,422)
Net income attributable to owners of parent company	(4,567)	(27,007)	59,905	138,688	33,209	(38,783)
Net income attributable to non-controlling interests	-	-	2,487	(8,489)	(1,650)	(145)
Total comprehensive income attributable to owners of parent company	(5,130)	(28,914)	60,611	135,022	41,641	(39,277)
Total comprehensive income attributable to non-controlling interests	-	-	2,487	(8,489)	(1,650)	(145)
Earnings Per Share	(0.09)	(0.54)	1.16	2.60	0.62	(0.73)

Note 1: Financial data for the fiscal years 2018 to 2022 have been audited and verified by CPAs. As of March 31, 2023, the financial data has been reviewed by CPAs.

(III) Condensed consolidated parent company only balance sheet - International Financial Reporting Standards

Unit: NT$1,000

Item \ Year		Financial information for the most recent five years (Note 1)				
		2018	2019	2020	2021	2022
Current asset		212,469	197,810	134,438	216,207	412,813
Investment under equity method		113,509	106,716	391,323	424,306	380,836
Property, plant and equipment (Note 2)		4,688	4,173	3,661	408	161
Net investment property (Note 2)		91,471	90,617	12,885	15,417	15,141
Intangible assets		17	-	-	-	-
Other assets		15,081	9,427	204,333	227,149	163,498
Total assets		437,235	408,743	746,640	883,487	972,449
Current liabilities	Before Distribution	6,174	6,852	16,456	15,908	263,125
	After Distribution	6,174	6,852	16,456	15,908	(Note 3)
non-current liabilities		1,676	1,420	188,588	193,127	337
Total liabilities	Before Distribution	7,850	8,272	205,044	209,035	263,462
	After Distribution	7,850	8,272	205,044	209,035	(Note 3)
Equity attributable to owners of the parent company		429,385	400,471	541,596	674,452	708,987
Share capital		496,824	496,824	532,424	532,424	532,424
Additional paid-in capital		-	-	44,914	44,914	44,914
Retained earnings	Before Distribution	(63,306)	(90,313)	(30,408)	106,114	132,217
	After Distribution	(63,306)	(90,313)	(30,408)	106,114	(Note 3)
Other equity		(4,133)	(6,040)	(5,334)	(9,000)	(568)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before Distribution	429,385	400,471	541,596	674,452	708,987
	After Distribution	429,385	400,471	541,596	674,452	(Note 3)

Note 1: All financial information from 2018 to 2022 has been audited by CPAs.

Note 2: As of December 31, 2022, our company has not conducted any revaluation of assets.

Note 3: The amounts after distribution are not listed here because the 2022 financial statements have not been approved by the Shareholders' Meeting.

(IV) Condensed parent company only comprehensive balance sheet - International Financial Reporting Standards

Unit: NT$1,000

Item \ Year	Financial information for the most recent five years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	7,102	2,265	1,964	1,671	14,550
Gross profit	2017	191	408	122	13,773
Operating income	(6,595)	(19,726)	(36,751)	(55,665)	(33,780)
Non-operating income and expenses	2,028	(7,281)	96,680	194,353	66,989
Net income before tax	(4,567)	(27,007)	59,929	138,688	33,209
Net income from continuing operations	(4,567)	(27,007)	59,929	138,688	33,209
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	(4,567)	(27,007)	59,929	138,688	-
Other comprehensive income (net amount after tax)	(563)	(1,907)	706	(3,666)	8,432
Total comprehensive income for this period	(5,130)	(28,914)	60,611	135,022	41,641
Net income attributable to owners of parent company	(4,567)	(27,007)	59,929	138,688	33,209
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of parent company	(5,130)	(28,914)	60,611	135,022	41,641
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings Per Share	(0.09)	(0.54)	1.16	2.60	0.62

Note 1: All financial information from 2018 to 2022 has been audited by CPAs.

(V) Names and audit opinions of CPAs in the most recent five years

Year	Name of CPA	Audit opinion
2018	Chen, Yu-Hsun, Li, Ding-Yi	Unqualified opinion
2019	Chen, Yu-Hsun, Li, Ding-Yi	Unqualified opinion
2020	Chang, Wei-Cheng, Hsieh, Wan-Li	Unqualified opinion
2021	Lin, Heng-Sheng, Yang, Shu-Chi	Unqualified opinion
2022	Lin, Heng-Sheng, Yang, Shu-Chi	Unqualified opinion

II. Financial analysis for the past five years

(I) Consolidated financial analysis - International Financial Reporting Standards

Analysis item	Year	Financial information for the most recent 5 years (Note 1)					Up to March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	4.87	5.24	54.92	56.47	59.81	68.70
	Long-term capital as a percentage of property, plant, and equipment	5,817.29	6,342.98	4,357.16	5,506.81	5,371.11	192.49
Solvency %	Current ratio	1,098.96	1,014.83	128.30	135.65	120.08	117.52
	Quick ratio	1,096.33	1,012.75	107.94	126.28	116.8	113.01
	Interest coverage ratio	(44.22)	(124.03)	22.82	28.38	15.48	(15.01)
Operating performance	Accounts receivable turnover (times)	1.51	3.37	13.88	15.69	14.01	14.15
	Average collection days	241.72	108.30	26.29	23.26	26.05	25.8
	Inventory turnover (times)	5.21	2.14	883.67	3,025.95	5,433.81	9,297.3
	Accounts payable turnover (times)	2.90	3.91	6.04	8.04	7.25	12.64
	Average inventory turnover days	70.06	170.56	0.41	0.12	0.067	0.039
	Property, plant and equipment turnover (times)	0.18	0.33	69.44	155.54	185.76	7.58
	Total asset turnover (times)	0.02	0.01	1.04	1.97	1.82	1.36
Profitability	Return on assets (%)	(0.99)	(6.14)	7.85	9.75	2.29	(1.89)
	Return on equity (%)	(1.06)	(6.51)	12.97	21.14	4.56	(5.64)
	Net income before tax as a percentage of paid-in capital Capital ratio (%)	(0.92)	(5.44)	13.39	35.94	21.75	(7.31)
	Net profit ratio (%)	(64.31)	(1,192.36)	7.23	4.73	1.05	(5.86)
	Earnings per share (NT$)	(0.09)	(0.54)	1.16	2.6	0.62	(0.73)
Cash flow	Cash flow ratio (%)	12.60	(42.79)	(6.26)	54.6	22.9	(7.89)
	Cash flow adequacy ratio (%)	905.78	922.3	(131.12)	443.05	232.13	232.13
	Cash reinvestment ratio (%)	1.00	(3.80)	(16.79)	127.11	60.84	(7.52)
Leverage	Operating leverage	0.43	0.65	(1.60)	1.66	2.14	0.28
	Financial leverage	0.99	0.99	0.78	1.06	1.09	0.94

Reasons for changes in financial ratios in the past two years (changes by 20% or more):

1. Changes in solvency ratio: The Company's net profit before tax in 2022 was lower than that in 2021, which resulted in an increase in the interest coverage ratio.
2. Changes in operating performance ratio: The Company's consolidated operating income mainly comes from the live broadcast revenue. The Company has no inventory. The inventory in the account is from the inventory of connectors and connection cables, but the sales volume has gradually shrunk, resulting in high inventory turnover and lower average inventory turnover days.
3. Changes in profitability ratios: Both the pre-tax profit and after-tax profit in 2022 were lower than those in 2021, resulting in a decline in the relevant ratios.
4. Changes in cash flow ratios:
   (1) Cash flow ratio: The net profit before tax in 2022 is lower than that in 2021. In addition, the convertible corporate bonds will mature within a year, so the account of non-current liabilities has been converted into an account of current liabilities. As a result, the current liabilities increased in 2022 compared to 2021, which is the main reason for the decrease in cash flow ratio in 2022.
   (2) Cash flow adequacy ratio and cash flow reinvestment ratio: The prepayment of 20% of the signing fee for the office building in 2022 resulted in an increase in capital expenditure and the cash flow adequacy ratio in 2022 was lower than that in 2021.
5. Changes in leverage: 2022 revenue was higher than 2021, but net operating profit was lower than 2021, resulting in higher operating leverage.

Note 1: Financial data for the fiscal years 2018 to 2022 have been audited and verified by CPAs. As of March 31, 2023, the financial data has been reviewed by CPAs.

(II) Parent company only financial analysis - International Financial Reporting Standards

Analysis item		Financial information for the most recent 5 years (Note 1) 2018	2019	2020	2021	2022
Financial structure (%)	Debt to assets ratio	1.80	2.02	27.46	23.66	27.09
	Long-term capital as a percentage of property, plant, and equipment	9,194.99	9,630.75	19,944.93	212,641.91	440,573.91
Solvency %	Current ratio	3,441.35	2,886.89	816.95	1,359.11	156.89
	Quick ratio	3,432.72	2,882.44	815.70	1,324.71	154.72
	Interest coverage ratio	(216.48)	(599.16)	22.92	28.4	7.41
Operating performance	Accounts receivable turnover (times)	1.51	3.37	0.59	0.50	129.33
	Average collection days	241.72	108.31	618.64	730	2.82
	Inventory turnover (times)	5.21	2.14	2.10	2.33	1.95
	Accounts payable turnover (times)	2.90	3.91	3.09	3.95	4.47
	Average inventory turnover days	70.06	170.56	173.81	156.65	187.18
	Property, plant and equipment turnover (times)	0.20	0.51	0.50	0.82	51.14
	Total asset turnover (times)	0.02	0.01	0.01	0.002	0.02
Profitability	Return on assets (%)	(1.03)	(6.38)	10.84	17.51	4.03
	Return on equity (%)	(1.06)	(6.51)	12.72	22.81	4.8
	Ratio of net income before tax to paid-in capital (%)	(0.92)	(5.44)	11.26	26.05	6.24
	Net profit ratio (%)	(64.31)	(1,192.36)	3,050.15	8,299.7	228.24
	Earnings per share (NT$)	(0.09)	(0.54)	1.16	2.6	0.62
Cash Flow	Cash flow ratio (%)	137.67	(144.66)	(90.61)	23.82	33.79
	Cash flow adequacy ratio (%)	1,534.10	439.24	(199.97)	253.25	54.78
	Cash reinvestment ratio (%)	2.60	(3.25)	(2.89)	0.60	13.24
Leverage	Operating leverage	0.78	0.93	0.93	0.96	0.94
	Financial leverage	1.00	1.00	0.93	0.92	0.87

Reasons for changes in financial ratios in the past two years (changes by 20% or more):

1. Changes in financial structure ratios:

Long-term capital to property, plant, and equipment: convertible corporate bonds will mature within a year, so it was converted from non-current liabilities to current liabilities in 2022, resulting in a higher long-term capital as a percentage of property, plant, and equipment compared to 2021.

2. Changes in solvency ratio:
   (1) Current ratio and quick ratio: Convertible corporate bonds will mature within a year, so they were converted from non-current liabilities to current liabilities in 2022. As a result, the current ratio and quick ratio decreased in 2022.
   (2) Interest coverage ratio: The Company's net profit before tax in 2022 was lower than that in 2021, which resulted in an increase in the interest coverage ratio.
3. Changes in operating performance ratio:
   (1) Accounts receivable turnover and average collection days: There was an increase in management fee income in 2022, and the accounts were collected within the same period. As a result, the accounts receivable turnover ratio was higher than in the year 2021, and the average collection days were shorter.
   (2) Property, plant and equipment turnover (times) and total assets turnover (times): In addition to the increase in management fee income in 2022, although the office building was purchased in 2022, the transaction process has not been completed, so the 20% signing fee paid is listed It is prepayment and is the main reason why the turnover rate of property, plant, and equipment in 2022 is higher than that in 2021.
   (3) Total asset turnover (times): The total asset turnover (times) in 2022 is higher than that in 2021 due to the increase in management fee income in 2022.
4. Changes in profitability ratios: Operating profit, net profit before tax, and net profit after tax in 2022 were all lower than those in 2021, resulting in a decline in the related ratios.
5. Changes in cash flow ratio: The increase in management fee income in 2022 resulted in an increase in net cash flow from operating activities in 2022. Therefore, the cash flow ratio in 2022 was higher than that in 2021.

Note 1: All financial information from 2018 to 2022 has been audited by CPAs.

Calculation formula:
1. Financial structure
(1) Debt to assets ratio = total liabilities/total assets.
(2) Ratio of long-term capital to property, plant and equipment = (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 - prepayments) /current liabilities.
(3) Interest coverage ratio = net income before income tax and interest expense/current interest expense.
3. Operating performance
(1) Accounts receivable turnover ratio (including accounts receivable and notes receivable arising from business operations) = Net sales / Average balance of accounts receivable (including accounts receivable and notes receivable arising from business operations) for the period.
(2) Average collection days = 365/accounts receivable turnover.
(3) Inventory turnover = cost of goods sold/average inventory.
(4) Accounts payable turnover ratio (including accounts payable and notes payable arising from business operations) = Net sales / Average balance of accounts payable (including accounts payable and notes payable arising from business operations) for the period.
(5) Average inventory turnover days = 365/inventory turnover.
(6) Property, plant, and equipment turnover = net sales/net average property, plant, and equipment.
(7) Total asset turnover = net sales/average total assets.
4. Profitability
(1) Return on assets = [after-tax profit and loss + interest expenses × (1 - tax rate)] / average total assets.
(2) Return on equity = after-tax profit/average total equity.
(3) Net profit margin = after-tax profit/net sales.
(4) Earnings per share = (income attributable to shareholders of the parent company - dividends from preferred shares) /weighted average outstanding shares.
5. Cash flow
(1) Cash flow ratio = Net cash flow from operating activities/current liabilities.
(2) Cash flow adequacy ratio = net cash flow from operating activities for the previous 5 years / (capital expenditure + increase in inventory + cash dividends) for the previous 5 years.
(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividend) / (Net property, plant and equipment + Long-term investment + Other non-current assets + Working capital).
6. Leverage:
(1) Operating leverage = (net operating revenue - variable operating costs and expenses) /operating income.
(2) Financial leverage = operating income/(operating income - interest expenses).

III. Supervisors' or Audit Committee's review of the latest financial reports

Lang Inc.
Audit Committee Review Report

The Board of Directors has prepared the Company's 2022 financial report (including the parent company-only financial report and consolidated financial report), which has been audited by KPMG Taiwan. The report presents fairly, in all material respects, the Company's financial position, operating results, and cash flows. After a thorough review by the Audit Committee, no discrepancies have been found in the above documents alongside the business report and earnings distribution proposal. Hence, in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have prepared this report for your examination and consideration.

To

2023 Shareholders' Meeting of Lang Inc.

Convener of the Audit Committee: Yu-wen Liu

Mar. 15, 2023

IV. **Consolidated financial statements certified by CPA for the most recent year:** Please refer to pp.111-179.

V. **Consolidated parent company only financial statements certified by CPA for the most recent year:** Please refer to pp.180 - .236

VI. **Financial/cash flow difficulties in the most recent year and as of the publication date of this annual report:** None.

Seven. Risks & Review/Analysis of Financial Status & Performance

I. Financial Status

List the main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the measures to be taken in response shall be described:

Unit: NTD thousands

Consolidated Financial Statement				
Item \ Year	End of 2022	End of 2021	Difference	
			Amount	%
Current asset	1,120,729	833,517	287,212	34.45
Financial assets measured at fair value at amortized cost - Non-current	-	200,000	(200,000)	-
Property, plant and equipment	15,507	16,915	(1,408)	(8.32)
Right-of-use assets	145,412	108,626	36,786	33.86
Intangible assets	242,281	277,972	(35,691)	(12.84)
Other non-current assets	242,299	108,903	133,396	122.49
Total assets	**1,766,228**	**1,545,933**	**220,295**	**14.25**
Current liabilities	933,330	614,456	318,874	51.90
Bonds payable	-	192,619	(192,619)	(100)
Other non-current liabilities	123,026	65,977	57,049	86.47
Total liabilities	**1,056,3561**	**873,052**	**183,304**	**21**
Share capital	532,424	532,424	0	0
Additional paid-in capital	44,914	44,914	0	0
Statutory reserves	10,611	-	10,611	-
Special reserves	3,665	-	3,665	-
Undistributed earnings / (losses to be compensated)	117,941	106,114	11,827	11.15
Other equity	(568)	(9,000)	8,432	(93.69)
Total equity attributable to owners of parent company	**708,987**	**674,452**	**34,535**	**5.12**
Non-controlling interests	885	(1,571)	2,456	(156.33)
Total shareholders' equity	**709,872**	**672,881**	**36,991**	**5.50**

Explanation of the increase/decrease ratio and its impact and future countermeasures (changes by more than 20% between the two previous periods):

1. Current assets: mainly due to the fact that the certificate of deposit of NT$200,000 thousand pledged for the convertible corporate bonds will mature within one year, so the asset has been transferred to current assets from non-current assets.
2. Right-of-use assets: Mainly due to renewal of the lease of the office, resulting in an increase of right-of-use assets by NT$36,786 thousand.
3. Other non-current assets: Mainly due to the prepayment of 20% of the contract fee for the purchase of the office building, but the transaction has not been completed, so it is temporarily included in the prepayment and will be transferred to the property, plant and equipment after the transaction is completed.
4. Current liabilities: mainly due to the increase in the operating revenue of the livestream platform, which affects not only the income tax liabilities, but also the accounts payable.

II. Financial performance

(I) Financial performance analysis for the past two years

Unit: NTD thousands

Consolidated Financial Statement				
Item \ Year	2022	2021	Increase/decrease amount	%
Operating revenue	3,011,423	2,716,193	295,230	10.87
Operating costs	2,168,089	2,009,232	158,857	7.91
Gross profit	843,334	706,961	136,373	19.29
Operating expenses	750,058	590,102	159,956	27.11
Operating profit (loss)	93,276	116,859	(23,583)	(20.18)
Non-operating income and expenses	22,535	74,475	(51,940)	(69.74)
Net income (loss) before tax	115,811	191,334	(75,523)	(39.47)
Income tax gains (expenses)	(84,252)	(62,782)	(21,470)	34.20
Net income (net loss) from continuing operations	31,559	128,552	(96,993)	(75.45)
Income/loss from discontinued operations	0	1,647	(1,647)	(100.00)
Net income (loss)	31,559	130,199	(98,640)	(75.76)

Main reasons for the significant change in operating revenue, net profit, and net profit before tax (20% or more between the first and second periods):

1. Operating expenses: The livestream market is gradually maturing. In order to maintain a firm foothold, the Company increased program development and marketing expenses in 2022.
2. Non-operating income and expenses: The increase in non-operating income in 2021 is mainly due to the disposal of equity of Suzhou Jye Tai Precision Industry Co., Ltd., the subsidiary in Mainland China. The remaining non-operating income is mainly due to exchange gain or loss and valuation gain or loss.

(II) The estimated sales amount and the basis thereof, the possible impact on the Company's future financial business, and countermeasures:

The Company evaluates various sales amounts, costs, and future benefits based on past operating experience and observing market trends. In addition, ShineRay's Lang Live platform has brought stable revenue for the Company. In the future, we will actively look for business opportunities that are more complementary to online live broadcasting, in order to achieve continuous growth of operating revenue.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year (2022)

Unit: NTD thousands

Cash balance at beginning of the year (December 31, 2021)	Net cash flow from operating activities throughout the year (2022)	Net cash flow from investment activities throughout the year (2022)	Net cash flow from financing activities throughout the year (2022)	Effect of exchange rate fluctuations on cash and cash equivalents (2022)	Cash classified as non-current assets held for sale	Cash at end of period (December 31, 2022)	Remedial measures for anticipated cash deficits	
							Financing plan	Financial planning
621,047	213,767	(273,519)	38,685	6,700	-	606,680	None	None

Analysis of cash flow changes in the current year:

1. Net cash inflow from operating activities: mainly due to the actual increase in cash inflow caused by the operation of the Company through the main business.
2. Net cash outflow from investment activities: mainly due to 20% of the prepayment of the contractual fee for the purchase of the office building and part of the funds as time deposit.
3. Net cash inflow from financing activities: mainly due to the high interest rate of US dollar time deposit, thus the US dollar time deposit is borrowed in NTD.

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Liquidity analysis for the coming year

Unit: NTD thousands

Cash balance at beginning of the year①	Projected net cash flow from operating activities throughout the year②	Projected cash outflow for the year③	Projected cash surplus (deficit) ①+②+③	Remedial measures for cash deficits	
				Investment plan	Financial planning
606,680	201,762	342,500	465,942	-	-

Liquidity analysis for the coming year:

1. Operating activities: mainly due to operating profit.
2. Investment activities: The net cash outflow from investment activities is mainly due to the acquisition of property, plant, and equipment in 2023.
3. Financing activities: The net cash outflow from financing activities is mainly due to the repayment of bank borrowings.

IV. Impacts of major capital expenditures in the most recent year on financial operations:

None.

V. Main reasons for profit or loss, improvement plans, and investment plans for the next year:

(I) Reinvestment policy

The Company's business management policy for the investee is based on the "Investment Cycle" and "Procedures for Handling Acquisition and Disposal of Assets" of the internal control system as the operational management of the investee. Each reinvestment company regularly submits its financial information to the Company to enable the Company to learn about its financial and business status; In addition, the Company’s internal control unit also periodically examines the operational status and implementation of internal controls of each reinvestment venture to facilitate effective management of these ventures and achieve efficient control over their operations, which then enables the Company to exercise effective control over the operations of each of its invested businesses.

(II) Main reasons for the profit or loss from reinvestment in the most recent year, and its improvement plans

December 31, 2022; unit: NT$ thousand

Investee	Ownership ratio (%)	Investment income recognized in the current period	Main reason for profit or loss	Improvement plan
Jye Tai Precision Industrial (BVI) Co., Ltd.	100	(6,073)	Mainly recognized as investment income.	None.
Wu, Yi- Wan Investment Co., Ltd.	100	6,180	Mainly due to gain in valuation of the invested financial assets.	None.
ShineRay Co., Ltd.	100	55,035	Good operating performance this year.	None.
Flagwin Technology Co., Ltd.	30	(3,117)	In the initial stage of operations, the company has not yet achieved an economy of scale.	As operations begin to scale, performance is expected to exhibit stable growth.
Baulong Technology Co., Ltd.	91.67	1,982	After adjusting the operating strategy, the revenue and profit have been able to grow steadily.	None.
Hong Kong ShineRay Co., Ltd.	100	(174,305)	In the initial stage of operations, the company has not yet achieved an economy of scale.	As operations begin to scale, performance is expected to exhibit stable growth.

Investee	Ownership ratio (%)	Investment income recognized in the current period	Main reason for profit or loss	Improvement plan
Zhu Que Co., Ltd. (Note 2)	90.59	(14,661)	Mainly affected by the pandemic.	Create an online APP.
Bubu Co., Ltd.	100	(30,853)	In the initial stage of operations, the company has not yet achieved an economy of scale.	As operations begin to scale, performance is expected to exhibit stable growth.
Jye Tai Electronics Ltd. (Note 1)	100	(5,042)	Mainly recognized as investment income.	None.
Shanghai Langhong Culture Media Co., Ltd. (Note 1)	100	(94,810)	In the initial stage of operations, the company has not yet achieved an economy of scale.	As operations begin to scale, performance is expected to exhibit stable growth.
Wuhu Jye Tai Precision Industry Limited Company (Note 1)	100	(5,691)	Mainly due to lack of source of income.	Currently, the Company is actively looking for a lessee.

Note 1: Indirect investment through the Company's subsidiaries and a third location.
Note 2: ShineRay Corporation sold the entire equity of Zhue Que Co., Ltd. in February 2023 and lost its control.

(III) Investment plans for the coming year: To be determined depending on the operating status.

VI. Risks and Assessment

(I) The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss, and future countermeasures.

1. Impacts of interest rate and exchange rate fluctuations on the Company's profit and loss:

Unit: NT$1,000

Item	2022		
	Amount (NTD thousand)	As a percentage of operating revenue	As a percentage of pre-tax net profit
Interest income	3,582	0.12%	3.09%
Interest expense	7,998	0.27%	6.91%
Net foreign exchange gain (loss)	28,079	0.93%	24.25%

(1) The interest income and interest expenses of the Company and its subsidiaries are mainly generated from loans and deposits with various financial institutions. Since they account for a small percentage of operating revenue, the impact of changes in interest rates on the Company is immaterial.
The Company will always pay attention to the changes in interest rates, and seek preferential interest rate terms with the correspondent banks in order to increase the interest income and reduce the interest cost as much as possible.

(2) Receipts and payments of the Company and its subsidiaries are mainly denominated in NTD, so exchange rate fluctuations have limited impact on the Company. However, the Company will still pay attention to exchange rate fluctuations and foreign currency funding needs, and adjust foreign currency positions and exchange timing in a timely manner to reduce the risk of exchange rate fluctuations on the Company's profit and loss.

2. Inflation:

The Company will always pay attention to market fluctuations and adjust the prices of virtual commodities appropriately, so there is no significant impact due to inflation, but will still pay close attention to changes in the relevant economic environment and changes in market conditions.

(II) The policies regarding engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and engaging in derivative commodity trading, as well as the main reasons for profits or losses, and future response measures are as follows.

1. The Company does not engage in high-risk and highly leveraged investments.

2. The Company does not engage in the trading of derivative products.

3. The Company's loaning of funds to others is processed in accordance with the "Operating Procedures for Loaning of Funds" of the Company. This primarily involves inter-subsidiary fund procurement and meeting operational turnover requirements, without any material adverse impact on the financial condition of the consolidated company.

4. The Company does not engage in endorsement and guarantee transactions, and the "Operating Procedures of Endorsement/Guarantees" has been established to enforce such transactions.

(III) Future R&D plans and projected R&D expenses:

The Company acquired 100% of the equity of ShineRay Corporation in 2020, making a significant entry into the live broadcast market to further enhance the Company's R&D capacity. In order to provide users with a better experience when using the app, the Company will continue to invest in new product development. The R&D expenditure is expected to account for about 5-7% of the operating revenue in 2023, but will be adjusted in a timely manner depending on the global market conditions and the Company's operating conditions. The Company's main R&D plans in the future are summarized as follows:

Expected development year	R&D plan	Current progress
2023	Lang Live 4. System architecture optimization: Phase 2 construction. 5. AI research and development: New types of facial special effects. 6. AI research and development: Inhouse development some algorithmic modules (replacing some purchased modules). PLAYONE: Live game streaming. POPO Notes: AI e-commerce ecosystem module.	Under development

(IV) Impacts of important domestic and foreign policies and legal changes on the Company's financial operations and countermeasures:

The Company has complied with relevant domestic and foreign laws and regulations. As of the publication date of the prospectus in the most recent year, there were no changes in policies and laws and regulations that had a significant impact on the financial operations of the consolidated company. In addition, the management team will continue to pay close attention to any policies and laws that may affect the Company's operations, and actively take necessary responsive measures to reduce adverse impacts.

(V) Impacts of technological changes (including information about cybersecurity risks) and industry changes on the Company's financial operations and countermeasures:

The Company regularly forecasts the long-term market demand for its products and services for overall planning. In response to this change, the Company has expanded business opportunities and explored new markets in the future in addition to its existing products.

There are no related events that have a material impact on the financial operations of the consolidated company in the most recent year.

(VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company's business strategy remains unchanged. The Company upholds ethical corporate governance and its corporate image is mostly recognized by all parties. In recent years, with the changes in the Company's business scale and the number of employees, we have realized the need to regularly review the external environment, our own operating patterns, and our management systems, in order to detect the possibility of corporate crisis at an early stage, and formulate specific and proactive response plans and measures.

The Company has not experienced any significant impacts due to changes in corporate image. The Company has consistently adhered to the business philosophy of integrity, action, innovation and perpetuity, and thus the corporate crisis management has not been affected.

(VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures:

As of the publication date of the prospectus, the Company has not planned any mergers and acquisitions. However, in the future, should there be any related plans, we will adopt a cautious evaluation approach to determine whether the merger or acquisition can bring tangible benefits to the Company. The Company has already established the "Regulations Governing the Acquisition and Disposal of Assets" which has been approved by a shareholders' meeting to protect the interests of the Company and the shareholders.

(VIII)Expected benefits and possible risks of plant expansion and countermeasures:

As the Company gradually expands, we have been leasing office spaces in various locations, including Neihu, Zhongxiao, Bade, and Minquan, which has resulted in challenges in managing and communicating with teams due to the dispersed nature of the office locations. Furthermore, the current market trend for rental demand has been characterized by a low vacancy rate and increasing rental prices. In addition to the continuous upward trend in office building rentals, there is also a risk of non-renewal of lease agreements. The Company purchased its corporate headquarters in Shilin, Taipei City, in order to make the internal and external resources of the Group support and complement each other, improve the efficiency of the Group, reduce lease risks, and increase the allocation of assets for own use.

(IX) Risks associated with concentrated purchases or sales and countermeasures:

1. Sales:

After the Company's reinvestment in ShineRay Corporation, it is mainly engaged in the operation of live broadcast platform. At present, the main source of sales revenue is the average online recharge users. There are many recharge users and they’re scattered. Although third-party payment is required for collection, it involves a large-scale online payment flow, making it relatively secure.

2. Purchases:

The Company conducted reinvestment in ShineRay Corporation, which is mainly engaged in the operation of live broadcast platform. The main operating costs consist of items such as payment processing fees, agency fees, revenue sharing with broadcasters, and compensation costs, as well as internet service expenses. There are no physical procurement activities involved. ShineRay has about 11,000 contracted broadcasters, so the remuneration and cost sharing to the broadcasters are dispersed; in addition, the Company utilizes payment service providers and third-party payment platforms for payment processing services, charging a certain percentage as transaction fees on the payment flow. Overall, the main costs primarily stem from the recharge consumption amounts of end users, mitigating the risk of concentrated procurement.

(X) Impacts and risks to the Company in the event of a substantial transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and countermeasures:

As of the publication date of the prospectus, the change in the shareholdings of directors, supervisors, or major shareholders with more than 10% ownership had no significant impact or risk on the Company, and the Company's finance, business and corporate operations were normal.

(XI) Impacts and risks of the change in management on the Company and countermeasures:
As of the prospectus' publication date, the transaction of management rights has no significant impact or risk on the Company, and the Company's finance, business and corporate operations are operating normally.

(XII) List major litigious, non-litigious or administrative disputes that: involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company, and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

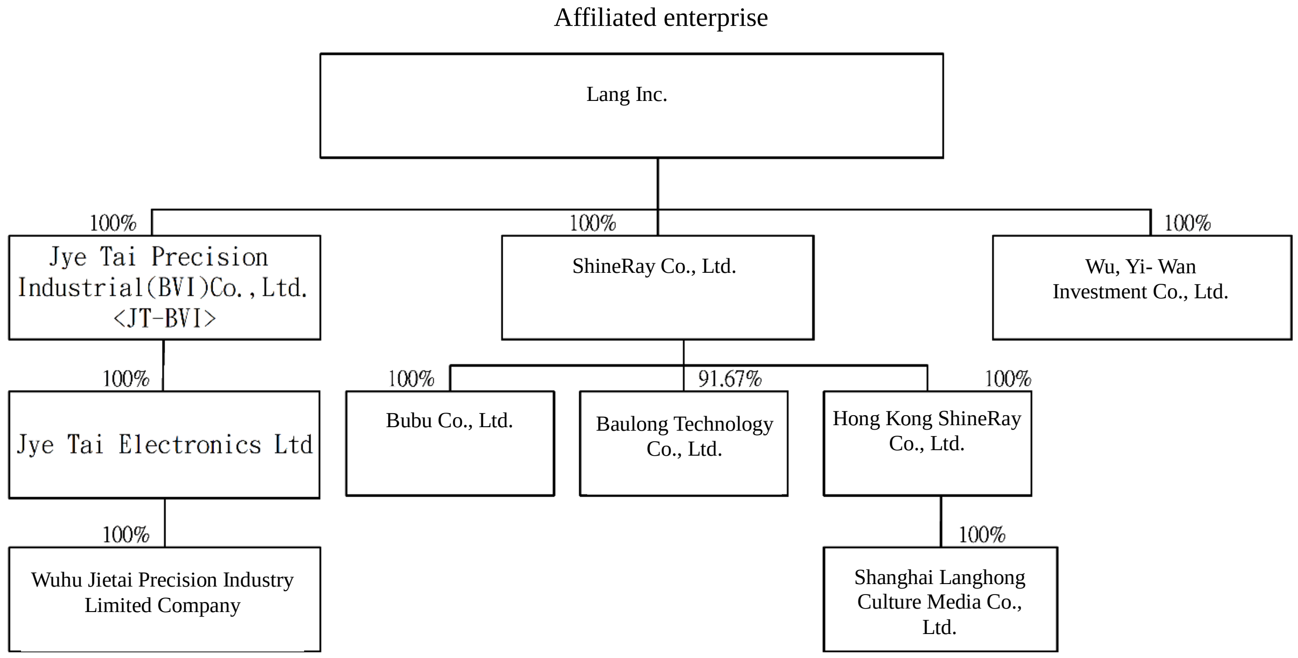
(XIII)Other important risks and countermeasures: None.

VII. Other material matters: None.

Eight. Annotations

I. Information on Affiliated Enterprises

(I) Organization Chart of Affiliated Enterprises



(II) Profile of each affiliated enterprise

Unit: NTD thousands

Company Name	Date of Incorporation	Address	Paid-up Capital	Main Business or Production Items
Jye Tai Precision Industrial (BVI) Co., Ltd.	1997.11.21	Citco Building, P.O. Box 662, Road Town, Tortola, British Virgin Islands	USD 1,701	Holding Company
Jye Tai Electronics Ltd.	1995.08.08	Unit 525,5F., Pacific Link Tower A Southmark,11 Yip Hing Street Wong Chuk Hang,Hong Kong	USD 1,610	Holding Company
Wuhu Jietai Precision Industry Limited Company	2006.11.28	Wuhu Export Processing Industrial Park, Wuhu City, Anhui Province, China	HKD 23,400	Manufacturing and sale of connectors, various types of power cords, signal cables and computer cables
Wu, Yi- Wan Investment Co., Ltd.	2015.10.30	Rm 2, 6F, No.400, Sec.2, Bade Rd., Songshan District, Taipei City	NTD 60,000	Investment Company
ShineRay Co., Ltd.	2019.12.10	6F., No. 70, Ruiguang Rd., Neihu District, Taipei City	NTD 250,000	Lang Live Streaming Platform
Playone Co., Ltd.	2020.02.12	6F., No. 70, Ruiguang Rd., Neihu District, Taipei City	NTD 30,000	PlayOne Esports Platform
Hong Kong ShineRay Co., Ltd.	2021.05.07	Unit 06, G Floor, The Metropolis, 335 Canton Road, Kowloon, Hong Kong	USD 7,600	Lang Live Streaming Platform Overseas Business
Shanghai Langhong Culture Media Co., Ltd.	2021.09.07	Room 726, 7F, Building 1, No. 180, Huashen Road, China (Shanghai) Pilot Free Trade Zone	USD 2,350	Lang Live Streaming Platform China Business
Bubu Co., Ltd.	2021.11.22	6F., No. 70, Ruiguang Rd., Neihu District, Taipei City	NTD 75,000	POPO Notes and Life Sharing Platform

(III) Information of the same shareholders that are presumed to be in a controlling or subordinate relationship according to Article 369-3 of the Company Act: None.

(IV) Affiliated enterprises' business activities and interaction and division of labor

Industry	Name of Affiliated Enterprise	Interaction and Division of Labor
Holding Company	Jye Tai Precision Industrial (BVI) Co., Ltd.	Invested in Jye Tai Electronics Ltd.
	Jye Tai Electronics Ltd.	Invested in Wuhu Jye Tai Precision Industry Limited Company
Manufacture and sale of electronic products	Wuhu Jietai Precision Industry Limited Company	Trading

Industry	Name of Affiliated Enterprise	Interaction and Division of Labor
Investment	Wu, Yi- Wan Investment Co., Ltd.	Investment Company
Cultural and Creative Industries	ShineRay Co., Ltd.	Lang Live Streaming Platform
	Playone Co., Ltd.	PlayOne Esports Platform
	Hong Kong ShineRay Co., Ltd.	Lang Live Streaming Platform China Business
	Shanghai Langhong Culture Media Co., Ltd.	Lang Live Streaming Platform China Business
	Bubu Co., Ltd.	POPO Notes

(V) Information of directors, supervisors, and presidents of affiliated companies

Unit: Shares; %

Company Name	Job Title	Name or Representative	Shares Currently Held	
			Number of Shares	Shareholding
Jye Tai Precision Industrial (BVI) Co., Ltd.	Director	Lang Inc. Juridical Person Representative: Li, Wan-yu	1,701	100%
Jye Tai Electronics Ltd.	Director	Jye Tai Precision Industrial (BVI) Co., Ltd. Juridical Person Representative: Chiu, Chien-cheng	12,304,568	100%
Wuhu Jietai Precision Industry Limited Company	Director	Jye Tai Electronics Ltd. Juridical Person Representative: Chiu, Chien-cheng	Note 1	100%
	Supervisor	Jye Tai Electronics Ltd. Juridical Person Representative: Li, Wan-yu	—	—
	General Manager	Chiu, Chien-cheng	—	—
Wu, Yi- Wan Investment Co., Ltd.	Chairman	Lang Inc. Juridical Person Representative: Li, Wan-yu	6,000,000	100%
ShineRay Co., Ltd.	Chairman	Lang Inc. Juridical Person Representative: Wang, Guan-jung	25,000,000	100%
Playone Co., Ltd.	Chairman	ShineRay Co., Ltd. Juridical Person Representative: Wang, Guan-jung	2,750,000	91.67%
	Supervisor	Lin, Yung-Fu	—	—
Bubu Co., Ltd.	Chairman	ShineRay Co., Ltd. Juridical Person Representative: Wang, Guan-jung	7,500,000	100%
Hong Kong ShineRay Co., Ltd.	Chairman	ShineRay Co., Ltd. Juridical Person Representative: Wang, Guan-jung	760,000	100%

Company Name	Job Title	Name or Representative	Shares Currently Held	
			Number of Shares	Shareholding
Shanghai Langhong Culture Media Co., Ltd.	Chairman	Wang, Qian	Note 1	100%

Note 1: The company is organized in the form of a limited company without shares and denominations.

(VI) Financial status and results of operations of each affiliate:

December 31, 2022; unit: NT$ thousand

Company Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Current profit and loss (after tax)	Earnings per share (NT$)
Jye Tai Precision Industrial (BVI) Co., Ltd.	52,241	44,614	0	44,614	0	(321)	(6,073)	Note 1
Jye Tai Electronics Ltd.	48,443	42,150	0	42,150	0	(93)	(5,042)	Note 1
Wuhu Jietai Precision Industry Limited Company	98,098	40,928	17,176	23,751	0	(1,837)	(5,691)	Note 2
Wu, Yi- Wan Investment Co., Ltd.	60,000	44,271	9,540	34,731	0	(224)	6,179	1.03
ShineRay Co., Ltd.	250,000	1,025,226	709,245	315,981	2,778,979	335,689	51,072	2.04
Playone Co., Ltd.	30,000	26,921	27,826	(905)	144,269	1,803	1,855	0.62
Zhue Que Co., Ltd.	22,000	27,704	17,489	10,215	17,545	(15,914)	(16,184)	(7.36) Note 3
Hong Kong ShineRay Co., Ltd.	233,396	120,496	115,156	5,340	39,753	(71,603)	(174,305)	Note 1
Shanghai Langhong Culture Media Co., Ltd.	103,340	85,717	100,902	(15,185)	- Note 5	(96,425) Note 5	(94,810) Note 5	Note 2
Bubu Co., Ltd.	75,000	42,753	991	41,761	- Note 6	(30,425) Note 6	(30,853) Note 6	(4.11) Note 3

Note 1: Since the Company is an offshore holding company, earnings per share are not calculated.
Note 2: The Company is organized in the form of a limited company without shares and denominations.
Note 3: ShineRay Corporation sold the entire equity of Zhue Que Co., Ltd. in February 2023 and lost its control.
Note 4: The sub-subsidiary Hong Kong ShineRay was established in June 2021, so the operating results from the date of establishment to the end of the year.
Note 5: The sub-subsidiary, Shanghai Langhong, was established on September 7, 2021; therefore, the operating results are from the date of establishment to the end of the year.
Note 6: The sub-subsidiary, Bubu Co., Ltd. was established on November 22, 2021; therefore, it is the operating result from the date of establishment to the end of the year.

(VII) Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises

Statement

Pursuant to Paragraph 3, Article 14 of the Securities and Exchange Act, we hereby declare that the financial statements of Lang Inc. for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022) have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the IFRS, IAS, IFRS Interpretations and Interpretations approved by the Financial Supervisory Commission, and are able to present a fair view of the of the financial position, operating results, and cash flows of Lang Inc., and there is no false or concealed information in the disclosed content.

Hereby declare

Declaration of Initiation

Lang Inc.
Chairman:
President:
Accounting Officer:

March 15, 2023

(VIII) Affiliation Report: None.

II. Private placement of securities in the most recent year up till the publication date of this annual report:

Item	The 1st private placement in 2019 Issue date: July 9, 2019				
Types of private placement securities	**Private placement of common stock**				
Date and amount approved by the shareholders' meeting	In accordance with the resolution passed at the shareholders' meeting on June 28, 2019, authorizing the issuance of shares not exceeding 20,000,000 shares, the Board of Directors is authorized to issue two shares, within one year from the date of the shareholders' meeting resolution, after evaluating the capital market condition, and the speed and timeliness of fund-raising to be processed.				
Basis and reasonableness of the pricing:	The price per share for the private placement of common shares is set according to the resolution of the 2019 Shareholders' Meeting, and the price is set at 80% of the higher of the following two benchmark calculations (hereinafter referred to as the "reference price"), whichever is higher: (1) Pricing date: The pricing date is set as the date of the Board of Directors' resolution on May 20, 2020. (2) Benchmark 1: The simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the respective benchmark prices are NT$26, NT$26.63, and NT$26.57. The Company has chosen NT$26.63 as the calculation price for benchmark 1. Benchmark 2: The simple average closing price of the common shares for the 30 business days prior to the pricing date (April 7, 2020 to May 19, 2020) subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the calculation price for benchmark 2 is NT$24.16. Reference price: Based on the higher of the two benchmark prices mentioned above, the Company has chosen the average closing price of NT$26.63 for the three business days prior to the pricing reference date as the reference price for the pricing of this private placement. (3) Actual private placement price: NT$ 21.31 per share After calculation, it is determined that the price accounts for 80.02% of the reference price, which meets the resolution of the shareholders' meeting to set the price at no less than 80% of the reference price. Therefore, the pricing in considered reasonable.				
The means of selecting the specified persons	The applicants for this private placement resolution are limited to specified persons who meet the requirements of relevant letters and provisions, such as Article 43-6 of the Securities and Exchange Act, the letter with reference number Tai-Tsai-Zheng-(1)-Zi-0910003455 issued by the former SFC, Ministry of Finance, on Jun. 13, 2002, and the amendments to “Directions for Public Companies Conducting Private Placements of Securities” issued by the Financial Securities Commissions Letter Per Letter Jin-Guan-Zheng-Fa-Zi-1030051453 dated December 30, 2014.				
Necessary reasons for this private placement	To fulfill the needs of enriching working capital, repaying loans, reinvestment, or responding to other requirements for corporate long-term working capital development, the Company plans to issue securities through private placement instead of a public offering in consideration of the quick and convenient timeliness of private placement and the fact that private placement securities are subject to restrictions from free transfer within three years, which can better ensure the long-term relationship between the company and its investment partners.				
Payment completion date	June 3, 2020				
Information of Placees	Targets of private placement	Qualification	Quantity subscribed (shares)	Relationship with the Company	Business operations of participating companies

<table>
<tr><th>Item</th><th colspan="5">The 1st private placement in 2019
Issue date: July 9, 2019</th></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Private placement of common stock</td></tr>
<tr><td rowspan="3"></td><td>Chiu, Chien-cheng</td><td rowspan="3">Satisfies the qualification of a placee under Article 43-6 of the Securities and Exchange Act</td><td>1,340,000</td><td>Chairman of the Company</td><td>Chairman of the Company</td></tr>
<tr><td>Wang, Guan-jung</td><td>820,000</td><td>None</td><td>None</td></tr>
<tr><td>Chen, Shih-chih</td><td>1,400,000</td><td>None</td><td>None</td></tr>
<tr><td>Actual subscription (or conversion) price</td><td colspan="5">NT$21.31 per share</td></tr>
<tr><td>Difference between the actual subscription (or conversion) price and the reference price</td><td colspan="5">The actual private placement price: NT$ 21.31 per share, accounting for 80.02 % of the reference price after calculation.</td></tr>
<tr><td>Impacts of private placements on shareholders' equity</td><td colspan="5">The injection of funds from this private placement of common shares can not only improve the financial structure and increase the capital ratio, but also the setting of the private placement price of common shares. Therefore, it does not result in any material harm to shareholders' equity.</td></tr>
<tr><td>Utilization of private placement funds and progress of plan implementation</td><td colspan="5">(1) Utilization of funds: NT$75,860,000 was intended to be used, and NT$75,860,000 was actually used; all of which were reinvested in ShineRay.
(2) Implementation progress of the plan: The plan was fully executed on August 17, 2020.</td></tr>
<tr><td>Performance of private placement benefits</td><td colspan="5">The consolidated revenue of the Company grew significantly after the reinvestment in ShineRay. From the acquisition date to December 31, 2020, the Company contributed a net income of approximately NT$26,048 thousand, and EPS increased by NT$0.49.</td></tr>
</table>

<table>
<tr><th>Item</th><th>The 1st private placement in 2019
Issue date: June 15, 2019</th></tr>
<tr><td>Types of private placement securities</td><td>Private placement of domestic secured convertible corporate bonds</td></tr>
<tr><td>Date and amount approved by the shareholders' meeting</td><td>According to the resolution of the shareholders' meeting on June 28, 2019, the private placement of domestic secured convertible corporate bonds not exceeding 2,000 bonds (each with a par value of NT$100,000) was made. The board of directors is authorized to have 2 rounds of private placement of 1,000 shares within one year from the date of the shareholders' meeting resolution.</td></tr>
<tr><td>Basis and reasonableness of the pricing:</td><td>The pricing of the domestic convertible corporate bonds in this private placement is determined based on the resolution passed at the shareholders' meeting in 2019, set at no less than 80% of the theoretical price of such bonds; And the conversion price is set at 80% of the higher of the following two benchmark calculations (hereinafter referred to as the "reference price") before the pricing date set by the board of directors:
(1) Pricing date: The pricing date is set as the date of the Board of Directors' resolution on May 20, 2020.
(2) Benchmark 1: The simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the respective benchmark prices are NT$26, NT$26.63, and NT$26.57. The Company has chosen NT$26.63 as the calculation price for benchmark 1.
Benchmark 2: The simple average closing price of the common shares for the 30 business days prior to the pricing date (April 7, 2020 to May 19, 2020) subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the calculation price for benchmark 2 is NT$24.16.
Reference price: Based on the higher of the two benchmark prices mentioned above, the Company has chosen the average closing price of NT$26.63 for the three business days prior to the pricing reference date as the reference price for the pricing of this private placement.</td></tr>
</table>

<table>
<tr><th>Item</th><th colspan="5">The 1st private placement in 2019
Issue date: June 15, 2019</th></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Private placement of domestic secured convertible corporate bonds</td></tr>
<tr><td></td><td colspan="5">(3) Conversion price: The conversion price was set at NT$21.31 per share at the time of issuance. In the case of the private placement common stock, the conversion price was adjusted to NT$21.03 according to the issuance regulations.
After calculation, it is determined that the price accounts for 80.02% of the reference price, which meets the resolution of the shareholders' meeting to set the price at no less than 80% of the reference price. Therefore, the pricing in considered reasonable.</td></tr>
<tr><td>The means of selecting the specified persons</td><td colspan="5">The applicants for this private placement resolution are limited to specified persons who meet the requirements of relevant letters and provisions, such as Article 43-6 of the Securities and Exchange Act, the letter with reference number Tai-Tsai-Zheng-(1)-Zi-0910003455 issued by the former SFC, Ministry of Finance, on Jun. 13, 2002, and the amendments to “Directions for Public Companies Conducting Private Placements of Securities” issued by the Financial Securities Commissions Letter Per Letter Jin-Guan-Zheng-Fa-Zi-1030051453 dated December 30, 2014.</td></tr>
<tr><td>Necessary reasons for this private placement</td><td colspan="5">To fulfill the needs of enriching working capital, repaying loans, reinvestment, or responding to other requirements for corporate long-term working capital development, the Company plans to issue securities through private placement instead of a public offering in consideration of the quick and convenient timeliness of private placement and the fact that private placement securities are subject to restrictions from free transfer within three years, which can better ensure the long-term relationship between the company and its investment partners.</td></tr>
<tr><td>Payment completion date</td><td colspan="5">June 3, 2020</td></tr>
<tr><td rowspan="4">Information of Placees</td><td>Targets of private placement</td><td>Qualification</td><td>Quantity subscribed (shares)</td><td>Relationship with the Company</td><td>Business operations of participating companies</td></tr>
<tr><td>Chiu, Chien-cheng</td><td rowspan="3">Satisfies the qualification of a placee under Article 43-6 of the Securities and Exchange Act</td><td>300</td><td>Chairman of the Company</td><td>Chairman of the Company</td></tr>
<tr><td>Wang, Guan-jung</td><td>500</td><td>None</td><td>None</td></tr>
<tr><td>Chairman Ma, Yung-rui</td><td>200</td><td>None</td><td>None</td></tr>
<tr><td>Actual subscription (or conversion) price</td><td colspan="5">NT$100,000 per bond</td></tr>
<tr><td>Difference between the actual subscription (or conversion) price and the reference price</td><td colspan="5">The private placement of domestic secured convertible corporate bonds is priced at NT$100,000 per bond as it is at the subscription stage and the actual conversion has not yet been completed; and the future conversion price is calculated at NT$21.03 per share, accounting for 80.02% of the reference price.</td></tr>
<tr><td>Impacts of private placements on shareholders' equity</td><td colspan="5">The capital injection from the private placement of domestic secured convertible corporate bonds will be able to effectively assist the Company's business transformation, and is expected to improve the Company's future operating performance, so it will bring positive and substantial benefits to shareholders' equity.</td></tr>
<tr><td>Utilization of private placement funds and progress of plan implementation</td><td colspan="5">(1) Utilization of funds: NT$100,000,000 was intended to be used, and NT$100,000,000 was actually used; all of which were reinvested in ShineRay.
(2) Progress of the plan: All the funds have been used up.</td></tr>
<tr><td>Performance of private placement benefits</td><td colspan="5">The consolidated revenue of the Company grew significantly after the reinvestment in ShineRay. From the acquisition date to December 31, 2020, the Company contributed a net income of approximately NT$26,048 thousand, and EPS increased by NT$0.49.</td></tr>
</table>

Item	**The 2nd private placement in 2019 Issue date: June 15, 2019**

<table>
<tr><th>Types of private placement securities</th><th colspan="5">Private placement of domestic secured convertible corporate bonds</th></tr>
<tr><td>Date and amount approved by the shareholders' meeting</td><td colspan="5">According to the resolution of the shareholders' meeting on June 28, 2019, the private placement of domestic secured convertible corporate bonds not exceeding 2,000 bonds (each with a par value of NT$100,000) was made. The board of directors is authorized to have 2 rounds of private placement of 1,000 shares within one year from the date of the shareholders' meeting resolution .</td></tr>
<tr><td>Basis and reasonableness of the pricing:</td><td colspan="5">The pricing of the domestic convertible corporate bonds in this private placement is determined based on the resolution passed at the shareholders' meeting in 2019, set at no less than 80% of the theoretical price of such bonds; And the conversion price is set at 80% of the higher of the following two benchmark calculations(hereinafter referred to as the "reference price") before the pricing date set by the board of directors:
(1) Pricing date: The pricing date is set as the date of the Board of Directors' resolution on May 20, 2020.
(2) Benchmark 1: The simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the respective benchmark prices are NT$26, NT$26.63, and NT$26.57. The Company has chosen NT$26.63 as the calculation price for benchmark 1.
Benchmark 2: The simple average closing price of the common shares for the 30 business days prior to the pricing date (April 7, 2020 to May 19, 2020) subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; After calculation, the calculation price for benchmark 2 is NT$24.16.
Reference price: Based on the higher of the two benchmark prices mentioned above, the Company has chosen the average closing price of NT$26.63 for the three business days prior to the pricing reference date as the reference price for the pricing of this private placement.
(3) Conversion price: The conversion price was set at NT$21.31 per share at the time of issuance. In the case of the private placement common stock, the conversion price was adjusted to NT$21.03 according to the issuance regulations.

After calculation, it is determined that the price accounts for 80.02% of the reference price, which meets the resolution of the shareholders' meeting to set the price at no less than 80% of the reference price. Therefore, the pricing in considered reasonable.</td></tr>
<tr><td>The means of selecting the specified persons</td><td colspan="5">The applicants for this private placement resolution are limited to specified persons who meet the requirements of relevant letters and provisions, such as Article 43-6 of the Securities and Exchange Act, the letter with reference number Tai-Tsai-Zheng-(1)-Zi-0910003455 issued by the former SFC, Ministry of Finance, on Jun. 13, 2002, and the amendments to “Directions for Public Companies Conducting Private Placements of Securities” issued by the Financial Securities Commissions Letter Per Letter Jin-Guan-Zheng-Fa-Zi-1030051453 dated December 30, 2014.</td></tr>
<tr><td>Necessary reasons for this private placement</td><td colspan="5">To fulfill the needs of enriching working capital, repaying loans, reinvestment, or responding to other requirements for corporate long-term working capital development, the Company plans to issue securities through private placement instead of a public offering in consideration of the quick and convenient timeliness of private placement and the fact that private placement securities are subject to restrictions from free transfer within three years, which can better ensure the long-term relationship between the company and its investment partners.</td></tr>
<tr><td>Payment completion date</td><td colspan="5">June 3, 2020</td></tr>
<tr><td rowspan="3">Information of Placees</td><td>Targets of private placement</td><td>Qualification</td><td>Quantity subscribed (shares)</td><td>Relationship with the Company</td><td>Business operations of participating companies</td></tr>
<tr><td>Chiu, Chien-cheng</td><td rowspan="2">Satisfies the qualification of a placee under</td><td>300</td><td>Chairman of the Company</td><td>Chairman of the Company</td></tr>
<tr><td>Wang,</td><td>500</td><td>None</td><td>None</td></tr>
</table>

<table>
<tr><th>Item</th><th colspan="5">The 2nd private placement in 2019
Issue date: June 15, 2019</th></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Private placement of domestic secured convertible corporate bonds</td></tr>
<tr><td rowspan="2"></td><td>Guan-jung</td><td rowspan="2">Article 43-6 of the Securities and Exchange Act</td><td></td><td></td><td></td></tr>
<tr><td>Chairman Ma, Yung-rui</td><td>200</td><td>None</td><td>None</td></tr>
<tr><td>Actual subscription (or conversion) price</td><td colspan="5">NT$100,000 per bond</td></tr>
<tr><td>Difference between the actual subscription (or conversion) price and the reference price</td><td colspan="5">The private placement of domestic secured convertible corporate bonds is priced at NT$100,000 per bond as it is at the subscription stage and the actual conversion has not yet been completed; and the future conversion price is calculated at NT$21.03 per share, accounting for 80.02% of the reference price.</td></tr>
<tr><td>Impacts of private placements on shareholders' equity</td><td colspan="5">The capital injection from the private placement of domestic secured convertible corporate bonds will be able to effectively assist the Company's business transformation, and is expected to improve the Company's future operating performance, so it will bring positive and substantial benefits to shareholders' equity.</td></tr>
<tr><td>Utilization of private placement funds and progress of plan implementation</td><td colspan="5">(1) Utilization of funds: NT$100,000,000 was intended to be used, and NT$989,400,000 was actually used; in which NT$911,400,000 was reinvested in ShineRay and the other NT$7.8 million was required for working capital.
(2) Plan execution progress: The estimated progress is 100%, and the actual progress is 100%.</td></tr>
<tr><td>Performance of private placement benefits</td><td colspan="5">After acquiring ShineRay Co., Ltd. on August 17, 2020, the Company has reversed the previous deficit in 2020 and 2021, and has transformed from the original connector-related products into the field of network technology. The investment amounted to NT$113,206 thousand, representing a significant increase in earnings per share by NT$2.13.</td></tr>
</table>

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year, up till the publication date of this annual report: None.

IV. Other supplementary information: None.

Nine. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the last year up till the publication date of this annual report that significantly impacted shareholders' equity or security prices: None.

LANG INC. AND SUBSIDIARIES
(Formally known as Jye Tai Precision Industrial Co., Ltd)

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

Representation Letter

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

Company name: Lang Inc.
Chairman: Wang Guanzhong
Date: March 15, 2023

Independent Auditors' Report

To the Board of Directors of Lang Inc.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1.Revenue recognition

Please refer to note 4 (p) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (t) for relevant disclosures.

Description of key audit matter:

Lang Inc. and its subsidiaries are mainly engaged in the business of cultural creativity. Operating revenue is one of the important items in financial report and is expected to be the concern of financial report readers; therefore, the recognition of sales revenue is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

The principal audit procedures we have performed to address the aforementioned key audit matter included assessing if accounting treatment for revenue recognition were performed in accordance to relevant statement of standards; tests the design and implementation of the internal control system relating to revenue recognition; assesses whether the timing and amount of revenue recognition are in compliance with the requirements of the relevant statement of standards; and checks whether the records of income transactions and the various vouchers are in conformity.

2. Impairment of goodwill

Please refer to notes 4(m) and (n) for the accounting policy on impairment of goodwill, notes 5(a) for "Critical accounting judgments and key sources of estimation uncertainty", for estimation uncertainty of impairment of goodwill, and notes 6(k)

Description of key audit matteThe goodwill of Lang Inc. and its subsidiaries as of the date of the financial report accounted for 7% of the combined assets, and the assessment of impairment of goodwill is dependent on management's estimate. Thus, the impairment of goodwill is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

assessing the goodwill impairment policies, obtaining goodwill impairment evaluations and appropriateness of recognition of goodwill impairment.

Other Matter

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are HENG-SHEN LIN and SHU-CHIH YANG.

KPMG

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

Notes to Readers

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

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

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

LANG INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	**December 31, 2022 Amount**	**%**	**December 31, 2021 Amount**	**%**
1100	Cash and cash equivalents(note (6)(a))	$ 606,680	34	621,047	40
1110	Current financial assets at fair value through profit or loss(note (6)(b))	31,123	2	7,176	-
1136	Current financial assets at amortised cost(notes (6)(c)and (8))	303,150	17	10,860	1
1170	Accounts receivable, net(notes (6)(d)and (t))	124,051	7	132,419	9
1200	Other receivables, net(note (6)(e))	16,706	1	3,850	-
1410	Prepayments	30,604	2	57,576	4
1470	Other current assets	8,415	-	589	-
		1,120,729	63	833,517	54
1510	Non-current financial assets at fair value through profit or loss(notes (6)(b)and (7))	43,646	2	43,332	3
1536	Non-current financial assets at amortised cost(notes (6)(c)and (8))	-	-	200,000	13
1550	Investments accounted for using equity method(note (6)(g))	-	-	3,117	-
1600	Property, plant and equipment(note (6)(h))	15,507	1	16,915	1
1755	Right-of-use assets(note (6)(i))	145,412	8	108,626	7
1760	Investment property, net(note (6)(j))	50,189	3	52,743	3
1780	Intangible assets(note (6)(k))	242,281	14	277,972	18
1900	Other non-current assets(note (9))	148,464	9	9,711	1
		645,499	37	712,416	46
	Total assets	**$ 1,766,228**	**100**	**1,545,933**	**100**

	Liabilities and Equity	**December 31, 2022 Amount**	**%**	**December 31, 2021 Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings(note (6)(l))	$ 77,400	4	9,400	1
2130	Current contract liabilities(note (6)(t))	99,929	6	93,163	6
2170	Accounts payable	315,138	18	282,965	18
2230	Current tax liabilities(note (6)(q))	61,267	3	60,658	4
2200	Other payables	116,271	7	125,622	8
2280	Current lease liabilities(note (6)(o))	45,077	3	40,397	3
2321	Bonds payable, current portion(note (6)(n))	197,789	11	-	-
2399	Other current liabilities, others	20,459	1	2,251	-
		933,330	53	614,456	40
	Non-Current liabilities:				
2530	Bonds payable(note (6)(n))	-	-	192,619	13
2540	Long-term borrowings(note (6)(m))	20,000	1	-	-
2570	Deferred tax liabilities(note (6)(q))	156	-	156	-
2580	Non-current lease liabilities(note (6)(o))	99,858	6	65,640	4
2670	Other non-current liabilities, others	3,012	-	181	-
		123,026	7	258,596	17
	Total liabilities	1,056,356	60	873,052	57
	Equity attributable to owners of parent(note (6)(r)):				
3110	Ordinary share	532,424	30	532,424	34
3200	Capital surplus	44,914	3	44,914	3
3310	Legal reserve	10,611	-	-	-
3320	Special reserve	3,665	-	-	-
3350	Unappropriated retained earnings	117,941	7	106,114	7
3400	Other equity interest	(568)	-	(9,000)	(1)
	Total equity attributable to owners of parent:	708,987	40	674,452	43
36XX	Non-controlling interests	885	-	(1,571)	-
	Total equity	709,872	40	672,881	43
	Total liabilities and equity	**$ 1,766,228**	**100**	**1,545,933**	**100**

See accompanying notes to consolidated financial statements.

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

LANG INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	Operating revenue**(note (6)(t))**	$ 3,011,423	100	2,716,193	100
5000	Operating costs	2,168,089	72	2,009,232	74
	Gross profit (loss) from operations	843,334	28	706,961	26
	Operating expenses(notes (6)(d), (e), (o), (p)and (u)):				
6100	Selling expenses	227,461	8	118,055	4
6200	Administrative expenses	415,052	14	306,231	11
6300	Research and development expenses	118,354	4	82,444	3
6450	Expected credit loss (gain)	(10,809)	-	83,372	3
	Total operating expenses	750,058	26	590,102	21
	Net operating income (loss)	93,276	2	116,859	5
	Non-operating income and expenses(note (6)(v)):				
7100	Interest income	3,582	-	1,079	-
7010	Other income	1,080	-	1,297	-
7020	Other gains and losses, net(notes (6)(f)and (n))	28,988	1	79,966	3
7050	Finance costs, net	(7,998)	-	(6,987)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net(note (6)(g))	(3,117)	-	(880)	-
	Total non-operating income and expenses	22,535	1	74,475	3
	Profit (loss) from continuing operations before tax	115,811	3	191,334	8
7950	Less: Income tax expenses(note (6)(q))	84,252	3	62,782	2
	Profit (loss) from continuing operations	31,559	-	128,552	6
	Profit (loss) from discontinued operations:				
8100	Profit (loss) from discontinued operations, net of tax(note (6)(f))	-	-	1,647	-
	Profit (loss)	31,559	-	130,199	6
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	8,432	-	(3,666)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	8,432	-	(3,666)	-
8300	**Other comprehensive income**	8,432	-	(3,666)	-
	Total comprehensive income	**$ 39,991**	**-**	**126,533**	**6**
	Profit (loss), attributable to:				
	Profit (loss), attributable to owners of parent	$ 33,209	-	138,688	6
	Profit (loss), attributable to non-controlling interests	(1,650)	-	(8,489)	-
		$ 31,559	**-**	**130,199**	**6**
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	$ 41,641	-	135,022	6
	Comprehensive income, attributable to non-controlling interests	(1,650)	-	(8,489)	-
		$ 39,991	-	126,533	6
	Basic earnings per share(note (6)(s))				
	Basic earnings (loss) per share from continuing operations	$ 0.62		2.57	
	Basic earnings (loss) per share from discontinued operations	-		0.03	
	Total basic earnings per share(note (6)(s))	**$ 0.62**		**2.60**	
	Diluted earnings (loss) per share from continuing operations	$ 0.61		2.24	
	Diluted earnings (loss) per share from discontinued operations	-		0.03	
	Total diluted earnings per share	**$ 0.61**		**2.27**	

See accompanying notes to consolidated financial statements.

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

LANG INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Share capital		Retained earnings			Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 532,424	44,914	-	-	(30,408)	(5,334)	541,596	2,183	543,779
Profit (loss)	-	-	-	-	138,688	-	138,688	(8,489)	130,199
Other comprehensive income	-	-	-	-	-	(3,666)	(3,666)	-	(3,666)
Total comprehensive income	-	-	-	-	138,688	(3,666)	135,022	(8,489)	126,533
Changes in non-controlling interests	-	-	-	-	(2,166)	-	(2,166)	4,735	2,569
Balance at December 31, 2021	532,424	44,914	-	-	106,114	(9,000)	674,452	(1,571)	672,881
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	10,611	-	(10,611)	-	-	-	-
Special reserve appropriated	-	-	-	3,665	(3,665)	-	-	-	-
Profit (loss)	-	-	-	-	33,209	-	33,209	(1,650)	31,559
Other comprehensive income	-	-	-	-	-	8,432	8,432	-	8,432
Total comprehensive income	-	-	-	-	33,209	8,432	41,641	(1,650)	39,991
Changes in ownership interests in subsidiaries	-	-	-	-	(7,106)	-	(7,106)	4,106	(3,000)
Balance at December 31, 2022	**$ 532,424**	**44,914**	**10,611**	**3,665**	**117,941**	**(568)**	**708,987**	**885**	**709,872**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
LANG INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	$ 115,811	191,334
from discontinued operations before tax	-	1,647
Profit before tax	115,811	192,981
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	61,064	45,053
Amortization expense	45,399	32,231
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(10,809)	83,372
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,250)	23,444
Interest expense	7,998	6,987
Interest income	(3,582)	(1,079)
Share of loss (profit) of associates and joint ventures accounted for using equity method	3,117	880
Loss (gain) on disposal of property, plan and equipment	102	(68)
Loss (gain) on disposal of investments	(107)	(106,979)
Impairment loss on non-financial assets	7,650	-
Total adjustments to reconcile profit (loss)	107,582	83,841
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	44	(44)
Decrease (increase) in accounts receivable	19,133	(102,850)
Decrease (increase) in other receivable	(12,856)	18,480
Decrease (increase) in prepayments	26,972	29,951
Decrease (increase) in other current assets	(7,826)	(580)
Total changes in operating assets	25,467	(55,043)
Increase (decrease) in contract liabilities	6,766	21,366
Increase (decrease) in accounts payable	32,173	66,155
Increase (decrease) in other payable	(9,351)	53,920
Increase (decrease) in other current liabilities	18,208	(4,879)
Total changes in operating liabilities	47,796	136,562
Total changes in operating assets and liabilities	73,263	81,519
Total adjustments	180,845	165,360
Cash inflow (outflow) generated from operations	296,656	358,341
Interest received	3,582	1,079
Interest paid	(2,828)	(1,952)
Dividends paid	(83,643)	(21,983)
Net cash flows from (used in) operating activities	213,767	335,485
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(92,290)	42,803
Acquisition of financial assets at fair value through profit or loss	(28,584)	(41,341)
Proceeds from disposal of financial assets at fair value through profit or loss	10,107	9,181
Acquisition of investments accounted for using equity method	-	(3,000)
Proceeds from disposal of subsidiaries	-	123,395
Acquisition of property, plant and equipment	(7,662)	(11,106)
Proceeds from disposal of property, plant and equipment	1	504
Increase in refundable deposits	(972)	(683)
Acquisition of intangible assets	(16,338)	(38,885)
Increase in prepayments for business facilities	(137,781)	-
Net cash flows from (used in) investing activities	(273,519)	80,868
Cash flows from (used in) financing activities:		
Increase in short-term loans	68,000	-
Proceeds from long-term debt	20,000	-
Decrease in guarantee deposits received	2,831	181
Payment of lease liabilities	(49,146)	(31,616)
Change in non-controlling interests	(3,000)	2,569
Net cash flows from (used in) financing activities	38,685	(28,866)
Effect of exchange rate changes on cash and cash equivalents	6,700	(3,157)
Net increase (decrease) in cash and cash equivalents	(14,367)	384,330
Cash and cash equivalents at beginning of period	621,047	236,717
Cash and cash equivalents at end of period	$ 606,680	621,047

(Continued)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

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

(1) Company history

LANG INC.(the "Company")which was formally known as Jye Tai Precision Industrial Co., Ltd, was establish at April 18, 1973 under the permission of Ministry of Economic Affairs. The Company changed its name to Lang INC. by the resolution of the shareholders meeting at December 31,2020. Registered at 6F.-2, No.400, Bade Rd., Songshan Dist.,Taipei City, The Company and the subsidiaries(The "Group") operate the manufacturing and sales of the mechanical and related part. In addition, the Group also mainly run the Cultural and creativity industry.

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

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

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

(Continued)

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

(Continued)

- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial instruments at fair value through profit or loss are measured at fair value.

(ii) Functional and presentation currency

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

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

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

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2022**	**December 31, 2021**	**Description**
The Group	Jye Tai Precision Industrial (BVI) Co., Ltd.	Investment business	100.00%	100.00%	
The Group	Wu,Yi-Wan Investment co., Ltd. (Wu,Yi-Wan Investment)	Investor	100.00%	100.00%	
The Group	ShineRayCo.,Ltd.(ShineRay)	Culture and creativity industry	100.00%	100.00%	
ShineRay Co.,Ltd.	Bocao co., ltd. (Bocao)	Culture and creativity industry	91.67%	81.67%	Note 1
ShineRay Co.,Ltd.	Suzaku Interactive Media Co., Ltd. (Suzaku)	Culture and creativity industry	90.59%	70.43%	Note 2

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

ShineRay Co.,Ltd.	ShineRay Co., ltd.(HK)	Culture and creativity industry	100.00%	100.00%	Note 3
ShineRay Co.,Ltd.	Bubu Culture Media Co., Ltd.	Culture and creativity industry	100.00%	100.00%	Note 4
Jye Tai Precision Industrial (BVI) Co., Ltd.	Jye Tai Electronics Ltd.	Investment business	100.00%	100.00%	
Jye Tai Electronics Ltd.	Wuhu Jyetai Precise Industrial Co.,Ltd.	Manufacturing and sales of connectors, various power lines, signal lines and computer wires	100.00%	100.00%	
Hong Kong ShineRay Co., Limited	Shanghai Langhong Culture Media Co., Ltd.	Culture and creativity industry	100.00%	100.00%	Note 5

Note 1: In May 2021, ShineRayCo.,Ltd. Engaged in cash capital increase of Bocao co., ltd. at $10 per share for $14,500 thousand in total, after which it held a total equity interest of 81.67% (amounting to $24,500 thousand) in Bocao co., ltd.. In addition, ShineRayCo.,Ltd. purchased a minority interest of $3,000 thousand in August 2022, resulting in an increase in the shareholding ratio to 91.67%.

Note 2: Suzaku Interactive Media Co., Ltd. was established on February 2021, of which the Group held 70.43% shareholding. In January 2022, Suzaku Interactive Media Co., Ltd. engaged in capital increase by 1,500 thousand shares, which was fully subscribed by the Group, increasing the equity interest held by the Group to 90.59%

Note 3: To improve the popularity and technology of the Lang Live streaming platform, ShineRayCo.,Ltd. established the Hong Kong ShineRay Co., Limited in June 2021 for US$10 thousand. ShineRayCo.,Ltd. held 100% equity interest in the Hong Kong ShineRay Co., Limited and merge it into a consolidated subsidiary. In January and August 2022, Hong Kong ShineRay Co., Limited increased its capital by 245 thousand shares and 225 thousand shares respectively, which were fully subscribed by the Group.

Note 4: In November 2021, ShineRayCo.,Ltd. Established Bubu Culture Media Co., Ltd. for a total of shares amounting to $10,000 with a par value of $10 per share in order to expand its cultural and creative business. ShineRayCo.,Ltd. held 100% equity interest in Bubu Culture Media Co., Ltd. And merge it into the consolidated subsidiary. In March 2022, Bubu Culture Media Co., Ltd. increased its capital by 6,500 thousand shares, which was fully subscribed by the Group.

Note 5: ShineRay Co., Ltd(HK) established Shanghai Langhong Culture Media Co., Ltd. on September 7, 2021 and held 100% equity interest in Shanghai Langhong Culture Media Co., Ltd., then merge it into a consolidated subsidiary. In January and August 2022, Hong Kong ShineRay Co., Limited increased its capital by 145 thousand shares and 125 thousand shares, respectively, which were fully subscribed by the Group.

(d) Foreign currencies

(i) Foreign currency transactions

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

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

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

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or .

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

(f) Cash and cash equivalents

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

Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

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

(i) Financial assets

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

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

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1) Financial assets measured at amortized cost

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

1. • it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2. • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

3. • it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

4. • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

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3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

5. • debt securities that are determined to have low credit risk at the reporting date; and

6. • other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

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

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

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

7. • significant financial difficulty of the borrower or issuer;

8. • a breach of contract such as a default or being more than 90 days past due;

9. • the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

10. • it is probable that the borrower will enter bankruptcy or other financial reorganization; or

11. • the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no

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significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

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Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(h) Non-current assets held for sale & Discontinued operations

(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group’s accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets

(Continued)

not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group’ s accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(i) Discontinued operations

A discontinued operation is a component of the Group’ s business that either has been disposed, or is classifies as held for sale, and

1) represents a separate major line of business or geographic area of operations;

2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

3) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group’ s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’ s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group’ s interests in the associate.

When the Group’ s share of losses of an associate equals or exceeds its interests in an associate,

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it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group’s ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group’s date of transition to the Standards, was determined with reference to its fair value at that date.

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

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

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(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1)	buildings	50-55 years
2)	transportation equipment	5 years
3)	fixtures and Other equipment	2 years
4)	Innovation for lease	3 years

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

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(l) Leases

(i) Identifying a lease

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

(ii) As a leasee

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a leasor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

(Continued)

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

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

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

1)	Trademarks and patents	7 years
2)	Customer relationships	4 years
3)	Softwares	1~3 years
4)	Others	1~3 years

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

(n) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset’ s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

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An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

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

(p) Revenue from contracts with customers

(i) Revenue from contracts with customers

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

1) Electronic components

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

2) Platform revenue

When customers use the platform of the Group, the customer will top up first and then consume their top-up according to their usage of the platform. The group has recorded such unconsumed top-up as contract liabilities and recognized the revenue according to the consumption of such top-up.

3) Service revenue

Service revenue is recognized according to the completeness of each obligations on contracts.

4) Financing components

The Group does not expect to have any contracts where the period between the

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transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

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

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(s) Income taxes

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

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) the Group has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to

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ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(u) Operating segments

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

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

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Assessment of goodwill impairment

The assessment of impairment of goodwill requires the Group to make subjective judgment to determine the identified CGUs, allocate the goodwill to relevant CGUs and estimate the recoverable amount of relevant CGUs. Please refer to Note 6(k) for the impairment of goodwill.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 1,379	1,145

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Demand and check deposits deposits		457,816	600,526
Time deposits		147,485	19,376
	$	606,680	621,047

Please refer to Note 6(w) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

		December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:			
Non-derivative financial assets			
Fund	$	18,863	-
Stocks listed on domestic markets		12,240	7,176
Unlisted common shares		19,646	18,572
Film Investment Agreement		24,000	24,000
Convertible bonds		20	760
Total	$	74,769	50,508

(i) The Group and Magic juice Film production Co., Ltd. have signed a joint investment agreement for the domestic film, the “The regular King of stocks”, the key terms and conditions of which are as follows:

1) Original investment amount: NT$ 24,000 thousand.

2) Contract Signing Date: October 29, 2021.

3) Return on investment: The income distribution right is equal to the ratio of the investment (40%) and is settled semi-annually from since the movie opening date.

4) Income distribution period: Five years from the movie opening date.

(ii) The film has not yet been shot as of the reporting date because the editorial team has adjusted the content of the script.

(iii) The Group’s financial assets at fair value through profit or loss mentioned above were not pledged as collateral.

(c) Financial assets measured at amortized cost

December 31, 2022	December 31, 2021

(Continued)

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Bank deposit - time deposit - current	$	30,710	-
Bank deposits (pledged deposits) - current		272,440	10,860
Bank deposits (pledged deposits) - non-current		-	200,000
Total	$	303,150	210,860

(i) The Group held the abovementioned investment to its maturity so as to collect the contract cash flow comprising the interest on the principal and the principal amount outstanding, which was presented within financial assets at amortized cost.

(ii) The above-mentioned financial assets were pledged as collateral, please refer to note 8.

(d) Notes and accounts receivable

		December 31, 2022	December 31, 2021
Notes and accounts receivable	$	205,340	224,517
Less:Allowance for obsolete inventory		(81,289)	(92,098)
	$	124,051	132,419

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

	December 31, 2022			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	124,705	0.74%	928
1 to 30 days past due		10	30%	3
31 to 60 days past due		500	50.4%	262
61 to 90 days past due		787	96.32%	758
More than 90 days past due		79,338	100%	79,338
	$	205,340		81,289

December 31, 2021		
Gross carrying amount	Weighted-average loss rate	Loss allowance provision

(Continued)

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Current	$	154,030	15.50%	23,874
1 to 30 days past due		4,108	84.96%	3,490
31 to 60 days past due		7,609	82.47%	6,275
61 to 90 days past due		8,250	96.23%	7,939
More than 90 days past due		50,520	100%	50,520
	$	**224,517**		**92,098**

(Continued)

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The movement in the allowance for notes and accounts receivable were as follows:

	2022	2021
Balance at January 1	$ 92,098	8,726
Impairment losses (reversed)	(10,809)	83,372
Balance at December 31	$ 81,289	92,098

The Group did not provide any of the aforementioned financial assets as collateral.

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 16,706	3,850
Overdue receivables	59,475	59,475
Less: Loss allowance	(59,475)	(59,475)
	$ 16,706	3,850

The movements in the loss allowance for other receivables were as follows:

	2022	2021
Balance at January 1	$ 59,475	53,375
Impairment losses (reversed)	-	-
Reclassification	-	6,100
Balance at December 31	$ 59,475	59,475

(i) Group sent an attestation letter for damages and engaged in legal proceedings against LE DAY MULTIMEDIA CO., LTD. (“Le Day”) for a total of $14,111 thousand due to breach of contract of jointly investment in domestic films. Taiwan Taipei District Court ruled in September 2021 that the Group has a right to claim property of $13,996 thousand and the Group had already filed an application for enforcement. Accordingly, the Group transferred the financial assets previously accounted for at fair value through profit or loss of $6,100 thousand and other receivables of $8,011 thousand to overdue receivables. However, Le Day does not own any property for settlement, and the Group has set aside 100% of loss allowance specifically for balance under the accounts.

(ii) The total of overdue receivable of IPTONE TECHNOLOGY CO., LTD.for the Group amounting to $66,900 thousand. The Group held promissory notes signed by the debtor and the joint guarantor and filed for enforcement to the court for ruling. The court ruled that the Group should execute enforcement procedures. As for the years ended December 31, 2022 and 2021, the amount of proceeds allocated to the Group as a result of the court’s enforcement of bill settlement were both $21,536 thousand, the principal has been offset and the amount accounted for under overdue receivables was $45,364 thousand.100% of loss allowance is also set aside.

(Continued)

(f) Liabilities and assets classified as held for sale

The Group disposed all of its equity interest in Suzhou Jyetai Precise Industrial Co.,Ltd on November 13, 2020 by the Board of Directors. As a result, the assets and liabilities of the Company were transferred to the disposal group as pursuant to the resolution passed by extraordinary shareholders' meetings on December 31, 2020. It met the definition of discontinued operation and is therefore presented as discontinued operation. The assets and liabilities of the held for sale group were disposed of by Group on April 26, 2021 at 20,532 thousand and 1,279 thousand, respectively. The disposal proceed was 123,395 thousand (US4,443 thousand, the gain on disposal amounted to 104,142 thousand and are accounted for as "other gains and losses".

(g) Investments accounted for using equity method

(i) A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Associates	$ -	3,117

(ii) Associates which are material to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operation place	Proportion of shareholding December 31, 2022	December 31, 2021
Flagwin Technology Co., Ltd.	Associates	Taiwan	30.00%	30.00%

(iii) Shares attributable to the Group are as follows:

	2022	2021
Loss from continuing operations for the year	$ (3,117)	(880)

(iv) Due to the fact that the Group does not have the obligation of assuming the excess losses, it ceased the recognition of the losses on Flagwin Technology Co., Ltd. For the years ended December 31, 2022, the unrecognized losses amounted to $987 thousand; and the accumulated unrecognized losses amounted to $987 thousand.

(v) Group did not provide any investments accounted for using the equity method as collateral for its loans.

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(h) Property, plant and equipment

The cost and Accumulated depreciation of the property, plant and equipment for the years ended December 31, 2022 and 2021, were as follows:

	Land	Building and construction	Transportation equipment	Other equipment	Leasehold innovation	Total
Cost:						
Balance at January 1, 2022	$ -	-	1,070	19,450	11,517	32,037
Additions	-	-	-	6,477	1,185	7,662
Disposal	-	-	-	(3,509)	-	(3,509)
Effect of movements in exchange rates	-	-	-	12	-	12
Balance at December 31, 2022	**$ -**	**-**	**1,070**	**22,430**	**12,702**	**36,202**
Balance at January 1, 2021	$ 1,020	2,952	1,070	15,797	6,862	27,701
Additions	-	-	-	6,451	4,655	11,106
Disposal	-	-	-	(2,562)	-	(2,562)
Reclassification	(1,020)	(2,952)	-	-	-	(3,972)
Effect of movements in exchange rates	-	-	-	(236)	-	(236)
Balance at December 31, 2021	**$ -**	**-**	**1,070**	**19,450**	**11,517**	**32,037**
Depreciation and impairment losses:						
Balance at January 1, 2022	$ -	-	696	11,129	3,297	15,122
Depreciation	-	-	214	4,882	3,882	8,978
Disposal	-	-	-	(3,406)	-	(3,406)
Effect of movements inexchange rates	-	-	-	1	-	1
Balance at December 31, 2021	**$ -**	**-**	**910**	**12,606**	**7,179**	**20,695**
Balance at December 31, 2021	-	1,163	482	7,752	293	9,690
Depreciation		53	214	5,753	3,004	9,024
Disposal				(2,126)		(2,126)
Reclassification		(1,216)				(1,216)
Effect of movements in exchange rates	-	-	-	(250)	-	(250)
Balance at January 1, 2021	**$ -**	**-**	**696**	**11,129**	**3,297**	**15,122**
Carrying amounts:						
Balance at December 31, 2022	**$ -**	**-**	**374**	**8,321**	**8,220**	**16,915**
Balance at January 1, 2021	**$ 1,020**	**1,789**	**588**	**8,045**	**6,569**	**18,011**
Balance at December 31, 2022	**$ -**	**-**	**160**	**9,824**	**5,523**	**15,507**

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(i) Right-of-use assets

Group leases many assets including land, buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

		Land	Building and Construction	Transportation equipment	Total
Cost:					
Balance at January 1, 2022	$	3,156	144,324	4,055	151,535
Additions		-	87,944	-	87,944
Disposals		-	(6,209)	(2,047)	(8,256)
Effect of changes in foreign exchange rates		47	(2,596)	-	(2,549)
Balance at December 31, 2022	$	3,203	223,463	2,008	228,674
Balance at January 1, 2021	$	-	92,477	3,968	96,445
Additions		-	60,964	-	60,964
Disposals		-	(9,117)	-	(9,117)
Reclassification		3,183	-	87	3,270
Effect of changes in foreign exchange rates		(27)	-	-	(27)
Balance at December 31, 2021	$	3,156	144,324	4,055	151,535
Accumulated depreciation:					
Balance at January 1, 2022	$	243	39,595	3,071	42,909
Depreciation		83	48,080	816	48,979
Disposals		-	(6,209)	(2,047)	(8,256)
Effect of changes in foreign exchange rates		3	(373)	-	(370)
Balance at December 31, 2022	$	329	81,093	1,840	83,262
Balance at January 1, 2021	$	-	17,236	1,494	18,730
Depreciation		61	31,476	1,490	33,027
Disposals		-	(9,117)	-	(9,117)
Reclassification		164	-	87	251
Effect of changes in foreign exchange rates		18	-	-	18
Balance at December 31, 2021	$	243	39,595	3,071	42,909
Carrying amount:					
Balance at December 31, 2021	$	2,913	104,729	984	108,626
Balance at January 1, 2021	$	-	75,241	2,474	77,715
Balance at December 31, 2022	$	2,874	142,370	168	145,412

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(j) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right of use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 3 years. Some leases provide the lessees with options to extend at the end of the term.

	Land and improvements	Buildings and Construction	Total
Cost:			
Balance at January 1, 2022	$ 6,367	75,286	81,653
Effect of movements in exchange rates	-	871	871
Balance at December 31, 2022	$ 6,367	76,157	82,524
Balance at January 1, 2021	$ 8,530	72,813	81,343
Reclassification	(2,163)	2,952	789
Effect of movements in exchange rates	-	(479)	(479)
Balance at December 31, 2021	$ 6,367	75,286	81,653
Depreciation and impairment losses:			
Balance at January 1, 2022	$ -	28,910	28,910
Depreciation	-	3,107	3,107
Effect of movements in exchange rates	-	318	318
Balance at December 31, 2022	$ -	32,335	32,335
Balance at January 1, 2021	$ 164	24,848	25,012
Depreciation	-	3,002	3,002
Reclassification	(164)	1,216	1,052
Effect of movements in exchange rates	-	(156)	(156)
Balance at December 31, 2021	$ -	28,910	28,910
Carrying amount:			
Balance at December 31, 2022	$ 6,367	43,822	50,189
Balance at January 1, 2021	$ 8,366	47,965	56,331
Balance at December 31, 2021	$ 6,367	46,376	52,743
Fair value			
Balance at December 31, 2022			$ 107,107
Balance at December 31, 2021			$ 106,063

As of December 31, 2022 and 2021, there was no investment property that was pledged as collateral.

The fair value of investment property as disclosed in the financial statements is based on the valuation of the independent valuator. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

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Fair value was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties. The range of yields applied to the net annual rentals used to determine the fair value of properties was as follows.

Geographical information	2022	2021
Taiwan		
Discount Rate	2.195%	1.695%
China		
Discount Rate	7.495%	6.995%

(k) Intangible assets

The movements in the costs of intangible assets, amortization, and impairment loss of the Group are as follows:

	Goodwill	Trademarks	Application software	Revenue from contracts with customers	Other	Total
Cost:						
Balance at January 1, 2022	$ 130,517	82,000	34,366	72,000	2,629	321,512
Additions	-	-	15,962	-	376	16,338
Effect of changes in foreign exchange rates	-	-	1,537	-	-	1,537
Balance at December 31, 2022	**$ 130,517**	**82,000**	**51,865**	**72,000**	**3,005**	**339,387**
Balance at January 1, 2021	$ 130,517	82,000	-	72,000	395	284,912
Additions	-	-	36,651	-	2,234	38,885
Reclassification	-	-	(2,171)	-	-	(2,171)
Effect of changes in foreign exchange rates	-	-	(114)	-	-	(114)
Balance at January 1, 2021	**$ 130,517**	**82,000**	**34,366**	**72,000**	**2,629**	**321,512**
Accumulated amortization and impairment losses:						
Balance at January 1, 2022	$ -	16,060	2,347	24,677	456	43,540
Amortization	-	11,714	14,856	18,000	829	45,399
Impairment loss	-	-	7,650	-	-	7,650
Effect of changes in foreign exchange rates	-	-	517	-	-	517
Balance at December 31, 2022	**$ -**	**27,774**	**25,370**	**42,677**	**1,285**	**97,106**
Balance at January 1, 2021	$ -	4,393	-	6,750	176	11,319
Amortization	-	11,667	2,357	17,927	280	32,231
Effect of changes in foreign exchange rates	-	-	(10)	-	-	(10)
Balance at December 31, 2021	**$ -**	**16,060**	**2,347**	**24,677**	**456**	**43,540**
Carrying amount:						
Balance at December 31, 2022	**$ 130,517**	**54,226**	**26,495**	**29,323**	**1,720**	**242,281**
Balance at January 1, 2021	**$ 130,517**	**77,607**	**-**	**65,250**	**219**	**273,593**
Balance at December 31, 2021	**$ 130,517**	**65,940**	**32,019**	**47,323**	**2,173**	**277,972**

(Continued)

As of December 31, 2022 and 2021, the Group' s intangible assets were not pledged as collateral.

(i) Impairment testing for goodwill

The goodwill arising from the acquisition of ShineRay Co.,Ltd. (hereinafter referred to as ShineRay) by the Group on August 17, 2020 amounting to $130,517 thousand. It is mainly the acquisition of the Live streaming platform by the Group and the assessment of the future benefits from the team, based on the consolidated financial forecast to estimate the operating revenue during financial forecast period. In accordance with IAS 36, goodwill acquired through business Combinations shall be tested for impairment at least annually. The test for impairment of goodwill is to allocate goodwill to cash-generating units that are expected to benefit from the synergies of combination. The impairment of goodwill is therefore assessed by calculating whether any impairment is required based on the future performance of the Group.

Based on the analytical information of the investment value assessment obtained from experts at the time of business combination, ShineRay Co.,Ltd. is itself a cash-generating unit that generates independent cash flows, and the impairment of goodwill is assessed by calculating if the difference between the recoverable amount and the carrying value of the net asset needed to be impaired. The Group performs impairment test on an annual basis and did not recognized impairment loss because the recoverable amount is more than the carrying amount.

The recoverable amount of the ShineRay Co.,Ltd. of the Group is determined by financial forecast, which is calculated based on the pre-tax cash flow forecast approved by management for the four-year financial budget.

The key assumptions used in the estimation of value in use were as follows:

	December 31, 2022	**December 31, 2021**
Discount Rate	7.26%	7.26%

The cash flow projection was based on a financial projection approved by the management and was extrapolated to subsequent years with a flat growth rate This growth rate is consistent with the assumptions made by market participants.

(ii) Intangible assets

Group acquired trademarks and customer relationships on August 17, 2020 and are reported as intangible assets because the trademarks and customer relationships are identifiable, controlled by the enterprise and have future economic benefits.As for the years ended December 31, 2022 and 2021, the book values were $54,226 thousand and $29,323 thousand, respectively, with the remaining useful life of 4 years and 1 years, respectively.

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(iii) Pledge to secure

As of December 31, 2022 and 2021, the Group’s intangible assets were not pledged as collateral.

(l) Short term loans

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 10,000	-
Secured bank loans	67,400	9,400
Total	$ 77,400	9,400
Unused short-term credit lines	$ 82,600	10,600
Range of Interest rate	1.6%~2.39%	1.60%

For the collateral for bank loans, please refer to note 8.

(m) long term loans

The details were as follows:

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Secured bank loans	TWD	2.39%	113.12.09	$ 20,000
Unused long-term credit lines				$ -

(n) Bonds payable

	December 31, 2022	December 31, 2021
Secured convertible corporate bonds	$ 200,000	200,000
Unamortized discount	(2,211)	(7,381)
Corporate bonds issued balance at year-end	$ 197,789	192,619
Embedded derivative call option and put option (financial assets at fair value through profit or loss)	$ 20	760
Equity component conversion options, included in capital surplus stock options	$ 4,650	4,650

	2022	2021
Embedded derivative Gains (losses) on put option and call option remeasured at fair value. (Accounted for under other profit or loss).	$ (740)	(540)
Interest expense	$ 5,170	5,035

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The Group issued its first and second private secured convertible bonds on June 15, 2020, with a total issued amount of NT200,000 thousand. The bonds were issued with a par value of NT100 thousand per share at 0% of coupon rate. The conversion price is $21.03 per share and the issue period is 3 years beginning from June 15, 2020 to June 15, 2023. The Group had pledged assets as collateral for convertible bond issuance, please refer to Note 8. The principal terms of the agreement were as follows:

(i) Repayment at maturity

The issuing company shall pay the debt at the maturity date in cash in one time payment by the nominal amount of the Company' s corporate bond, excluding the early redemption, purchase and cancellation of the bond or exercise of the right of conversion.

(ii) Terms of conversion

Except for the period during which the bond is redeemed, purchased or ceased to be converted in advance, the bondholder may at any time between three months after the issuance date (excluding issuance date) until the maturity date; subject to the provisions of the relevant regulations and the custody contract, opt to request to the issuing company for the conversion of the secured convertible corporate debt into the ordinary shares of the issuing company.

(iii) Conversion price and its adjustment

The Group uses the average closing price of $26.63 from the 5 business days preceding the pricing base day as reference price and adopted 80.02% of the reference price as the basis for setting conversion price. The conversion price per share is tentatively set at $21.31, and is subsequently confirmed at $21.03. In the event of a change in the ordinary shares issuance of the Group, the conversion price is adjusted in accordance with the formula stipulated in the issuance terms.

(iv) Bondholders with a put option: none

(v) Convertible bonds- redemption right

For this private placement of convertible bond, within the period between three months after the issuance date and 40 days before the last convertible date, if the closing price of the Group' s common shares on the Taipei Exchange for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day,the Group may send notification to recover debtor' s right within 30 business days. Then recover the private placement of convertible bonds from the debtor at principle amount with cash five days after base day to recover bonds. In addition, the base day to recover bonds shall not be within the ceased conversion period for private placement of convertible bond.

If the amount outstanding of bonds is less than 10% of the principal amount between the three months after the share issuance date and the 40 day before the maturity date, the Grouprecover the private placement of convertible bonds from the debtor at principle amount with cash five days after base day to recover bonds. In additon, the base day to

(Continued)

recover bonds shall not be within the ceased conversion period for private placement of convertible bond.

If the debtor has not replied in writing to the Group’s agent for stock affairs agreeing to the bonds recovery or requesting the Group to convert them into ordinary shares of the Group pursuant to the issuance procedure prior to the bond recovery base day as set out in the notice, the Group may convert the private placement of convertible bond into ordinary shares of the Group at the conversion price then prevailing, while adopting the expiry date of notice period as its conversion base date. Upon request, the Company shall redeem the private placement convertible bonds for cash within five trading days after the base date of recovery.

The Group separates conversion options and liabilities and is accounted for under the financial assets at fair value through profit or loss- current,convertible bonds payable and capital Surplus-share options, respectively.

As of December 31, 2022, the corporate bond was transferred to current liabilities as it would mature within one year.

(o) Lease liabilities

The carrying amounts of the Group’s lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 45,077	40,397
Non-current	$ 99,858	65,640

The amounts recognized in profit or loss was as follows:

	2022	2021
Interest expenses on lease liabilities	$ 2,673	1,817
Expenses relating to short-term leases	$ 3,575	2,487
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 1,227	

The amounts recognized in the statements of cash flows for the Group were as follows:

	2022	2021
Total cash outflow for leases	$ 56,621	35,920

(i) Real estate leases

Group leases land and buildings for its office space and factories. The leases typically run for a period of 1 to 5 years.

(ii) Other leases

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Group leases vehicles and equipment, with lease terms of three years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term. ◦

Group also leases its buildings with contract terms of one year. These leases are short-term and the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $15,588 thousand and $9,998 thousand for the years ended December 31, 2022 and 2021 respectively.

(q) Income taxes

(i) The components of income tax were as follows:

		2022	2021
Current tax expense:			
Current period	$	84,252	68,127
Adjustment for prior period		-	(5,345)
Income tax expense	$	84,252	62,782

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

		2022	2021
Profit (loss) before income tax	$	115,811	191,334
Income tax using the Group's domestic tax rate	$	23,414	38,267
Permanent difference		(334)	24,002
Change in unrecognized temporary differences		54,104	14,432
Change in unrecognized temporary differences		1,061	(17,059)
Adjustment of current income tax for prior years		2,090	(5,345)
The effect of different tax rates applied to the parent		3,917	8,485
Income tax expense	$	84,252	62,782

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2022	December 31, 2021
Taxes losses	$ 91,835	33,977
Loss allowance	17,508	19,801
Impairment losses on assets	2,451	5,803
Gain on investments accounted for using equity method	77,798	39,018
Other	91	658
	$ 189,683	99,257

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Unrecognized deferred income tax assets: The materiality of deferred income tax assets depends mainly on the availability of sufficient future tax revenue.

As of December 31, 2022, the information of the Group’s unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry year
2013	$ 4,352	2023
2015	21,763	2025
2016	16,209	2026
2017	13,542	2027
2018	22,373	2028
2019	15,054	2029
2020	13,222	2030
2021	77,615	2031
2022	268,412	2032
	$ 452,542	

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Net gains (loss) from financial liabilities at fair value through profit or loss
Deferred tax liabilities:	
Balance at January 1, 2022	$ (156)
Balance at December 31, 2022	**$ (156)**
Balance at January 1, 2021	$ (156)
Balance at December 31, 2021	**$ (156)**

(iii) The Group's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(r) Capital and other equity

As of December 31, 2022 and 2021, the Group's government registered total authorized share capital amounted to 1,800,000 thousand and 1,150,000 thousand,comprising 180,000 thousand shares and 115,000 thousand shares, respectively, with the par value of 10 per share. The total amount of paid in capital was 532,424 thousand.

(i) Capital surplus

The components of capital surplus were as follows:

	December 31, 2022	December 31, 2021
Additional paid in capital	$ 40,264	40,264
Share option –convertible bonds issued	4,650	4,650
Total	**$ 44,914**	**44,914**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

(ii) Retain earning

In accordance with the Group’ s articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve according to the Securities and Exchange Act and the Group’ s operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years excluding the earnings set aside for dividends payment, and the Board of directors can propose distribution plan to be approved by the shareholders’ meeting.

1) Legal reserve

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

2) Special reserve

In accordance with Rule issued by the FSC a portion of current-period earnings and undistributed prior—period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders’ equity.Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior period. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(iii) Distribution of earnings

According to the articles of the Group, when allocating the earnings for each year, the Group shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earing left over, until the accumulated legal capital reserve has equaled the total capital of the Group; then set aside a special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed earnings, which shall become the aggregate distributable earnings to be distributed according to the distribution plan proposed by the board of directors and submitted to the stockholders’ meeting for resolution. all or part of the aforementioned employees’ compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors, and the distribution shall be submitted to the shareholders’ meeting.

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Taking into account shareholders' interest and the Company's long-term financial plan, no less than 15% of the distributable profits of the Group shall be allocated annually for dividends of the Shareholders; however, the dividends may not be allocated if accumulated earnings were lower than 50% of paid-in capital. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution, and stock dividends instead of cash dividends are distributed if the cash dividends per share are less than $0.5 (dollars).

The Group's shareholders meeting resolved earnings distribution proposal of 2021 on June 22, 2022. Due to operation demands, the earnings are retailed and not available for distribution.

The Group's shareholders meeting resolved loss off-setting proposal of 2020 on July 13, 2021. Due to deficit, there was no earnings available for distribution.

(iv) Other equity interest

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$ (9,000)
Exchange differences on translation of net assets of foreign operations	8,432
Balance at December 31, 2022	**$ (568)**
Balance at January 1, 2021	$ (5,334)
Exchange differences on translation of net assets of foreign operations	(3,666)
Balance at December 31, 2021	**$ (9,000)**

(s) Earnings per share

(i) Basic earnings per share

	2022	2021
Net profit (loss) attributable to ordinary shareholders of the Group	$ 33,209	138,688
Weighted average number of ordinary shares outstanding (in thousands of shares):	**53,242**	**53,242**
Basic loss (earnings) per share	**$ 0.62**	**2.60**

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

		2022	2021
Net profit (loss) attributable to ordinary shareholders of the Group (basic)	$	33,209	138,688
Interest expense after tax of convertible corporate bonds and gain on redemption remeasured at fair value		4,876	3,788
Net profit (loss) attributable to ordinary shareholders of the Group (dilutive)	$	38,085	142,476
Weighted average number of ordinary shares outstanding (in thousands of shares)		53,242	53,242
Interest expense after tax of convertible corporate bonds and gain on redemption remeasured at fair value		9,512	9,385
Effect of employee share bonus (in thousand of shares)		27	59
Weighted-average number of common shares outstanding (Diluted / thousand shares)		62,781	62,686
Diluted earnings (loss) per share	$	0.61	2.27

(t) Revenue from contracts with customer

(i) Details of revenue

		2022	2021
Primary geographical markets:			
Taiwan	$	2,941,629	2,613,993
China		30,041	76,519
Others		39,753	25,681
	$	3,011,423	2,716,193
Major products/service lines:			
Operating revenue from Live streaming platform	$	3,010,587	2,714,522
Sale of goods		836	1,671
	$	3,011,423	2,716,193

(ii) Contract balances

		December 31, 2022	December 31, 2021	January 1, 2021
Accounts and notes receivable	$	205,340	224,517	120,273
Accounts receivable due from related parties		-	-	1,350
Less: Loss allowance		(81,289)	(92,098)	(8,726)
Total	$	124,051	132,419	112,897

(Continued)

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Notes to the Consolidated Financial Statements

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities Live streaming platform	$ 99,929	93,163	71,797

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

The amount of revenue recognized for the years ended December 31, 2022 and 2021 included the contract liability balance at the beginning of the period were 93,163 thousand and 71,797 thousand, respectively.

The change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(u) Employee compensation and directors' and supervisors' remuneration

The Group's articles of incorporation require that earnings shall first be offset against any deficit. A minimum of 2% to 10% will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration.

However, if The Group has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Group’s affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the amounts of employees’ bonuses were estimated at $738 thousand and $2,234 thousand, respectively. The amounts remuneration to directors and supervisors were estimated at $1,089 thousand and $3,351 thousand respectively. The estimation basis shall be calculated as the amounts of net income before tax deducted employees’, directors’ and supervisors’ bonuses, multiplied distributed percentage of employees’ bonuses, directors’ and supervisors’ remuneration based on the Corporation’s articles of incorporation. These bonuses and remuneration were expensed under operating costs or expenses for the years ended December 31, 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(v) Non-operating income and expenses

(i) Interest income

Interest income of the Group is detailed as follows:

		2022	2021
Interest income	$	3,582	1,079

(ii) Other income

Other income of the Group is detailed as follows:

		2022	2021
Rent income	$	1,076	347
Other income		4	950
	$	1,080	1,297

(iii) Other gains and losses

Other gains and losses of the Group are detailed as follows:

		2022	2021
Foreign exchange gains (Losses)	$	28,079	(1,679)
Gains (losses) on disposal of property, plant and equipment		(102)	68
Gains on disposals of investments		107	106,979
Impairment losses on intangible assets		(7,650)	-
Valuation gains (loss) on financial assets		3,250	(23,444)
Other		5,304	(1,958)
	$	28,988	79,966

(iv) Finance costs

Finance costs of the Group are detailed as follows:

		2022	2021
Interest expense	$	5,325	5,170
Interest on lease liabilities		2,673	1,817
	$	7,998	6,987

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The Group's accounts receivable for the years ended December 31, 2022 and 2021 were concentrated in four and six customers (platform provider) respectively, and accounted for approximately 87% of the Group's net accounts receivable, respectively.

3) Receivable

For credit risk exposure of note and trade receivables, please refer to note 6(e) and (d).

Financial assets measured at amortized cost are certificates of deposit.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g).

(ii) Liquidity risk

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

	Carrying amounts	Cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 77,400	77,400	77,400	-	-	-
long-term borrowings	20,000	20,956	-	20,956	-	-
Notes payable and accounts payable	315,138	315,138	315,138	-	-	-
Other payables	116,271	116,271	116,271	-	-	-
Bonds payable (due within one year)	197,789	200,000	200,000	-	-	-
Lease liabilities	144,935	149,645	47,102	44,183	52,077	6,283
	$ 871,533	**879,410**	**755,911**	**65,139**	**52,077**	**6,283**

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		Carrying amounts	Cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2021							
Non-derivative financial liabilities							
Short-term borrowings	$	9,400	9,400	9,400	-	-	-
Notes payable and accounts payable		282,965	282,965	282,965	-	-	-
Other payables		125,622	125,622	125,622	-	-	-
Delete bonds payable		192,619	200,000	-	200,000	-	-
Lease liabilities		106,037	109,233	35,408	31,580	42,245	-
	$	716,643	727,220	453,395	231,580	42,245	-

Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

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

		December 31, 2022			December 31, 2021		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets							
Monetary items							
USD	$	9,936	30.710	305,141	6,520	27.680	180,474
CNY		6,040	4.408	26,626	774	4.344	3,362
HKD		535	[illegible]	2,106	535	3.549	8,249
Financial liabilities							
Monetary items							
USD		460	30.710	14,127	-	-	-

- Sensitivity analysis
  The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, HKD and the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before tax by $3,197 thousand and $1,921 thousand, respectively.

- Exchange gains and losses of monetary items
  As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange loss for the years ended December 31, 2022 and 2021 were $28,079 thousand and $(1,679) thousand, respectively.

2) Interest rate risk

(Continued)

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Notes to the Consolidated Financial Statements

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amounts of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.5% the Group's net income will decrease /increase by $1,802 thousand and $2,956 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank deposit and bank loans.

(iv) Fair value

1) Categories of financial instruments and fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 1	Total
Financial assets at fair value through profit loss:					
Fund	$ 18,863	18,863	-	-	18,863
Stocks listed on domestic markets	12,240	12,240	-	-	12,240
Unlisted stocks	19,646	-	19,646	-	19,646
Movie Investment Agreement	24,000	-	-	24,000	24,000
Convertible bonds- redemption right	20	-	-	20	20
Total	$ 74,769	31,103	19,646	24,020	74,769

(Continued)

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	December 31, 2021				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 7,176	7,176	-	-	7,176
Unlisted stocks	18,572	-	18,572	-	18,572
Movie Investment Agreement	24,000	-	-	24,000	24,000
Convertible bonds- redemption right	760	-	-	760	760
Total	$ 50,508	7,176	18,572	24,760	50,508

2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market date at the reporting date.

The Group's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

. Financial instruments with active market: for listed and over the counter stocks with standard terms and are publicly traded in active markets, their fair values are calculated by the market's quoted prices.

(Continued)

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Notes to the Consolidated Financial Statements

. Equity instruments without quoted price: The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the investee' estimated net worth per share and the average price-book ratio estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – movie investment agreement".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - movie investment agreement	Discounted cash flow method	・Annual revenue growth	The higher growth in annual revenue, the higher the fair value

(x) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The financial department shall submit the evaluation plan and the benefit analysis to the responsible officer or the board of directors for approval in accordance with the internal approval authority of the Group.

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Notes to the Consolidated Financial Statements

The Group’ s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’ s activities. the Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’ s receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The policy adopted by the Group is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Group only deals with the investment grade enterprises. Such information is provided by an independent rating agency; if such information is not available, the Group will rate the major customers using other publicly available financial information and mutual transaction records. The Group continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

The Group did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Group's finance department. There is no significant credit risk because the Group used to transact with or deal with counterparty with good credit ratings financial institutions, corporate organizations and government agencies.

3) Guarantees

The Group’ s policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2022 and 2021, there is no guarantee outstanding.

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Notes to the Consolidated Financial Statements

(iv) Liquidity risk

Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

(v) Market risk

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

1) Currency risk

Group is exposed to currency risk on investments that are denominated in a currency other than the functional currency of the Group’s respective entity,as well as investment from foreign operations. The respective functional currencies of the Group’s entities are primarily the NTD and the Group adopted the principle of natural hedge for exposure to currency risk, thus changes in market exchange rates will result in changes in the market prices of these financial products.

2) Interest rate risk

Group’s exposure to variable interest rate cash flow risk arise from the Group’s demand deposit at the bank that bear floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influence the Group’s future cash flow.

(y) Capital management

The Group’s objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

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The Group's debt-to-equity ratio at the end of the reporting period as at 2022, were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 1,056,356	873,052
Total assets	$ 1,766,228	1,545,933
Debt ratio	60%	57%

(z) Financing activities not affecting current cash flow

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

	January 1, 2022	Cash Flows	Non-cash changes	December 31, 2022
Short-term borrowings	$ 9,400	-	68,000	77,400
Corporate bonds payable (due within one year)	192,619	-	5,170	197,789
Lease liabilities	106,037	(49,146)	88,044	144,935
Long-term borrowings (including current portion)	-	20,000	-	20,000
Total liabilities from financing activities	$ 308,056	(29,146)	161,214	440,124

	January 1, 2021	Cash Flows	Non-cash changes	December 31, 2022
Long-term borrowings (including current portion)	$ 9,400	-	-	9,400
Short-term borrowings	187,584	-	5,035	192,619
Lease liabilities	78,208	(31,616)	59,445	106,037
Total liabilities from financing activities	$ 275,192	(31,616)	64,480	308,056

(aa) Prepayments for investments

The Group advanced $35,000 thousand to Media Talk Management Consulting Co., Ltd. in April 2022 for the participating in Manny No. 1 venture capital, with an estimated shareholding of 3.5%. Subsequently, due to changes in the investment market, the funding was terminated on December 28, 2022 and the entire investment amount of $35,000 thousand was returned on December 31, 2022.

(ab) Share-based payments

The Group passed a resolution of the Board of Directors on December 21, 2021 to issue employee stock option certificates with a total of 5,000 shares but Securities and Futures Bureau, Financial Supervisory Commission has not been reported for approval.As of December 31, 2022, it has been lapsed.

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements consolidated financial statements.

Name	Relationship
Magic juice Film production Co., Ltd.	Associates (Note 1)
Lang Charity Social Welfare Foundation at Hualian county	Other related parties (Note 2)

Note 1：The representative of Magic Film production Co., Ltd. is the same person as the representative of CHAN YEH INVESTMENT COMPANY LIMITED , a director of the Company.CHAN YEH INVESTMENT COMPANY LIMITED changed its representative on December 7, 2022.Magic Film production Co., Ltd. Is removed as a related party since that date.

Note 2：The establishment of Lang Charity Social Welfare Foundation at Hualian county was approved by the Board of Directors in March 2022.

(b) Key management personnel compensation

(i) Acquisition of Financial Assets

The Group and its associate, Magic juice Film production Co., Ltd. have signed a joint investment agreement for the domestic film, “The regular King of stocks”, which is accounted for under “Non-current financial assets measured at fair value through profit or loss". CHAN YEH INVESTMENT COMPANY LIMITED changed its representative on December 7, 2022. and as such, Magic Film production Co., Ltd. Is since removed as a related party.

(ii) Other transactions

Group

Item	Relationship	2022	2021
Donation	Other related parties	$ 13,000	-

Group donated $10,000 thousand in April 2022 to set up the Lang Charity Social Welfare Foundation at Hualian county. In September 2022, a donation of $3,000 was made to Lang Charity Social Welfare Foundation at Hualian county.

(Continued)

(c) Key management personnel compensation

Key management personnel compensation comprised:

		2022	2021
Short-term employee benefits	$	61,830	57,158
Post employment benefits		1,120	1,387
	$	62,950	58,545

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2022	December 31, 2021
Financial assets measured at amortized cost-current and non-current	Collateral for credit lines	$	72,440	10,860
Non current financial assets at amortized cost	Convertible bonds		-	200,000
Financial assets measured at amortized cost-current and non-current	Convertible bonds		200,000	-
		$	272,440	210,860

(9) Commitments and contingencies:

Group unrecognized contractual commitments are as follows:

		December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$	542,219	-

The Group in order to meet its operational demands and to integrate its subsidiaries, resolved in October 2022 to purchase new offices and parking spaces and to complete the contract in December 2022 at a total contract price amounting to $680,000 thousand (including tax). The Group has made prepayment and land agent fees amounting to $137,781 thousand in December 2022, which is accounted for under “other non-current assets”. The relevant transfer procedures have not been completed as of December 31, 2022.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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Notes to the Consolidated Financial Statements

(12) Other:

By funtion / By item	For the year ended December 31, 2022					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	29,926	326,375	356,301	1,348	238,519	239,867
Labor and health insurance	2,421	34,797	37,218	246	19,259	19,505
Pension	1,144	14,444	15,588	112	9,886	9,998
Remuneration of directors	-	3,628	3,628	-	3,351	3,351
Others	724	9,589	10,313	97	7,919	8,016
Depreciation	6,554	54,510	61,064	3,806	41,247	45,053
Amortization	316	45,083	45,399	105	32,126	32,231

(Continued)

LANG INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
1	ShineRay Co.,Ltd.	Bocao co., ltd.	Other receivables due from related parties	Yes	10,000	5,000	-	0	2	-	Operating capital	-	None	-	63,196	126,392	Note 1, 4
2	Jye Tai Electronics Ltd.	Wuhu Jyetai Precise Co.,Ltd	Other receivables due from related parties	Yes	14,127	14,127	14,127	0	2	-	Operating capital	-	None	-	84,301	126,451	Note 2, 4
3	Lang Inc.	Wuhu Jyetai Precise Co.,Ltd	Other receivables due from related parties	Yes	14,209	-	-	0	2	-	Operating capital	-	None	-	141,798	283,595	Note 1, 4
4	ShineRay Co.,Ltd.	Suzaku Interactive Media Co., Ltd.	Other receivables due from related parties	Yes	7,000	-	-	0	2	-	Operating capital	-	None	-	63,196	126,392	Note 1, 4

Note1: Pursuant to “Procedure of Loans to Other Parties” of the Group, the limits for each borrower are set as follows, depending on the purpose for the loan:

(1) Pursuant to “Procedure of Loans to Other Parties” of the Group, the total amount lendable to any of those necessary for short term financing shall not exceed forty percent (40%) of the net worth of the borrower. The amount of financing for individual entity the total allowable amount cannot exceed 20% of the net value of the borrower.

(2) Pursuant to “Procedure of Loans to Other Parties” of the Group, when loaning to a subsidiary that is 100% held by the Group directly or indirectly, the total allowable amount and individual allowable amount cannot exceed 100% of the net value of the Group instead of 40% of the net value of the Group.

Note 2: Pursuant to “Procedure of Loans to Other Parties” of the Group, the limits for each borrower are set as follows, depending on the purpose for the loan:

(1) Pursuant to “Procedure of Loans to Other Parties” of the Group, capital shall only be loaned to trading counterparties, and the aggregate amount shall not exceed 20% of the party’ s net value. The total amount lendable to any of those necessary for short term financing shall not exceed forty percent (40%) of the net worth of the borrower. The amount of financing for individual entity the total allowable amount cannot exceed 20% of the net value of the borrower.

(2) Pursuant to “Procedure of Loans to Other Parties” of the Group, when loaning to a subsidiary that is 100% held by the Group directly or indirectly, the total allowable amount and individual allowable amount cannot exceed 300% of the net value of the entity.The amount of financing for individual entity the total allowable amount cannot exceed 200% of the net value of the borrower.

Note 3: The method of filling out the capital loan and nature is as follows:

(1) Those with business contact please fill in 1.

(2) Those necessary for short-term financing please fill in 2.

Note 4：Reconciliated in the preparation of consolidated report.

(ii) Guarantees and endorsements for other parties: None.

(Continued)

LANG INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Highest: Percentage of ownership (%)	Note
WU,YI-WAN INVESTMENT CO., LTD.	CHIP HOPE CO., LTD.	None	Financial assets at fair value through profit or loss-current	120	12,240	0.17%	12,240	0.17%	
WU,YI-WAN INVESTMENT CO., LTD.	JOLLIFY4EVER LTD.	None	Financial assets at fair value through profit or loss-non-current	982	6,059	4.60%	6,059	4.60%	Note
WU,YI-WAN INVESTMENT CO., LTD.	Jollify Creative, Ltd.	None	Financial assets at fair value through profit or loss-non-current	368	11,742	4.60%	11,742	4.60%	Note
ShineRayCo.,Ltd.	Noisy Incorporation	None	Financial assets at fair value through profit or loss-non-current	800	1,845	12.31%	1,845	12.31%	
ShineRayCo.,Ltd.	Nomura Global Infrastructure Megatrend Fund	None	Financial assets at fair value through profit or loss-current	-	9,792	- %	9,792	- %	
ShineRayCo.,Ltd.	Neuberger Berman Taiwan 5G Equity SITE Fund-T accrual (NTD)	None	Financial assets at fair value through profit or loss-current	-	9,071	- %	9,071	- %	

Note: JOLLIFY4EVER LTD. underwent a reorganization on December 30, 2021 to demerger Jollify Creative, Ltd., which issued 8,000 thousand outstanding shares and the Group was allocated with $368 thousand shares in proportion to their shareholding.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
Lang Inc	Sec. 5, Zhongshan N. Rd., Shilin Dist., Taipei City	2022.12	680,000	137,781	Xinhan Construction Co ltd,.	Non-related party	Not apply	Not apply	Not apply	-	property evaluation report	Integrate subsidiaries and adjust for business	

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Overdue: Action taken	Amounts received in subsequent period	Allowance for bad debts	Note
ShineRayCo.,Ltd.	ShineRay Co.,Limited.(HK)	Parent Company	106,482	-	-		-	-	Note

Note：Reconciliated in the preparation of consolidated report.

(ix) Trading in derivative instruments: None.

(Continued)

LANG INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Group	ShineRayCo.,Ltd.	3	Sales revenue	13,714	Based on price agreed between the parties	0.45%
1	ShineRayCo.,Ltd.	Hong Kong ShineRay Co., Limited	3	Other receivables	106,482	Based on price agreed between the parties	3.54%
1	ShineRayCo.,Ltd.	Suzaku Interactive Media Co., Ltd.	3	Other receivables	5,313	Based on price agreed between the parties	0.18%
1	Shanghai Langhong Culture Media Co., Ltd.	Suzaku Interactive Media Co., Ltd.	3	Other income	3,130	Based on price agreed between the parties	0.10%
2	Shanghai Langhong Culture Media Co., Ltd.	ShineRayCo.,Ltd.	3	Sales revenue	5,083	Based on price agreed between the parties	0.17%
2	Shanghai Langhong Culture Media Co., Ltd.	Suzaku Interactive Media Co., Ltd.	3	Sales revenue	2,031	Based on price agreed between the parties	0.08%
2	Shanghai Langhong Culture Media Co., Ltd.	Bubu Culture Media Co., Ltd.	3	Sales revenue	3,053	Based on price agreed between the parties	0.10%
2	Shanghai Langhong Culture Media Co., Ltd.	ShineRayCo.,Ltd.	3	Other receivables	365	Based on price agreed between the parties	0.02%
3	Hong Kong ShineRay Co., Limited	ShineRayCo.,Ltd.	3	Other receivables	78,994	Based on price agreed between the parties	2.05%
4	Jye Tai Electronics Ltd	Wuhu Jyetai Precise Industrial Co.,Ltd	3	Other receivables	14,117	borrowing	0.80%

Note 1：The numbers denote the following:
(1) 0 represents the Group.
(2) Subsidiaries are numbered starting from “1”.
Note 2：Relationship is classified into three types:
(1)Parent company to subsidiary.
(2)Transactions from subsidiary to parent company
(3)Subsidiary to subsidiary.
Note 3：Disclose only operating revenue and accounts receivable, related purchase, expense, and prepayment are neglected.
Note 4：The above transactions were eliminated when compiling the consolidated financial statements.

(e) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31, 2022: Shares (thousands)	Percentage of wnership	Carrying value	Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Group	Jye Tai Precision Industrial (BVI) Co., Ltd.	The British Virgin Islands	Investment business	201,330	201,330	2	100.00%	44,613	100.00%	(6,073)	(6,073)	Note 1
The Group	WU,YI-WAN INVESTMENT CO., LTD.	Taiwan	Investor	60,000	60,000	6,000	100.00%	34,732	100.00%	6,180	6,180	Note 1
The Group	ShineRay Co., Ltd.	Taiwan	Culture and creativity industry	267,000	267,000	25,000	100.00%	301,491	100.00%	51,072	55,035	Note 1
The Group	Flagwin Technology Co., Ltd.	Taiwan	Telecommunications equipment retail	6,000	6,000	600	30.00%	-	30.00%	(13,681)	(3,117)	Note1
ShineRayCo., Ltd.	Bocao co., ltd.	Taiwan	Culture and creativity industry	27,500	24,500	2,750	91.67%	(829)	91.67%	1,855	1,982	Note 1
ShineRayCo.,Ltd.	Hong Kong ShineRay Co., Limited	Hong Kong	Culture and creativity industry	216,325	81,042	760	100.00%	5,340	100.00%	(174,305)	(174,305)	Note 1
ShineRayCo., Ltd.	Suzaku Interactive Media Co., Ltd.	Taiwan	Culture and creativity industry	19,930	4,930	1,993	90.59%	9,253	90.59%	(16,184)	(14,661)	Note 1
ShineRayCo., Ltd.	Bubu Culture Media Co., Ltd.	Taiwan	Culture and creativity industry	75,000	10,000	7,500	100.00%	41,761	100.00%	(30,853)	(30,853)	Note 1
Jye Tai Precision Industrial (BVI) Co., Ltd.	Jye Tai Electronics Ltd.	Hong Kong	Investment business	174,563	174,563	12,305	100.00%	42,150	100.00%	(5,042)	(5,042)	Note 1

Note 1：The above transactions were eliminated when compiling the consolidated financial statements.

(Continued)

LANG INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Highest Percentage of ownership	Accumu-lated remittance of earnings in current period
					Outflow	Inflow								
Shanghai Langhong Culture Media Co., Ltd.	Culture and creativity industry	102,416 (CNY 23,450	(2)	24,944 (USD 900)	77,472 (USD 2,700)	-	102,416 (USD 3,600)	(94,810)	100.00%	100.00%	(94,810)	(15,185)	-	-
Wuhu Jyetai Precise Industrial Co.,Ltd	Manufacture and sales of connectors, various types of power cables, signal and computer cables	96,701 (CNY 22,261)	(2)	154,076 (USD 5,200)	-	-	154,076 (USD 5,200)	(5,691)	100.00%	100.00%	(5,691)	23,757	-	-

Note 1: There are four ways to invest in China：

(1) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(2) The Group invested in the company through third region finance, and then the company invested in the China company.
(3) Reinvest in mainland China by reinvesting in companies in third region.
(4) Other methods

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
256,492 （USD 8,800 ）	852,265 （USD 26,843 ）	425,392

(iii) Significant transactions:

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

(g) Major shareholders: None.

(Continued)

LANG INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

The Group’s reported segments consist of strategic business units which provide essentially different products and services. They offer different products and services, and are managed separately because they require different technological and marketing strategies. Most of the business units were acquired, and the original management teams are still operating. The four reportable segments are described as follows: 1.Live streaming platform segments: sells virtual currency through Live streaming platforms.

2.Electronics business segments: Mainly manufacturing cables, connectors and remote controls.

(b) Information about reportable segments and their measurement and the reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gains or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant noncash items. The reportable amount is the same as the report used by the chief operating decision maker.

The Group’s segment financial information is as follows:

	For the year ended December 31, 2022				
	2022				
	Live streaming platform segment	**Electronics Department**	**Adjustment of discontinued segment**	**Reconciliation and eliminations**	**Total**
Revenue：					
Revenue from external customers	$ 3,010,587	836	-	-	3,011,423
Intersegment revenues	-	13,714	-	(13,714)	-
Total revenue	**$ 3,010,587**	**14,550**	**-**	**(13,714)**	**3,011,423**
Profit (loss) of reportable segments	**$ 133,673**	**(17,862)**	-	-	**115,811**

	For the year ended December 31, 2021					
	2021					
		Live streaming platform segment	Electronics Department	Adjustment of discontinued segment	Reconciliation and eliminations	Total
Revenue：						
Revenue from external customers	$	2,714,560	1,671	-	(38)	2,716,193
Total revenue	**$**	**2,714,560**	**1,671**	**-**	**(38)**	**2,716,193**
Profit (loss) of reportable segments	**$**	**125,068**	**66,266**	**-**	**-**	**191,334**

(c) Geographic information

The Group's revenue from external customer were as follows:

Geographical information		2022	2021
Revenue from the external customers:			
Taiwan	$	2,941,629	2,613,993
China		30,041	76,519
Other		39,753	25,681
Total	**$**	**3,011,423**	**2,716,193**

		December 31, 2022	December 31, 2021
Non-current assets：			
Taiwan	$	486,219	416,097
China		103,961	41,056
Other		11,673	8,815
Total	**$**	**601,853**	**465,968**

(d) Major customers

Sales to individual customers representing greater than 10% of net sale of the Group were as follows:

		2022	2021
A001(Note 1)	$	1,847,354	1,889,450
A002(Note 1)		413,846	344,915
Other(Note 2)		750,223	481,828
	$	**3,011,423**	**2,716,193**

Note 1: A Live streaming platform provider.

Note 2: The amount of revenue does not amount to 10% of the Group’s total income.

Parent Company Only Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

Independent Auditors' Report

To the Board of Directors of Lang Inc.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. The goodwill impairment of investments accounted for using equity method

   Please refer to notes 4(h) and (i) for the accounting policy on investments accounted for using equity method, note 4(n) for "impairment of goodwill", notes 5(a) for "Critical accounting judgments and key sources of estimation uncertainty", for estimation uncertainty of impairment of goodwill accounted for using equity method, and notes 6(f) for the related disclosures, respectively, of the notes to the parent only financial statements.

Description of key audit matter:

The long-term investments accounted for using equity method of Lang Inc. as of the date of the financial report accounted for 39% of the combined assets, and the assessment of impairment of goodwill is dependent on management’ s estimate. Thus, the impairment of goodwill is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following: assessing the goodwill impairment policies, obtaining goodwill impairment evaluations and appropriateness of recognition of goodwill impairment.

Other Matter

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

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

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

Those charged with governance are responsible for overseeing the Company’ s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the reviews resulting in this independent auditors’ review report are HENG-SHEN LIN and SHU-CHIH YANG.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
LANG INC.
Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
1100	Cash and cash equivalents (note (6)(a))	$ 114,618	12	93,935	11
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (u))	20	-	-	-
1136	Current financial assets at amortised cost (notes (6)(c) and (8))	292,130	30	-	-
1170	Accounts receivable, net (notes (6)(d) and (r))	9	-	216	-
1210	Other receivables-related parties (note (7))	-	-	116,256	13
1220	Current tax assets	180	-	172	-
1410	Prepayments	5,711	-	5,472	1
1476	Other current financial assets	-	-	18	-
1470	Other current assets:	145	-	138	-
		412,813	42	216,207	25
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (7))	24,000	3	24,760	3
1535	Non-Current financial assets at amortized cost (notes (6)(c) and (8))	-	-	200,000	22
1550	Investments accounted for using equity method (note (6)(f))	380,836	39	424,306	48
1600	Property, plant and equipment (note (6)(g))	161	-	408	-
1755	Right-of-use assets (note (6)(h))	722	-	1,394	-
1760	Investment property (note (6)(i))	15,141	2	15,417	2
1900	Other non-current assets: (note (9))	138,776	14	995	-
		559,636	58	667,280	75
	Total assets	**$ 972,449**	**100**	**883,487**	**100**

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note (6)(j))	$ 58,000	6	-	-
2170	Accounts payable	91	-	257	-
2200	Other payables:	4,802	-	11,900	1
2280	Current lease liabilities (note (6)(l))	726	-	1,234	-
2321	Bonds payable, current portion (note (6)(k))	197,789	21	-	-
2300	Other current liabilities	1,717	-	2,517	-
		263,125	27	15,908	1
	Non-Current liabilities:				
2530	Corporate bonds notes and bills payable (note (6)(l))	-	-	192,619	22
2581	Non-current lease liabilities (note (6)(l))	-	-	171	-
2572	Deferred tax liabilities, income tax (note (6)(n))	156	-	156	-
2600	Other non-current liabilities	181	-	181	-
		337	-	193,127	22
	Total liabilities	263,462	27	209,035	23
	Equity attributable to owners of parent:(note(6)(o))				
3110	Ordinary share	532,424	55	532,424	60
3200	Capital surplus	44,914	5	44,914	5
3310	Legal reserve	10,611	1	-	-
3320	Special reserve	3,665	-	-	-
3351	Accumulated profit and loss	117,941	12	106,114	12
3400	Other equity interest	(568)	-	(9,000)	-
	Total equity	708,987	73	674,452	77
	Total liabilities and equity	**$ 972,449**	**100**	**883,487**	**100**

See accompanying notes to parent company only financial statements.

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

LANG INC.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues (note (6)(r))**	$ 14,550	100	1,671	100
5000	**Operating cost**	777	5	1,549	93
	Gross profit (loss) from operations	13,773	95	122	7
	一、**Operating expenses** (notes (6)(d), (e), (l), (m), (n) and (7)):				
6100	Selling expenses	3,963	27	11,073	663
6200	Administrative expenses	43,590	300	44,725	2,677
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-	-	(11)	(1)
	Total operating expenses	47,553	327	55,787	3,339
	Net operating income (loss)	(33,780)	(232)	(55,665)	(3,332)
	二、**Non-operating income and expenses** (note (6)(s)):				
7100	Interest income	2,324	16	675	40
7010	Other income	1,096	8	369	22
7020	Other gains and losses (note (6)(k))	16,728	115	(1,967)	(118)
7050	Finance costs	(5,184)	(36)	(5,061)	(303)
7370	Share of profit of associates and joint ventures accounted for using equity method (note (6)(f))	52,025	358	200,337	11,989
	Total non-operating income and expenses	66,989	461	194,353	11,630
	Profit (loss) from continuing operations before tax	33,209	229	138,688	8,298
7951	Less: Income tax expenses (note (6)(n))	-	-	-	-
	三、**Profit (loss)**	33,209	229	138,688	8,298
8300	四、**Other comprehensive income**	8,432	58	(3,666)	(219)
	五、**Total comprehensive income**	**$ 41,641**	**287**	**135,022**	**8,079**
	六、**Basic earnings per share** (note (6)(p))				
	七、Basic earnings per share	**$**	**0.62**		**2.60**
	八、Diluted earnings per share	**$**	**0.61**		**2.27**

See accompanying notes to parent company only financial statements.

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

LANG INC.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2021	$ 532,424	44,914	-	-	(30,408)	(5,334)	541,596
Profit (loss)	-	-	-	-	138,688	-	138,688
Other comprehensive income	-	-	-	-	-	(3,666)	(3,666)
Total comprehensive income	-	-	-	-	138,688	(3,666)	135,022
Changes in ownership interests in subsidiaries	-	-	-	-	(2,166)	-	(2,166)
Balance at December 31, 2021	532,424	44,914	-	-	106,114	(9,000)	674,452
Profit (loss)	-	-	-	-	33,209	-	33,209
Other comprehensive income	-	-	-	-	-	8,432	8,432
Total comprehensive income	-	-	-	-	33,209	8,432	41,641
Legal reserve appropriated	-	-	10,611	-	(10,611)	-	-
Special reserve appropriated	-	-	-	3,665	(3,665)	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(7,106)	-	(7,106)
Balance at December 31, 2022	**$ 532,424**	**44,914**	**10,611**	**3,665**	**117,941**	**(568)**	**708,987**

See accompanying notes to parent company only financial statements.

		2022	2021
Cash flows from (used in) operating activities:			
Profit before tax	$	33,209	138,688
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		2,027	2,201
Expected credit loss (gain)		-	(11)
Interest expense		5,184	5,061
Interest income		(2,324)	(675)
Share of loss (profit) of subsidiaries,associates and joint ventures accounted for using equity method		(52,025)	(200,337)
Loss (gain) on disposal of property, plan and equipment		-	10
Evaluation loss loss on financial assets		740	540
Total adjustments to reconcile profit (loss)		(46,398)	(193,211)
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable		207	6,272
Decrease (increase) in other receivable		-	58
Decrease (increase) in other receivable due from related parties		11,072	(2,528)
Decrease (increase) in prepayments		(240)	(5,058)
Decrease (increase) in other current assets		(7)	(138)
Decrease (increase) in other financial assets		18	(18)
Decrease (increase) in non current assets		-	(10)
Increase (decrease) in accounts payable		(166)	(270)
Increase (decrease) in other payable		(7,097)	(1,345)
Increase (decrease) in other current liabilities		(800)	1,052
Total adjustments		(43,411)	(195,196)
Cash inflow (outflow) generated from operations		(10,202)	(56,508)
Interest received		2,324	675
Income taxes paid		(8)	-
Interest paid		(14)	(26)
Dividends paid		96,821	59,338
Income taxes refund		-	311
Net cash flows from (used in) operating activities		88,921	3,790
Cash flows from (used in) investing activities:			
Acquisition of financial assets at amortised cost		(92,130)	-
Acquisition of financial assets at fair value through profit or loss		-	(24,000)
Acquisition of investments accounted for using equity method		-	(3,000)
Proceeds from capital reduction of investments accounted for using equity method		105,184	-
Increase in refundable deposits		-	181
Increase in prepayments for business facilities		(137,781)	-
Net cash flows from (used in) investing activities		(124,727)	(26,819)
Cash flows from (used in) financing activities:			
Increase in short-term loans		58,000	-
Decrease in financial liabilities at amortised cost		-	28,480
Payment of lease liabilities		(1,511)	(1,498)
Net cash flows from (used in) financing activities		56,489	26,982
Net increase (decrease) in cash and cash equivalents		20,683	3,953
Cash and cash equivalents at beginning of period		93,935	89,982
Cash and cash equivalents at end of period	$	**114,618**	**93,935**

See accompanying notes to parent company only financial statements.

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

LANG INC.

Notes to the Financial Statements

For the December 31, 2022 and 2021

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

(1) Company history

LANG INC. (the "Company") which was formally known as Jye Tai Precision Industrial Co., Ltd, was established at April 18, 1973 under Company Act. The Company was permitted to change its name to Lang INC. The Besides the industry of cultural and creativity, the Company mainly operate the manufacturing and sales of the mechanical and related part. The company was listed on Taiwan Stock Exchange at August 4 ,2003.

(2) Approval date and procedures of the financial statements:None

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

(3) New standards, amendments and interpretations adopted:None

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

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

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

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

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

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(Continued)

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

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

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

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

● Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

(Continued)

LANG INC.

Notes to the Financial Statements

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for the financial instruments at fair value through profit or loss are measured at fair value, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

(Continued)

LANG INC.

Notes to the Financial Statements

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(Continued)

LANG INC.

Notes to the Financial Statements

(iii) It is due to be settled within twelve months after the reporting period; or

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

(e) Cash and cash equivalents

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

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

(Continued)

LANG INC.

Notes to the Financial Statements

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- i ts contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

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

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

(Continued)

LANG INC.

Notes to the Financial Statements

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

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

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

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

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

(Continued)

LANG INC.

Notes to the Financial Statements

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(Continued)

LANG INC.

Notes to the Financial Statements

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

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

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

(Continued)

LANG INC.

Notes to the Financial Statements

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

(g) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group’s accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group’s accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(Continued)

LANG INC.

Notes to the Financial Statements

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Company’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company’s interests in the associate.

When the Company’s share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Company’s ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company’s proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company’s ownership interest is reduced due to the additional subscription to the shares of the associate by other

(Continued)

investors, the proportionate amount of

the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiary

When making the Parent-only Financial Report, the Company evaluates its investees who have controlling power by using equity method. According to equity method, the amount of amortization in current profit or loss and other profit or loss in Parent-only Financial Report is the same with Parent Company in the Financial Report, and the equity on Parent-only Financial Report is the same with Parent Company in Financial Report.

Changes in a parent’s ownership interest in a subsidiary, that do not result in the Parent losing control of the subsidiary, are considered transaction of interests between businesses.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group’s date of transition to the Standards, was determined with reference to its fair value at that date.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1)	Buildings	50~55 years
2)	Transportation equipment	5 years

3)	Other	2 years
4)	Lease innovation	3 years

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

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or
services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

(l) Leases

(i) Identifying a lease

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

(ii) As a leasee

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

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

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

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

— fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the

(Continued)

index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

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

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Intangible assets acquired by the Company with finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

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

(n) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when

it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company’s main types of revenue are explained below.

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LANG INC.

Notes to the Financial Statements

(i) Sale of goods

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

(ii) Consultant and management revenue

The Company provides enterprise consultant and management service, and recognized the revenue under the duration which the Company provides such service.

(i) Financing components

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

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

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

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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Notes to the Financial Statements

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(r) Income taxes

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

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

(Continued)

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

(i) the Company has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

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

(t) Operating segments

The Company has disclosed operating segments in consolidated statement, thus do no duplicate in parent company only financial statements.

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

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Assessment of goodwill impairment from investments accounted for using equity method

The assessment of impairment of goodwill requires the Group to make subjective judgment to determine the identified CGUs, allocate the goodwill to relevant CGUs and estimate the recoverable amount of relevant CGUs. Please refer to Note 6(f) for investments accounted for using equity method.

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Notes to the Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand	$	169	168
Demand deposit and check deposits		83,739	93,767
Time deposit		30,710	-
	$	114,618	93,935

Please refer to note 6(u) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

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

		December 31, 2022	December 31, 2021
Non-derivative financial assets			
Movie Investment Agreement	$	24,000	24,000
Convertible bonds- redemption right		20	760
Total	$	24,020	24,760

(i) The Company and Magic juice Film production Co., Ltd. have signed a joint investment agreement for the domestic film, the “The regular King of stocks”, the key terms and conditions of which are as follows:

1) Original investment amount: NT$ 24,000 thousand.

2) Contract Signing Date: October 29, 2021.

3) Return on investment: The income distribution right is equal to the ratio of the investment (40%) and is settled semi-annually from since the movie opening date.

4) Income distribution period: Five years from the movie opening date.

(ii) The film has not yet been shot as of the reporting date because the editorial team has adjusted the content of the script.

(iii) The Company’s financial assets at fair value through profit or loss mentioned above were not pledged as collateral.

(Continued)

LANG INC.

Notes to the Financial Statements

(c) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Bank deposit - time deposit - current	$ 30,710	-
Bank deposits -pledged deposit - current	261,420	-
Bank deposit - pledge deposit - non-current	-	200,000
Total	**$ 292,130**	**200,000**

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

(ii) The above-mentioned financial assets were pledged as collateral, please refer to note 8.

(d) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes and accounts receivable	$ 10	217
Less: Allowance for bad debt	(1)	(1)
	$ 9	**216**

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

	December 31, 2022		
	Gross carrying amount	**Weighted average expected credit losses rate**	**Allowance provision for lifetime expected credit losses**
Current	**$ 10**	10%	**1**

	December 31, 2021		
	Gross carrying amount	**Weighted average expected credit losses rate**	**Allowance provision for lifetime expected credit losses**

(Continued)

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Notes to the Financial Statements

Current	$ 217	0.46%	1

The movements in the loss allowance for accounts receivables were as follows:

	2022	2021
Balance at January 1	$ 1	12
Impairment losses (reversed)	-	(11)
Ending balance	$ 1	1

(e) Other receivables

	December 31, 2022	December 31, 2021
Overdue receivables	$ 59,475	59,475
Loss allowance	(59,475)	(59,475)
	$ -	-

The movements in the loss allowance for other receivables were as follows:

	December 31, 2022	December 31, 2021
Beginning balance	$ 59,475	53,375
Reclassification	-	6,100
Balance at December 31	**$ 59,475**	**59,475**

(i) The Company sent an attestation letter for damages and engaged in legal proceedings against LE DAY MULTIMEDIA CO., LTD. (“ Le Day”) for a total of $14,111 thousand due to breach of contract of jointly investment in domestic films. Taiwan Taipei District Court ruled in September 2021 that the Company has a right to claim property of $13,996 thousand and the Company had already filed an application for enforcement. Accordingly, the Company transferred the financial assets previously accounted for at fair value through profit or loss of $6,100 thousand and other receivables of $8,011 thousand to overdue receivables. However, Le Day does not own any property for settlement, and the Company has set aside 100% of loss allowance specifically for balance under the accounts.

(ii) The total of overdue receivable of IPTONE TECHNOLOGY CO., LTD.for the Company amounting to $66,900 thousand. The Company held promissory notes signed by the debtor and the joint guarantor and filed for enforcement to the court for ruling. The court ruled that the Company should execute enforcement procedures. As for the years ended December 31, 2022 and 2021, the amount of proceeds allocated to the Company as a result of the court’s enforcement of bill settlement were both $21,536 thousand, the principal has been offset and the amount accounted for under overdue receivables was $45,364 thousand.100% of loss allowance is also set aside.

(Continued)

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Notes to the Financial Statements

(f) Investments accounted for using equity method

A summary of the Company’s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Subsidiariess	$ 380,836	421,189
Associates	-	3,117
	$ 380,836	424,306

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022.

(ii) Investments in associates

Associates which are material to the Company consisted of the followings:

			Proportion of shareholding and voting rights	
Name of Associates	**Nature of Relationship with the Company**	**Major Operation place**	**December 31, 2022**	**December 31, 2021**
Flagwin Technology Co., Ltd.	Associates	Taiwan	30.00%	30.00%

	For the years ended December 31, 2022	For the years ended December 31, 2021
Shares attributable to the Group		
Loss from continuing operations for the year	$ (3,117)	(880)
Other comprehensive income (loss)	$ -	-

(iii) Due to the fact that the Company does not have the obligation of assuming the excess losses, it ceased the recognition of the losses on Flagwin Technology Co., Ltd. For the years ended December 31, 2022, the unrecognized losses amounted to $987 thousand; and the accumulated unrecognized losses amounted to $987 thousand.

The Company’s investment accounted for using the equity method were not pledged as collateral.

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Notes to the Financial Statements

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment for the years ended December 31, 2022 and 2021, were as follows:

	Land	Building and construction	Leasehold innovation	Other equipment	Transport ation equipment	Total
Cost:						
Balance at January 1, 2022	$ -	-	440	780	1,070	2,290
Balance at December 31, 2022	**$ -**	**-**	**440**	**780**	**1,070**	**2,290**
Balance at January 1, 2021	$ 1,020	2,952	440	863	1,070	6,345
Disposal	-	-	-	(83)	-	(83)
Reclassification	(1,020)	(2,952)	-	-	-	(3,972)
Balance at December 31, 2021	**$ -**	**-**	**440**	**780**	**1,070**	**2,290**
Depreciation and impairment losses:						
Balance at January 1, 2022	$ -	-	440	746	696	1,882
Depreciation	-	-	-	34	213	247
Balance at December 31, 2021	**$ -**	**-**	**440**	**780**	**909**	**2,129**
Balance at January 1, 2021	$ -	1,162	294	746	482	2,684
Depreciation	-	53	146	74	214	487
Disposal	-	-	-	(74)	-	(74)
Reclassification	-	(1,215)	-	-	-	(1,215)
Balance at January 1, 2021	**$ -**	**-**	**440**	**746**	**696**	**1,882**
Carrying amounts:						
Balance at December 31, 2022	**$ -**	**-**	**-**	**-**	**161**	**161**
Balance at January 1, 2022	**$ 1,020**	**1,790**	**146**	**117**	**588**	**3,661**
Balance at December 31, 2022	**$ -**	**-**	**-**	**34**	**374**	**408**

As of December 31, 2022 and 2021, the Company’ s property, plant, and equipment were not pledged as collateral.

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Notes to the Financial Statements

(h) Right-of-use assets

The Company leases many assets including land, buildings and vehicles. Information about leases for which the Company as a lessee is presented below:

		Buildings and Construction	Transportation equipment	Total
Right-of-use assets, Cost:				
Balance at January 1, 2022	$	836	2,008	2,844
Additions		832	-	832
Decrease		(836)	-	(836)
Balance at December 31, 2022	**$**	**832**	**2,008**	**2,840**
Balance at January 1, 2021		2,170	2,008	4,178
Additions		836	-	836
Disposals		(2,170)	-	(2,170)
Balance at December 31, 2021	**$**	**836**	**2,008**	**2,844**
Depreciation:				
Balance at January 1, 2022	$	279	1,171	1,450
Depreciation for the year		835	669	1,504
Decrease		(836)	-	(836)
Balance at December 31, 2021	**$**	**278**	**1,840**	**2,118**
Balance at December 31, 2021	$	1,628	502	2,130
Depreciation for the year		821	669	1,490
Decrease		(2,170)	-	(2,170)
Balance at January 1, 2021	**$**	**279**	**1,171**	**1,450**
Carrying amount:				
Balance at December 31, 2022	**$**	**554**	**168**	**722**
Balance at January 1, 2022	**$**	**557**	**837**	**1,394**
Balance at December 31, 2022	**$**	**542**	**1,506**	**2,048**

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Notes to the Financial Statements

(i) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right of use assets, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 1 to 3 years. Some leases provide the lessees with options to extend at the end of the term.

		Land and improvements	Buildings and Construction	Total
Coat:				
Balance at January 1, 2022	$	6,367	15,468	21,835
Balance at December 31, 2022	$	6,367	15,468	21,835
Balance at January 1, 2021	$	5,347	12,516	17,863
Reclassification		1,020	2,952	3,972
Balance at December 31, 2021	$	6,367	15,468	21,835
Accumulated depreciation:				
Balance at January 1, 2022	$	-	6,418	6,418
Depreciation for the year		-	276	276
Balance at December 31, 2021	$	-	6,694	6,694
Balance at December 31, 2021	$	-	4,979	4,979
Depreciation for the year		-	224	224
Reclassification		-	1,215	1,215
Balance at January 1, 2021	$	-	6,418	6,418
Carrying amount:				
Balance at December 31, 2022	$	6,367	8,774	15,141
Balance at January 1, 2022	$	5,348	7,537	12,885
Balance at December 31, 2022	$	6,367	9,050	15,417
Fair value				
Balance at December 31, 2022				$ 27,832
Balance at December 31, 2021				$ 35,234

The fair value of investment property as disclosed in the financial statements is based on the valuation of the independent valuator. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

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LANG INC.

Notes to the Financial Statements

Fair value is assessed by the market value method. In the absence of a current quoted price from an active market, the evaluation then takes into account the estimated aggregate cash flows expected to be received from the lease of the real estate and is discounted by the rate of return reflecting the inherent specific risks of the net cash flow to determine the value of the property. The range of interest rates for the years ended December 31, 2022 were as follows:

Geographical information	For the years ended December 31, 2022	2021
Taiwan		
Discount Rate	2.195%	1.695%

As of December 31, 2022 and 2021, there was no investment property that was pledged as collateral.

(j) Short-term borrowings 0

	December 31, 2022	December 31, 2021
Secured bank loans	$ 58,000	-
Unused short-term credit lines	$ 72,000	-
Range of interest rates	2.35%	

For the collateral for short-term borrowings, please refer to note 8.

(k) Bonds payable 11

	December 31, 2022	December 31, 2021
Secured convertible corporate bonds	$ 200,000	200,000
Unamortized discount	(2,211)	(7,381)
Corporate bonds issued balance at year-end	$ 197,789	192,619
Embedded derivative call option and put option (financial assets at fair value through profit or loss)	$ 20	760
Equity component conversion options, included in capital surplus stock options	$ 4,650	4,650

	2022	2021
Embedded derivative Gains (losses) on put option and call option remeasured at fair value. (Accounted for under other profit or loss).	$ (740)	(540)
Interest expense	$ 5,170	5,035

(Continued)

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The Company issued its first and second private secured convertible bonds on June 15, 2020, with a total issued amount of NT200,000 thousand. The bonds were issued with a par value of NT100 thousand per share at 0%of coupon rate. The conversion price is 21.03 per share and the issue period is 3 years from June 15, 2020 to June 15, 2023. The terms are as follows:

(i) Repayment at maturity

The issuing company shall pay the debt at the maturity date in cash in one-time payment by the nominal amount of the Company' s corporate bond, excluding the early redemption, purchase and cancellation of the bond or exercise of the right of conversion.

(ii) Terms of conversion

Except for the period during which the bond has been redeemed before maturity, repurchased and cancelled for conversion, the holder of the bond may, from the day following the issue of the bond (excluding the issue date) to the expiry date, subject to the provisions of the relevant Ordinance and the mandate, A request may be made at any time to the issuing company for the conversion of the secured convertible corporate debt into the ordinary shares of the issuing company.

(iii) Conversion price and its adjustment

The Company uses the average closing price of 26.63 for the 5 business days preceding the price determination base as the reference price and uses 80.02% of the reference price as the conversion price. The conversion price per share is tentatively set at 21.31. The conversion price is adjusted by the formula specified in the terms of issue.

(iv) Bondholders with a put option: none

(v) Convertible bonds- redemption right

This private Conversion Corporate debt shall commence on the day following the expiration of 3 months from the date of issue and expire 40 days prior to the expiry of the period of issue. If the closing price of the Company' s ordinary shares at the counter-trading center exceeds 30% or more of the then conversion price of the convertible bonds for 30 consecutive business days, the Company' s ordinary shares will be traded at the counter-trading center. The Company may within 30 business days send a notice of debt recovery and, within five business days after the date of the date of the bond. The Company may within 30 business days send a notice of debt recovery and, within five business days after the date of the date of the bond's recovery, recover the private equity conversion corporate debt of the holder of the bond in cash at the nominal amount of the bond. And the benchmark date of the bond recovery must not fall within the period during which the conversion of private equity conversion corporate bonds ceased.

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This private Conversion Corporate debt begins on the day following the expiration of 3 months from the date of issue and ends 40 days before the expiry of the period of issue. When the outstanding balance of the convertible bond is less than 10% of the total amount of the original issue, the Company may send a debt recovery notice. And to recover the private equity conversion corporate debt of the holder of the bond in cash at the nominal value of the bond on 5 business days after the date of the bond recovery basis, And the benchmark date of the bond recovery must not fall within the period during which the conversion of private equity conversion corporate bonds ceased.

If the creditor has not replied in writing to the Company’s stock agent agreeing to the debentures or requesting the Company to convert them into ordinary shares of the Company by way of issue prior to the date on which the debentures are to be recovered as set out in the notice, the Company may at the conversion price then prevailing. Convert the principal private equity conversion corporate debt held by him into ordinary shares of the Company on the expiry date of the notice period as the conversion date. Upon request, the Company shall redeem the private placement convertible bonds for cash within five trading days after the base date of recovery.

The convertible corporate debt is required to separate options from liabilities and is accounted for separately under the financial assets, non-current, corporate debt payable and capital reserve, which are measured at fair value through profit or loss.

As of December 31, 2022, the corporate bond was transferred to current liabilities as it would mature within one year.

(l) Lease liabilities

The carrying values of the lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 726	1,234
Non-current	$ -	171

For the maturity analysis, please refer to note 6(y).

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	$ 12	26
Expenses relating to short-term leases	$ -	69

(Continued)

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Notes to the Financial Statements

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

	2022	2021
Total cash outflow for leases	$ 1,523	1,593

(i) Real estate leases

The Company leases land and buildings for its office space and factories. The leases typically run for a period of 2 to 3 years.

(ii) Other leases

The Company leases vehicles and equipment, with lease terms of three years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases parking spaces, event venues and video shooting equipment with contract terms of less than one year. These leases are short-term and leases of low value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Employee benefits

(i) Defined contribution plans

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

The Company's expenses under the pension plan cost to the Bureau of Labor Insurance for the year ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31,	
	2022	2021
Operating expenses	$ 386	372

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Notes to the Financial Statements

(n) Income taxes

(i) The components of income tax in the years 2022 and 2021 were as follows:

The components of income tax expense in the years 2022 and 2021 were as follows:

		2022	2021
Income tax expense	$	-	-

Reconciliation of income tax and income before tax in 2022 and 2021, was as follows:

		2022	2021
Profit excluding income tax	$	33,209	138,688
Income tax using the Company's domestic tax rate	$	6,893	28,688
Non-deductible expenses		189	12,369
Income from tax exemption		(8,223)	(20,626)
Change in unrecognized temporary differences		1,141	(20,431)
Income tax expense	$	-	-

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

		December 31, 2022	December 31, 2021
Taxes losses	$	18,923	23,668
Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method		26,194	24,980
Other		2,933	3,008
	$	48,050	51,656

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Unrecognized deferred income tax assets. The realizability of deferred income tax assets depends mainly on the availability of sufficient future tax revenue.

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Notes to the Financial Statements

As of December 31, 2022 and 2021, the information on the Company's unused tax losses for which no deferred tax assets were recognized was as follows:

Year of loss	Unused tax losses	Expiry date
2012	$ 4,352	2022
2013	21,763	2021
2015	14,372	2025
2016	12,480	2026
2017	12,480	2027
2018	15,054	2028
2019	7,407	2029
	$ 94,616	

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Net gains (loss) from financial liabilities at fair value through profit or loss
Deferred tax assets:	
January 1, 2022	$ (156)
Recognized in profit or loss	-
December 31, 2022	**$ (156)**
January 1, 2021	$ (156)
Balance at December 31, 2021	**$ (156)**

(iii) The Company's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C.

(o) Capital and other equity

As of December 31, 2022 and 2021, the Company's government registered total authorized share capital amounted to $1,800,000 thousand and $1,150,000 thousand,comprising $180,000 thousand shares and $115,000 thousand shares, respectively, with the par value of $10 per share. The total amount of paid in capital was $532,424 thousand.

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(i) Capital surplus

The components of capital surplus were as follows:

		December 31, 2022	December 31, 2021
Additional paid in capital	$	40,264	40,264
Share option –convertible bonds issued		4,650	4,650
Total	$	44,914	44,914

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and
only the realized capital surplus can be used to increase the common stock or be distributed as
cash dividends. The aforementioned realized capital surplus includes capital surplus resulting
from premium on issuance of capital stock and earnings from donated assets received.
According to the Regulations Governing the Offering and Issuance of Securities by Securities
Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

In accordance with the Company’ s articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve according to the Securities and Exchange Act and the Company’ s operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan to be approved by the shareholders’ meeting.

1) Legal reserve

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

2) Special reserve

In accordance with Rule issued by the FSC a portion of current-period earnings and undistributed prior—period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders’ equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior period. The subsequent reversals of

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Notes to the Financial Statements

the contra accounts in shareholders' equity shall qualify for additional distributions.

(iii) Distribution of earnings

According to the articles of the Company, when allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earing left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed earnings, which shall become the aggregate distributable earnings to be distributed according to the distribution plan proposed by the board of directors and submitted to the stockholders' meeting for resolution. all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

Taking into account of shareholders' interest and the Company's long-term financial plan, no less than 15% of the distributable profits of the Company shall be allocated annually for dividends of the Shareholders; however, the dividends may not be allocated if accumulated earnings were lower than 50% of paid-in capital. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution, and stock dividends instead of cash dividends are distributed if the cash dividends per share are less than $0.5 (dollars).

The Company's shareholders meeting resolved loss off-setting proposal of 2020 on June 15, 2021. Due to deficit, there was no earnings available for distribution.

The Company's shareholders meeting resolved loss off-setting proposal of 2021 on July 13, 2022. Due to deficit, there was no earnings available for distribution.

(iv) Other equity interests, net of tax

		Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$	(9,000)
Share of exchange differences of subsidiaries, associates, and joint ventures under the equity method		8,432
Balance at December 31, 2022	**$**	**(568)**
Balance at January 1, 2021	**$**	**(5,334)**
Share of exchange differences of subsidiaries, associates, and joint ventures under the equity method		(3,666)
Balance at December 31, 2021	**$**	**(9,000)**

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Notes to the Financial Statements

(p) Earnings per share (loss)

		2022	2021
Basic earnings per share			
Net profit (loss) attributable to ordinary shareholders of the Company	$	**33,209**	**138,688**
Weighted average number of ordinary shares outstanding (in thousands of shares):		**53,242**	**53,242**
Basic loss (earnings) per share	$	**0.62**	**2.60**
Diluted earnings per share			
Net profit (loss) attributable to ordinary shareholders ofthe Group (basic)	$	33,209	138,688
Interest expense after tax of convertible corporate bonds and gain on redemption remeasured at fair value		4,876	3,788
Net profit (loss) attributable to ordinary shareholders of the Group (dilutive)	$	**38,085**	**142,476**
Weighted average number of ordinary shares outstanding (in thousands of shares)		53,242	53,242
Interest expense after tax of convertible corporate bonds and gain on redemption remeasured at fair value		9,512	9,385
Effect of employee share bonus (in thousand of shares)		27	59
Weighted-average number of common shares outstanding (Diluted / thousand shares)		**62,781**	**62,686**
Diluted earnings (loss) per share	$	**0.61**	**2.27**

(q) Share based payment

The Company passed a resolution of the Board of Directors on December 31, 2022 to issue employee stock option certificates with a total of $5,000 thousand shares but Securities and Futures Bureau, Financial Supervisory Commission has not been reported for approval.As of December 31, 2022, it has been lapsed.

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Notes to the Financial Statements

(r) Revenue from contracts with customers

(i) Details of revenue

	For the years ended December 31,	
	2022	**2021**
Primary geographical markets:		
Taiwan	$ 14,550	1,671
Major products/service lines:		
Sales of goods	$ 833	1,671
Service revenue	13,714	-
Other	3	-
Total	$ 14,550	1,671

(ii) Contract balances

	December 31, 2022	December 31, 2021
Account receivables	$ 10	217
Less: loss allowance	(1)	(1)
Total	$ 9	216

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

(s) Remuneration for employees, directors, and supervisors

The Company's articles of incorporation require that earnings shall first be offset against any deficit. A minimum of 2% to 10% will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration. However, if The Company has accumulated deficits, the profit should be reserved to offset the deficit.

The recipients of shares and cash may include the employees of the Group’ s affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the amounts of employees’ bonuses were estimated at $738 thousand and $2,234 thousand, respectively. The amounts remuneration to directors and supervisors were estimated at $1,089 thousand and $3,351 thousand respectively. The estimation basis shall be calculated as the amounts of net income before tax deducted employees’, directors’ and supervisors’ bonuses, multiplied distributed percentage of employees’ bonuses, directors’ and supervisors’ remuneration based on the Corporation’ s articles of incorporation. These bonuses and remuneration were expensed under operating costs or expenses for the years ended December 31, 2022 and 2021. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

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Notes to the Financial Statements

(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

		2022	2021
Interest income	$	2,324	675

(ii) Other income

The details of other income for 2022 and 2021 were as follows:

		2022	2021
Rent income	$	1,076	353
Other		20	16
	$	1,096	369

(iii) Other gains and losses

The details of other income for 2022 and 2021 were as follows:

		2022	2021
Foreign exchange loss	$	17,468	(1,417)
Valuation gains (loss) on financial assets		(740)	(540)
Other		-	(10)
	$	16,728	(1,967)

(iv) Finance costs

The details of finance costs for 2022 and 2021 were as follows:

		2022	2021
Interest expense	$	(5,184)	(5,061)

(u) Financial instruments

(i) Credit risk

1) The maximum exposure to credit risk

The carrying amounts of financial assets and contract assets represented the maximum credit risk exposure of the Company.

2) Concentration of credit risk

As of December 31, 2022 and 2021, the Company’ s major customers consisted of one customer which accounted for 100% of accounts receivable so that management

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believes the concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continuously evaluates the financial position of customers.

3) Credit risk of receivables

For credit risk exposure of accounts receivable, please refer to note 6(e) and (d).

All of these financial assets mentioned above are considered to be low risk, therefore, the impairment provision recognized during the period was limited to 12 months expected losses.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	1-2 years	2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 58,000	58,341	58,341	-	-	-
Accounts payable	91	91	91	-	-	-
Other payables:	4,802	4,802	4,802	-	-	-
Bonds payable, current portion	197,789	200,000	200,000	-	-	-
Lease liabilities	726	730	730	-	-	-
	$ 261,408	263,964	263,964	-	-	-
December 31, 2021						
Non-derivative financial liabilities						
Accounts payable	$ 257	257	257	-	-	-
Other payables:	11,900	11,900	11,900	-	-	-
Bonds Payable	192,619	200,000	-	200,000	-	-
Lease liabilities	1,405	1,625	1,454	171	-	-
	$ 206,181	213,782	13,611	200,171	-	-

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

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(iii) Market risk

1) Currency risk

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

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 4,515	30.710	138,661	2,020	27.680	55,919

- Sensitivity analysis

  The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, the JPY, and the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before tax by $1,387 thousand and $559 thousand, respectively.

- Exchange gains and losses of monetary items

  As the Company deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange loss for the years ended December 31, 2022 and 2021 were $17,468 thousand and $(1,417) thousand, respectively.

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amounts of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.5% the Company's net income will decrease /increase by $129 thousand and $469 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate bank deposit.

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(v) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit loss:	-	-	-	-	-
Movie Investment Agreement	$ 24,000	-	-	24,000	24,000
Convertible bonds- redemption right	20	-	-	20	20
	24,020	-	-	24,020	24,020
Total	**$ 48,040**	**-**	**-**	**48,040**	**48,040**

	December 31, 2021				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit loss:	-	-	-	-	-
Movie Investment Agreement	$ 24,000	-	-	24,000	24,000
Convertible bonds- redemption right	760	-	-	760	760
Total	**$ 24,760**	**-**	**-**	**24,760**	**24,760**

2) Valuation techniques for financial instruments measured at fair value

(ii-i). Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading

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volume or high bid ask spreads is an indication of a non-active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market date at the reporting date.

The Company's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

- Financial instruments with active market: for listed and over the counter stocks with standard terms and are publicly traded in active markets, their fair value are calculated by the market's quoted prices.

- Equity instruments without quoted price: The measurements of fair value of unlisted equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the investee' estimated net worth per share and the value multiplier based on comparable quoted market price of listed entities. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss movie investment	Discounted cash flow method	• Annual revenue growth	• • The higher growth in annual revenue, the higher the fair

(v) Financial risk management

The objective and policies of the Company's financial risk management were not materially different from those disclosed in note 12(a) of the consolidated financial statements for the year ended December 31, 2020.

(i) Overview

The Group have exposures to the following risks from its financial instruments:

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1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Risk management framework

The Company's risk management policies are established to identify and analyze the risks being faced by The Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations

The Company Audit Committee oversees how management monitors compliance with the Company' s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

1) Accounts receivable and other receivables

The policy adopted by the Company to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company only deals with the investment grade enterprises. Such information is provided by an independent rating agency; if such information is not available, the Company will rate the major customers using other publicly available financial information and mutual transaction records. The Company continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

The Company did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are

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measured and monitored by The Company's finance department. There is no significant credit risk because the Company used to transact with or deal with counterparty with good credit ratings financial institutions, corporate organizations and government agencies.

3) Liquidity risk

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2022 and 2021, there is no guarantee outstanding.

(iv) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on investments that are denominated in a currency other than the functional currency of the Company's respective entity,as well as investment from foreign operations. The respective functional currencies of the Company's entities are primarily the NTD and the Company adopted the principle of natural hedge for exposure to currency risk, thus changes in market exchange rates will result in changes in the market prices of these financial products.

2) Interest rate risk

The Company's exposure to variable interest rate cash flow risk arises from the Company's demand deposit at the bank that bear floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influence the Company's future cash flow.

(w) Capital management

The Company sets its objectives for managing capital risk to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares

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or sell assets to settle any liabilities. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities. The Company monitors the capital structure by way of periodical review the debt ratio. The capital of the Company refers to the "total equity" presented in the balance sheet, which is also equal to total assets less total liabilities.

As of December 31, 2022, the Company's capital management strategy is consistent with the prior year as of December 31, 2021. The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2022	December 31, 2021
Total Assets	$ 263,462	209,035
Total Liabilities	$ 972,449	883,487
Liabilities ratiao	27.09%	23.66%

(x) Investing and financing activities not affecting current cash flow

The reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash Flows	Other	December 31, 2022
Bonds payable	$ 192,619	-	5,170	197,789
Lease liabilities	1,405	(1,511)	832	726
Total liabilities from financing activities	$ 194,024	(1,511)	6,002	198,515

	January 1, 2022	Cash Flows	Other	December 31, 2022
Bonds payable	$ 187,584	-	5,035	192,619
Lease liabilities	2,067	(1,498)	836	1,405
Total liabilities from financing activities	$ 189,651	(1,498)	5,871	194,024

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

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Name of related party	Relationship with the Group
Jye Tai Precision Industrial (BVI) Co.,Ltd	Subsidiaries
WU,YI-WAN INVESTMENT CO., LTD.	Subsidiaries
Jye Tai Electronics Ltd.	Subsidiaries
Wuhu Jyetai Precise Industrial Co.,Ltd	Subsidiaries
Magic juice Film production Co., Ltd.	Subsidiaries
Lang Charity Social Welfare Foundation at Hualian county	Other related parties (Note 2)

Note 1: The representative of Magic Film production Co., Ltd. is the same person as the representative of CHAN YEH INVESTMENT COMPANY LIMITED, a director of the Company.CHAN YEH INVESTMENT COMPANY LIMITED changed its representative on December 7, 2022.Magic Film production Co., Ltd. Is removed as a related party since that date.

Note 2: The establishment of Lang Charity Social Welfare Foundation at Hualian county was approved by the Board of Directors in March 2022

(b) Significant transactions with related parties

(i) Revenue

The material service revenue with related parties were as follows：

Item	Relationship	December 31, 2022	December 31, 2021
Service revenue	Subsidiary-ShineRay Co., Ltd	$ 13,714	-

The transaction with related parties were paid quarterly, which was not different from normal customers.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Other receivables due from related parties	SubsidiaryJye Tai Precision Industrial (BVI) Co.,Ltd	$ -	105,184

Jye Tai Precision Industrial (BVI) Co.,Ltd effected a capital reduction refund of $105,184 thousand and cancellation of $7,786 thousand shares in December 2021.The share payments has not been wired back as of December 31, 2022.

(iii) Acquisition of Financial Assets

Due to subsidiary- Wuhu Jyetai Precise Industrial Co.,Ltd hold a need for short-term financing at December 31, 2021, The Company loan 11,072 thousand to Wuhu Jyetai Precise Industrial Co.,Ltd with the rate 0%, which was recorded as other receivables-related

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party. As of December 31, 2022, all loan has been collected.

(iv) Loan

The Company and its associate, Magic juice Film production Co., Ltd. have signed a joint investment agreement for the domestic film, “The regular King of stocks”, which is accounted for under “Non-current financial assets measured at fair value through profit or loss". CHAN YEH INVESTMENT COMPANY LIMITED changed its representative on December 7, 2022. and as such, Magic Film production Co., Ltd. Is since removed as a related party.

(v) Other

Account	Relationship	December 31, 2022	December 31, 2021
Donation	Other related parties	$ 10,000	-

Group donated $10,000 thousand in April 2022 to set up the Lang Charity Social Welfare Foundation at Hualian county. In September 2022, a donation of $3,000 was made to Lang

Charity Social Welfare Foundation at Hualian county.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31, 2022	2021
Short-term employee benefits	$ 2,823	8,703
Post employment benefits	174	411
	$ 2,997	9,114

Please refer to note 6(t) for further explanations related to share-based payment transactions.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
		$ -	200,000
Noncurrent financial assets at amortized cost	Convertible bonds		
		200,000	-
		61,420	-
		$ 261,420	200,000

(Continued)

(9) Commitments and contingencies:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 542,219	-

The Group in order to meet its operational demands and to integrate its subsidiaries, resolved in October 2022 to purchase new offices and parking spaces and to complete the contract in December 2022 at a total contract price amounting to $680,000 thousand (including tax). The Group has made prepayment and land agent fees amounting to $137,781 thousand in December 2022, which is accounted for under "other non-current assets". The relevant transfer procedures have not been completed as of December 31, 2022.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

	For the year ended December 31					
	2022			2021		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	11,026	11,026	-	20,797	20,797
Labor and health insurance	-	1,286	1,286	-	1,061	1,061
Pension	-	386	386	-	372	372
Remuneration of directors	-	3,628	3,628	-	3,351	3,351
Others	-	225	225	-	212	212
Depreciation	-	2,027	2,027	-	2,201	2,201
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

(Continued)

Further information of the number of employees and employee benefits as of December 31, 2021 and 2020 were as follows:

	2022	2021
Employees	9	14
Directors not in concurrent employment	2	5
Average employee benefits	$ 1,846	2,494
Average employee salary	$ 1,575	2,310
Average raise of employee salary	(46.00)%	205.96%
Supervisors' remuneration	$ -	-

The Company's compensation policies for directors, managements and employees are as follows, which include basic salary (principal salary, food allowance, special environmental allowance), year-end bonus and performance bonus.

(i) The remuneration for the Company's Board of Directors follows a fixed-amount system, ensuring monthly payments regardless of the Company's operating profit or loss. The Remuneration Committee may consider factors such as future operating conditions and propose adjustments as needed. The Board's remuneration from profit distribution is determined in accordance with the Company's Articles of Association and evaluated by the Remuneration Committee, taking into account the overall performance of the Board, the Company's operational achievements, future operations, and risk appetite. The distribution proposal is prepared by the Board of Directors during the profit distribution planning process and distributed separately after approval at the Shareholders' Meeting.

(ii) The remuneration for managerial officers and employees takes into account factors such as education, work experience, professional skills, the value of the positions held, and industry salary levels. Employee remuneration, as provided for in the Company's Articles of Association, is based on the target achievement rate established by the employee performance management policy, using individual contributions to the Company's operations as the distribution standard.

(iii) The remuneration policy for the Company's Board of Directors and managerial officers adheres to 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." The Remuneration Committee reviews the policy, which is then approved and implemented by the Board of Directors.

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Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance f financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
1	ShineRay Co.,Ltd.	Bocao co., ltd.	Other receivables due from related parties	Yes	10,000	5,000	-	0	2	-	Operating capital	-	None	-	63,196	126,392	Note 1
2	Jye Tai Elertronic Ltd.	Wuhu Jyetai Precise Co.,Ltd	Other receivables due from related parties	Yes	14,127	14,127	14,127	0	2	-	Operating capital	-	None	-	84,301	126,451	Note 2
3	Lang Inc.	Wuhu Jyetai Precise Co.,Ltd	Other receivables due from related parties	Yes	14,209	-	-	0	2	-	Operating capital	-	None	-	141,798	283,595	Note 1
4	ShineRay Co.,Ltd.	Suzaku Interactive Media Co., Ltd.	Other receivables due from related parties	Yes	7,000	-	-	0	2	-	Operating capital	-	None	-	63,196	126,392	Note 1

Note 1: Note1: Pursuant to "Procedure of Loans to Other Parties" of the Group, the limits for each borrower are set as follows, depending on the purpose for the loan:

(1) Pursuant to "Procedure of Loans to Other Parties" of the Group, the total amount lendable to any of those necessary for short term financing shall not exceed forty percent (40%) of the net worth of the borrower. The amount of financing for individual entity the total allowable amount cannot exceed 20% of the net value of the borrower.

(2) Pursuant to "Procedure of Loans to Other Parties" of the Group, when loaning to a subsidiary that is 100% held by the Group directly or indirectly, the total allowable amount and individual allowable amount cannot exceed 100% of the net value of the Group instead of 40% of the net value of the Group.

Note 2: Pursuant to "Procedure of Loans to Other Parties" of the Group, the limits for each borrower are set as follows, depending on the purpose for the loan:

(1) Pursuant to "Procedure of Loans to Other Parties" of the Group, capital shall only be loaned to trading counterparties, and the aggregate amount shall not exceed 20% of the party's net value. The total amount lendable to any of those necessary for short term financing shall not exceed forty percent (40%) of the net worth of the borrower. The amount of financing for individual entity the total allowable amount cannot exceed 20% of the net value of the borrower.

(2) Pursuant to "Procedure of Loans to Other Parties" of the Group, when loaning to a subsidiary that is 100% held by the Group directly or indirectly, the total allowable amount and individual allowable amount cannot exceed 300% of the net value of the entity.The amount of financing for individual entity the total allowable amount cannot exceed 200% of the net value of the borrower.

(ii) Guarantees and endorsements for other parties: None.

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
WU,YI-WAN INVESTMENT CO., LTD.	CHIP HOPE CO., LTD.	None	Financial assets at fair value through profit or loss current	12,240	-	12,240.00%	430	
WU,YI-WAN INVESTMENT CO., LTD.	JOLLIFY4EVER LTD	None	Financial assets at fair value through profit or loss current	6,059	5	6,059.00%	-	
WU,YI-WAN INVESTMENT CO., LTD.	Jollify Creative, Ltd.	None	Financial assets at fair value through profit or loss current	11,742	5	11,742.00%	-	
ShineRayCo.,Ltd.	Noisy Incorporation	None	Financial assets at fair value through profit or loss current	1,845	12	1,845.00%	-	
ShineRayCo.,Ltd.	Nomura Global Infrastructure Megatrend Fund	None	Financial assets at fair value through profit or loss current	9,792	-	9,792.00%	-	
ShineRayCo.,Ltd.	Neuberger Berman Taiwan 5G Equity SITE Fund-T accrual (NTD)	None	Financial assets at fair value through profit or loss current	9,071	-	9,071.00%	-	

Note: JOLLIFY4EVER LTD. underwent an reorganization on December 30, 2021 to demerger Jollify Creative, Ltd., which issued 8,000 thousand outstanding sharesand the Company was allocated with 368 thousand shares in proportion to their shareholding.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Lang Inc	Sec. 5, Zhongshan N. Rd., Shilin Dist., Taipei City	2022.12	680,000		Xinhan Construction Co ltd,.	Non-related party	Not apply	Not apply	Not apply	-	property evaluation report	Integrate subsidiaries and adjust for business	

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
ShineRayCo.,Ltd.	ShineRay Co.,Limited.(HK)	Parent Company	106,482	-	-		-	-

(ix) Trading in derivative instruments:None.

(Continued)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value			
The Group	Jye Tai Precision Industrial (BVI) Co.,Ltd.	The British Virgin Islands	Investment business			2	100.00%	44,613	(6,073)	(6,073)	
The Group	WU,YI-WAN INVESTMENT CO., LTD.	Taiwan	Investor			6,000	100.00%	34,732	6,180	6,180	
The Group	ShineRay Co., Ltd.	Taiwan	Culture and creativity industry			25,000	100.00%	301,491	51,072	55,035	
The Group	Flagwin Technology Co., Ltd.	Taiwan	Telecommunications equipment retail			600	30.00%	-	(13,681)	(3,117)	
ShineRayCo., Ltd.	Bocao co., ltd.	Taiwan	Culture and creativity industry			2,750	91.67%	(829)	1,855	1,982	
ShineRayCo., Ltd.	Hong Kong ShineRay Co., Limited	Hong Kong	Culture and creativity industry			760	100.00%	5,340	(174,305)	(174,305)	
ShineRayCo., Ltd.	Suzaku Interactive Media Co., Ltd.	Taiwan	Culture and creativity industry			1,993	90.59%	9,253	(16,184)	(14,661)	
ShineRayCo., Ltd.	Bubu Culture Media Co., Ltd.	Taiwan	Culture and creativity industry			7,500	100.00%	41,761	(30,853)	(30,853)	
Jye Tai Precision Industrial(BVI) Co., Ltd.	Jye Tai Electronics Ltd.	Hong Kong	Investment business			12,305	100.00%	42,150	(5,042)	(5,042)	

Note 1: The Company has passed the capital reduction of Jye Tai Precision Industrial (BVI) Co., Ltd.by the resolution of board of directors on December 21, 2021.

Note 2: The Company has passed the capital reduction of Jye Tai Electronics Ltd. by the resolution of board of directors on December 21, 2021.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow						
Shanghai Langhong Culture Media Co., Ltd.	Culture and creativity industry	102,416 (CNY23,450)	(b)	24,944 (USD900)	77,472 (USD2,700)	-	102,416 (USD3,600)	(94,810)	100.00%	(94,810)	(15,185)	-
Wuhu Jyetai Precise Industrial Co.,Ltd	Manufacture and sales of connectors, various types of power cables, signal and computer cables	96,701 (CNY22,261)	(b)	154,076 (USD5,200)	-	-	154,076 (USD5,200)	(5,691)	100.00%	(5,691)	23,757	-

Note 1: Three types of investment method are as follows:

(a) Direct investment in Mainland China.

(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(c) Others

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
256,492 USD 8,800	852,265 USD 26,843	425,392

(iii) Significant transactions:None

(d) Major shareholders:None

There are no shareholders holding more than 5% or more of the shares of the Company as of December 31, 2022.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022