Stock code: 6195
Website of the Company:https://www.topshine.tw
Market Observatory Post System:https://mops.twse.com.tw

SCANTEAK
詩肯柚木

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Annual Report

SCAN-D CORPORATION

Published on May 25,2023

Notice to readers
This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

I、Spokesperson

Name：Ho, San-Chuang
Title：Finance/Accounting Chief
TEL：(03) 318-0555
E-mail：tommyho@scanteak.com.tw

Deputy Spokesperson：Hsu, Chia-Chieh
Title：Finance Manager
TEL：(03) 318-0555
E-mail：grace@scanteak.com.tw

II、Headquarters, Branches and Plant

Address： No.69, Dinhu 1 St., Gueishan Dist., Taoyuan City
TEL：(03) 318-0555
Please refer to the statement for further information.

III、Stock Transfer Agent

Name：KGI Securities
Address：5F., No.2, Chongqin S. Rd., Taipei City
Website：https://www.kgi.com.tw
TEL：(02) 2389-2999

IV、External auditors of the financial statement covering the previous fiscal period

Auditors：Kuo, Nai-Hua、Lee, Li-Huang
Accounting Firm：Deloitte & Touche
Address：20F., No.100, Songren Rd., Xinyi Dist., Taipei City
Website：http://www.deloitte.com.tw
TEL：(02) 2725-9988

V、Name of exchanges in foreign countries where the Company is listed for securities trade and the means of access to information on overseas securities: None

VI、Corporate Website：https://www.topshine.tw

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I. Letter to Shareholders

Dear Shareholders:

First of all, I would like to thank all the shareholders for attending the Company's annual general shareholders meeting. Last year was a year full of opportunities and challenges, with the epidemic easing and the lifting lockdowns of the country, people's life have returned to normal, which is positive news for consumer sentiment. However, the market has become more competitive after the opening of the market, coupled with inflationary factors, personnel, rent and advertising costs have increased, and the raw material and import costs have also risen, resulting in a slight increase in revenue but a decrease in profitability. In response to changes in the market, the Company optimized and adjusted its store structure in the second half of the year by switching the three major brands of ScanTeak, Scanliving and ScanKomfort to operate as a flagship store , breaking the boundaries between the brands and providing consumers with a better one-stop shopping experience.Although the number of stores was reduced to 97, the operating area has not been reduced. On the contrary, after the adjustment, the sales of different brands can boost each other and bring out a stronger integrated effect. In 2022, the Company's total revenue reached NT$2.46 billion, representing an annual increase of 3.20%; net profit after tax was NT$216 million, representing an annual decrease of 20.17%. The 2022 operation results and 2023 business plan are reported as follows:

I、2022 Business Report

(I)Result of business plan:

Unit: TWD 1000 dollars

Subject \ Year	2022	2021	Increase	Ratio (%)
Operating income	2,466,424	2,389,851	76,573	3.20%
Operating margin	1,368,004	1,365,796	2,208	0.16%
Operating expenses	1,112,930	1,078,200	34,730	3.22%
Business Benefits	255,074	287,596	(32,522)	(11.31)%
Operating foreign Receipts (branch)	21,035	56,566	(35,531)	(62.81)%
Net profit (loss) before tax	276,109	344,162	(68,053)	(19.77)%
Net profit after tax (loss)	215,933	270,502	(54,569)	(20.17)%

(II)Budget performance：NA

(III) Analysis of financial income and expenditure and profitability

Unit: 1000 dollars

Subject \ Year		2022	2021	Increase %
Financial Status	Operating income	2,466,424	2,389,851	3.20%
	Operating margin	1,368,004	1,365,796	0.16%
	Interest income	2,485	2,273	9.33%
	Interest expense	20,462	20,428	0.17%
	After-tax pure benefit	215,933	270,502	(20.17)%

Subject \ Year			2022	2021	Increase %
Profit	Rate of return on assets (%)		7.69	9.87	(22.09)%
	Rate of return on shareholder equity (%)		15.66	21.28	(26.41)%
	Paid-in ratio(%)	Operating	50.82	57.30	(11.31)%
		Pretax	55.01	68.57	(19.78)%
	Pure benefit rate (%)		8.75	11.32	(22.70)%
	Surplus per share (pure loss) (yuan)		4.30	5.54	(22.38)%

(IV) Research and development: Not applicable.

II、Summary of 2023 Business Plan

(I) Business strategy:

1. In 2023, we will continue to expand our stores and pursue opportunities in cross-industry alliances to showcase fusion stores with outstanding benefits.
2. Continue to increase the number of dual-brand group stores and expand the market to improve overall efficiency.
3. Make good use of channel advantages of being an international furniture and boutique agency, implement a multi-brand strategic operation.
4. Utilize the information system to strengthen purchasing accuracy and optimize inventory management.

(II) Estimated Sales Volume and its Basis:

In the coming year, the Company will continue to establish more locations and expand the scale of operations. The revenue is expected to grow continuously in the coming year.

(III) Important production and marketing policies

1. Multi-brand management as an enterprise development strategy to meet market demand.
2. Strengthen product design capabilities to provide warm, comfortable and ergonomic furniture.
3. Continue to increase brand penetration and consumer identity, in order to strengthen the sales of existing channels and expand the market share.

The above is the Company's current condition and future development direction. Scan-D will continue to uphold the business philosophy since its establishment "innovation, harmony, pragmatic, speed" and move towards corporate sustainable management. We also hope that our shareholders will continue to show support and encouragement. All employees of Scan-D shall try their best in achieving outstanding performance.

Lastly, I wish you health and all the best. Good health

Regards

SCAN-D CORPORATION

II、Company Profile

I、**Date of Incorporation**: Oct.9, 1995

II、**Company History**

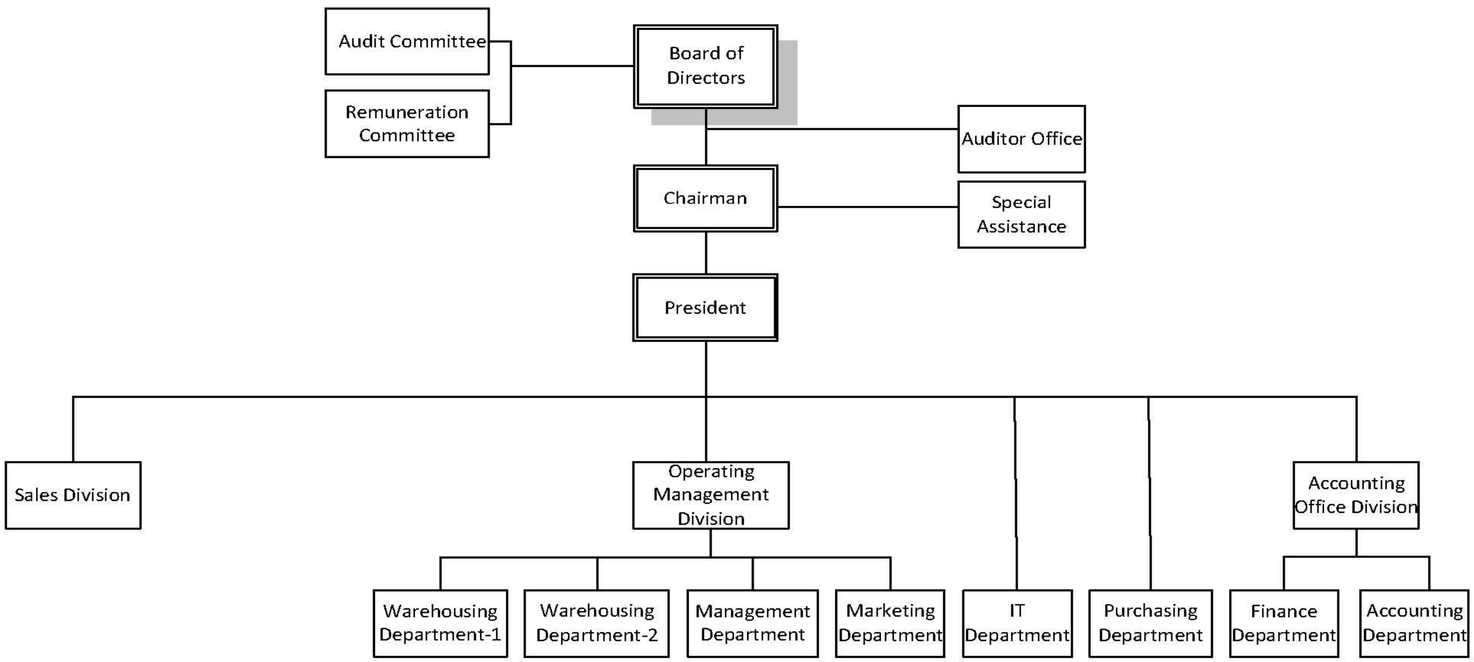
October 1995	The company was approved for establishing registeration, the name of the company was set as Xuchan Eletronics , the registered capital amount was NT$ 50 million, the paid-in capital amount was NT$ 20 million. It maily operated Integrated circuit, research and development, design and transaction business of electronical products.
January, 1999	Introduced product TH2000.
October, 1999	Introduced product TH7100
March, 2000	The plan of application for capital increase expanding operating integrated circuit design was approved by the Ministry of Economic Affairs, and the appilication for approval of the tax credit of investment of important technological business was approved.
July, 2000	The company was approved to be a public company by the Securities & Futures Institute.
August, 2000	Introduced new product of USB 4x4 Console.
January, 2001	Merged with Tienchen Eletronics, expanded the operating scope of the components sale.
October, 2001	Passed the international standard certification of ISO9001 of 2000 version.
July, 2002	Approved for being listing by the Securities & Futures Institute.
October, 2002	Officially being listed trade in TPEx.
March, 2003	The investment plan for applying for capital increase to the Ministry of Economic Affairs and the expansion of the research and development of the personal digital assistant product design for the development of the Linux platform that corresponded with the criteria for the application of the emerging important strategic industries was approved.
March, 2003	Introduced the mother board product of POWER PC.
April, 2003	Approved by the TPEx of being margin trading and short selling.
June, 2003	The first domestic unguaranteed conversion of corporate bonds was listed in the TPEx in 2013.
July, 2003	Increased operating items: F108031 Wholesale of Drugs, Medical Good and F208031 Retail of Drugs, Medical Good
February, 2004	Applying for capital increase to the Industrial Bureau of the Ministry of Economic Affairs to expand the investment plan for the engineering services of the mother board products that corresponded with the standards for the application of emerging important strategic industries was approved.
February, 2005	Introduced Singing Doll and MP3 products.
June, 2005	Established Fuji product department, increased its acting brands.
September 2005	Introduced the product, TH500 (XOIC crystal oscillator IC.)
September 2005	Introduced the product, TH103 (10bits LVDS.)
September 2006	Introduced the product, TH2010G.
October 2006	Introduced the product, TH103G/TH104G.)
April, 2007	Increased the acting brand, TOSHIN.
May, 2007	Increased the acting brand, SECOS.
August, 2007	Increased the acting brand, TH387AG.
December, 2007	Increased the acting brand, QUANTEK and CAT.
January, 2008	Increased the acting brand, AnSC.
June, 2008	Increased the acting brand, EON.
September, 2009	Increased the company's operating items: F19990 Other Wholesale Industry and F299990 Other Retail Industry.
February, 2010	The private equity common stock of capital increase by cash was 15,000 thousand shares, the total amount of capital reached TWD 379.68 million dollars.

April, 2010	Signed the brand authorization contract of “Scanteak” and “詩肯柚木” in Taiwan area, and obtained relevant chain stores assets, official being involved in the business of brand furniture chain store.
June, 2010	The share of the company changed its name to “SCAN-D CORPORATION” after adopted by the 22nd of the sixth board of directors.
April, 2011	Increased the acting brand of American lace imported mattress, Restonic.
April, 2012	Established brand, “Scanliving.”
July, 2012	Awarded “200 best SMEs in Asia in 2012” of Forbes Magazine.
July, 2012	Processed the earnings transferred with TWD18.98 million dollars., the capital amount increased to TWD 398.66million dollars.
June, 2013	Processed the earnings transferred with TWD 19.93 million dollars., the capital amount increased to TWD 418.59 million dollars.
August, 2014	Processed the earnings transferred with TWD 20.92 million dollars., the capital amount increased to TWD 439.52 million dollars.
July, 2015	Nullified the treasury shares TWD9.7 million dollars., the capital amount was TWD 429.82 million dollars.
August, 2015	Scan home exclusively signed the contract with the CS Schmal brand of Nolte Group, the largest system panel furniture company in Europe, officially became the exclusive agent of Nolte Group in Taiwan.
September, 2015	Scanteak introduced PROLOGUE system furniture, and was awarded the highest honor of Singapore, the president design, and was respectively awarded “Good Design Award, 2015) of Singapore and Japan.
December, 2015	The sotres broke through hundreds of stores.
September, 2016	Established the exclusive store “Scankomfort.”
December, 2016	The second domestic guaranteed conversion of corporate bonds was listed in the TPEx in 2016.
December, 2017	Transferred the corporate bonds to shares, the capital amount after transfer wasTWD 443.79 million dollars.
December, 2018	Transferred the corporate bonds to shares, the capital amount after transfer wasTWD 461.33 million dollars.
May, 2019	Acquired Singapore's second-largest furniture retailer, Nova Furnishing Holdings Pte. Ltd.
December, 2020	Transferred the corporate bonds to shares, the capital amount after transfer wasTWD 467.31 million dollars.
December, 2021	Transferred the corporate bonds to shares, the capital amount after transfer wasTWD 501.93 million dollars.

III、 Corporate Governance Report

I、Organization System

（I）Organizational Chart



(II) Major Corporate Functions

Department	Main Operations
General Manager	①Proposes the overall operating direction, operating strategies, and annual actual plan of the company, planning every management system and possible investment opportunity to maintain the internal advantages and external opportunities. ② Controls the industrial trend and market information, in response to the internal and external environmental changes, dealing, integration, analysis or research the overall operation of the company, proposes relevant strategies, plan, budgets or policies. ③Supervises and tracks the target of every operating performance management, leads the group to achieve the company goal. ④Promotes the medium and long-term operating strategic plan of every department, completes the medium and long-term projects of the company, ensures the operations of the company go stable, ⑤Organizes, coordinates and develops the internal operations of the enterprise by the professional enterprise management knowledge and technique, contains the ability of implementation, leadership, strategy organization and risk management.
Audit Office	①Responsible for the audit, maintenance, improvement, suggestion and coordination of the internal control system, and assist every unit to solve the problems and improve the operation procedures as well as the efficiency. ② Assesses the integrity, rationality and the execution effectiveness of every department of the company's internal control system ③Assists and promotes the self-assessed operations of relevant internal control execution of every department. ④Submits the audit report and tracks the improvement effectiveness.
Operating Office	Mainly responsible for selling furniture products: ①Implements relevant activities details that corresponds with the operating target and annual action play to achieve medium and long-term strategic programs. ②The execution of relevant personnel management in sale area, after-sale services, and educational training. ③The receipt of the customer's order, the contact of the shipment, the collection of accounts, etc.
Warehouse Department	① Classification of merchandises, delivery, receiving, inventory management and storage space planning. ②Manages commodity allocation, pumping, and regular inventory operations to improve existing warehouse management issues and improve operational efficiency. ③Out-going products quality examination and maintenance, improve product quality or customized products according to the customer needs. ④The company's merchandise shipment process controls operations.
Procurement Department	①Executes the procurement operations in accordance with the sale plan, dealing with problems of the import and export, lost items, or delay of the products. ②Improve the quality of products and the order arrived rate, engages in the new product examination operations, improve the control operation of yield. ③Collects and evaluates the suppliers, establishes, updates their information. ④Sets the standard of safe stock of the company and control the inventory of the products, reducing the costs of inventory of the company. ⑤Responsible for the request of cash of payable payment of the suppliers.
Marketing Department	① Plans the marketing activities and branding strategies of corresponding with the company's development and increasing the satisfaction of the customers. ②Engages in the marketing budget activities and plans of the new products development, reviews and analyzes the execution result and effectiveness of the sales promotion of the products. ③Product distribution process management, establishment of marketing channel network analysis, and development of marketing channel strategy ④Manages and maintains the company's product website. ⑤Plans the marketing activities and projects.

Management Department	①The establishment and management of HR systems such as manpower planning, recruitment, appointment, assessment, and promotion of the company. ②Plans, designs, and manages the company's remuneration system, business trip, insurance, and welfare matters. ③The plan, system establishment and execution of the company’s educational training and human resource development. ④Plans and promotes the company's corporate culture and employee relations. ⑤Plans, manages, and implements the company’s environmental, safety and health issues. ⑥The procurement and management of fixed assets, contract management of general affairs projects, the procurement of facilities. ⑦Assists in handling legal cases and related legal matters. ⑧Management tasks such as document numbering, issuance, recycling, and storage.
Information Department	①Plans and executes the deleptonization policy of the company, overall distribute the company’s information and facility resources. ②The assessment, importation, and maintenance of the relevant application system of ERP. ③Assists the information policy construction and execution of the company, evaluates the demand of information technology toward the company, and actively proposes a possible program of improvement. ④Manages the group development and operating of the information department. ⑤Information security crisis handling standards.
Finance and Accounting Department	①Responsible for the fund raising at the capital market, the interaction between the bank of financing, loaning funds, the cash income and expenditure estimates, and use fund raising tools to propose programs to reduce the company's operating capital costs. ②Proposes the strategies of investment, merger, acquisition of the company’s growth. ③Financial statement preparation and budget management, operational effectiveness analysis, for determination unit management, and policy establishment. ④Establishes, assess and implements the accounting system. ⑤Various tax planning and reporting. ⑥Regular announcement or declaration of financial situation. ⑦Comprehensively handle the matters of every services.

II、Directors and Management Team

（I）（1） Directors

Apr.21, 2023；Unit: Share: %

Title (Note 1)	Nationality / Country of Origin	Name	Sex Age (Note 2)	Date Elected	Term (Years)	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Note 4)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks（Note 4）
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	BVI	BVI NOBLE LINK MANAGEMENT LTD.		2020/06/17	3	2010/06/25	14,332,500	34.24%	15,049,125	29.98%	0	0	0	0	None	None	None	None	None	Note 4
	Singapore	Representative : Lim, Pok-Chin	M 61~70 years	2020/06/17	3	2010/06/25	0	0	0	0	0	0	6,250,365	12.46%	Hawaii Furnishing Pte.Ltd. Director St. Joseph's Anglo-Chinese School	The Group： SCAN-D Corporation Chairman Directors of Nova Furnishing Holdings Pte. Ltd. and its subsidiaries Other Company： Hawaii Furnishing Pte Ltd Director YiChia Investment Chairperson	Director	LIM, JIE-REN	First degree of kinship	Note 4
Director	Singapore	Neo, Khay-Pin	M 71~80 years	2020/06/17	3	2010/06/25	0	0	0	0	0	0	2,000	0.00%	Redwood Interior Pte Ltd Director United Overseas Bank Executive Vice President Warwich University Management BA University of Surrey Chemical Engineer MS	The Group：None Other Company：None	None	None	None	None
Director	Singapore	Lim, Jie-Ren	M 31~40 years	2020/06/17	3	2011/06/22	0	0	0	0	54	0%	2,028,200	4.04%	Hawaii Furnishing Pte Ltd Counsultant Hawaii Furnishing (Japan) President University of Michigan Ross School of Business -MBA	The Group： SCAN-D Corporation Chairman Assistant Directors and General Manager of Nova Furnishing Holdings Pte. Ltd. and its subsidiaries Other Company： Hawaii Furnishing Pte Ltd Counsultant Hawaii Furnishing (Japan) President Zipguntiger Investment Director Mobler Japan President	Chairperson	Lim, Pok-Chin	First degree of kinship	None
Director	ROC	Wang, I-Yao	M 61~70 years	2020/06/17	3	2020/06/17	233,118	0.51%	233,118	0.46%	0	0	0	0	NAID Kaohsiung director。 NAID ROC supervisor。 NAID ROC member rep. NSYU 2th EMBA	The Group：None Other Company：Heli Co., Ltd. Chairperson JieBiShen Holding Independent Director	None	None	None	None

Title (Note 1)	Nationality / Country of Origin	Name	Sex Age (Note 2)	Date Elected	Term (Years)	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Note 4)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Wang, Chia-Cheng	M 51~60 years	2020/06/17	3	2017/06/22	83,525	0.18%	83,525	0.17%	0	0	0	0	Simula Technology Inc. Independent Director Chief Financial Officer, Cayman Islands Chief Financial Officer, Rainter Technology Corp. FJU Accounting Department	The Group：None Other Company： Samebest Co., Ltd. Senior Manager of Finance and Accounting	None	None	None	None
Independent Director	ROC	Hung,Da-Feng	M 71~80 years	2020/06/17	3	2020/06/17	0	0	0	0	0	0	0	0	Chief Business Officer, Head Office of First Bank Manager, Taishan Branch of First Bank Manager, Tucheng Branch of First Bank Taipei High School of Commerce College of Performing Arts, National Taiwan University of Arts	The Group：None Other Company： Special Assistant of the Chairman, Tai Shan Gases Co., Ltd.	None	None	None	None
Independent Director	ROC	Lin, Hui-Ping	F 51~60 years	2021/07/07	3	2021/07/07	0	0	0	0	0	0	0	0	Huilu Information Co., Ltd. Chairman Pili International Multimedia Co., Ltd. Director Chairman, Kayee International Group Co., Ltd. Special Assistant of the Chief Financial Officer DAHUA Securities Corporation Deputy General Manager, Sales Department Bachelor of Finance at Soochow University Baruch College Finance MBA at Baruch College	The Group：None Other Company： Stylution International Corp. Senior Consultant	None	None	None	None

Note 1: List the name of legal person shareholder and the name of representative separately and fill the following chart.
Note 2: Please indicate your age, which may be expressed in ranges, such as 41 to 50 or 51 to 60.
Note 3: Specify the term of the 1st elected director or supervisor. Any interruption shall be specified.
Note 4: Person with experience in Auditors Firm or in affiliated companies shall be noted and specify the position.
Note 5: If the positions of Chairman and general manager or equivalent titles (senior manager) are held by the same person, spouses or first degree of kinship, the reason, rationality, necessity, and countermeasures shall be explained.

(I)(2) Major shareholders of the institutional shareholders

Apr.21, 2023

Name of Institutional Shareholders（Note 1）	**shareholders of the institutional shareholders（Note 2）**	
	Shareholder	%
BVI NOBLE LINK MANAGEMENT LTD.	Lim, Pok-Chin	100%

Note 1: If the director or supervisor is legal person, please specify.
Note 2: Specify the top ten major shareholders' name. If that is legal person, please fill in the following chart.
Note 3: For corporate shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio).

（一）（3）Disclosure of Professional Qualifications of Directors and Independence of Independent Director:

Criteria / Name	Professional qualifications and experience (Note 1)	Independence Criteria（Note 2）	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	Lim, Pok-Chin, who attended St. Joseph's Anglo-Chinese School, is the founder of the brand Scanteak and its chain channels, and also introduced Scanteak into Taiwan in 1992, with a focus on the operation of the channels and brand. Chairman Mr. Lim, Pok-Chin has been operating in the furniture business for more than 40 years and is equipped with the experience of operation and strategy management in the furniture industry, as well as insight for industry integration, analysis, and development.		0
Director Neo, Khay-Pin	Neo, Khay-Pin holds a master's degree in Operational Research & Management Sciences from the University of Warwick in the UK and has worked for the United Overseas Bank in Singapore as the executive vice president. Director Neo, Khay-Pin is equipped with an international market perspective and is capable of corporate governance, financial accounting, as well as analysis and decision-making in risk management. He is able to provide advice and guidelines in relation to corporate governance and operation management to the Board in a timely manner.		0
Director LIM, JIE-REN	After Nanyang Technological University in Singapore, Lim, Jie-Ren received the Master of Business Administration from the University of Michigan Ross School of Business, and is concurrently the President of Hawaii Furnishing (Japan) Pte. Ltd., Nova Furnishing Holdings Pte. Ltd. Lim, Jie-Ren is equipped with an international market perspective, and experiences in the operational management and management practice in the furniture industry, as well as analysis and decision-making in operational judgment.		0
Director Wang, I-Yao	Wang, I-Yao belonged to the 15th session of Council for Industrial & Commercial Development, and was the supervisor in the National Association of Interior Design, R.O.C. and representative to the members in the General Chamber of Commerce of the Republic of China. Wang, I-Yao is concurrently the Chairman of Humble Co., Ltd. Director Wang, I-Yao is equipped with capabilities in the marketing, operational management, and decision-making in the furniture industry.		0
Independent Director Wang, Chia-Cheng	Wang, Chia-Cheng graduated from the Department of Accounting in Fu Jen Catholic University. He previously worked in Prolific Technology Inc. as the head of Accounting Department, the head of the Accounting Department in SCAN-D Corporation, and the Independent Director of Simula Technology Inc. Wang, Chia-Cheng is concurrently the senior manager of Finance and Accounting Department in Samebest Co., Ltd. Director Wang, Chia-Cheng is equipped with capabilities in corporate governance, professional finance and accounting skills and investment management. The Company relies on its management experience and perspectives in different industries to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0

Criteria / Name	Professional qualifications and experience (Note 1)	Independence Criteria（Note 2）	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Hung,Da-Feng	A graduate of the National Taiwan University of Arts, Hung, Da-Feng was the division chief of the Business Division in the head office of the First Commercial Bank, manager of the Taishan Branch of the First Commercial Bank, the manager of Tucheng Branch of the First Commercial Bank. Hung, Da-Feng is concurrently the executive assistant to the Chairman of Tai Shan Gas Co., Ltd. Director Hung, Da-Feng has a very complete record in the financial industry, and is equipped with professional abilities in the area of finance. Hung, Da-Feng is also familiar with the direction of various industries and can provide different opinions in relation to operational management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0
Independent Director Lin, Hui-Ping	Lin, Hui-Ping has a Master of Business Administration in Finance from Baruch College in New York City, and was previously the Deputy General Manager of the Underwriting Department in the Grand Cathay Securities Corporation, the executive assistant to the Chairman of M.J.International Flooring and nterior Products Inc. Lin, Hui-Ping is concurrently a Director of Pili International Multimedia Co.,Ltd., a senior advisor to Stylution International Corp. Director Lin, Hui-Ping is familiar with the operation of capital market, and is equipped with capabilities in corporate governance, finance and accounting, as well as investment management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of each individual Director and Supervisor, and for those who are members of the Audit Committee with accounting or financial expertise, a statement of their relevant backgrounds and work experience, as well as an additional explanation on whether circumstances set out in Article 30 of the Company Act have occurred shall be provided.

Note 2: Independent Director shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as directors, supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

Note 3: For the disclosure method, please refer to the template on the Taiwan Stock Exchange Rules & Regulations Directory website.:

Board Diversity and Independence：

一、Board Diversity: State the Board's policy, goals and the status of achievement on diversity .The diversity policy includes but is not limited to the selection criteria of directors, the professional qualifications and experience, the composition and proportion in relation to the gender, age, nationality, culture required of the Board, as well as a statement of the specific goals and status of achievement according to the aforementioned policy.

1、According to Article 20 of the Company's "Code of Practice on Corporate Governance", the capabilities of the board of directors as a whole should be as follows:

The board of directors of the company shall guide the company's strategy, supervise the management level, and be responsible to the company and the shareholders' meeting. The operations and arrangements of its corporate governance system shall ensure that the board of directors exercises its functions and powers in accordance with laws and regulations, the company's articles of association or the resolutions of the shareholders' meeting. The structure of the board of directors of the company shall be based on the scale of the company's business development and the shareholding situation of its major shareholders, and the needs of practical operation to determine the appropriate number of directors as stipulated in the company's articles of association.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1.Basic requirements and values: Gender, age, nationality, and culture.

2.Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1.Ability to make operational judgments.
2.Ability to perform accounting and financial analysis.
3.Ability to conduct management administration.
4.Ability to conduct crisis management.
5.Knowledge of the industry.
6.An international market perspective.
7.Ability to lead.
8.Ability to make policy decisions.

2、The Company has 7directors (including 3 independent directors) according to the scale of operation and development needs. The background of the board members covers different nationalities, cultures, industries, academics, finance, accounting, management and other fields.

3、The specific management goal for Board diversity:

(1)The Company focuses on gender equality in the composition of the Board of Directors, and at least one female Director should be included.

(2)Among the members of the Board, Directors who are also concurrently the managers of the Company shall take up less than 1/3 of the seats of Directors (inclusive) for supervision purposes.

4、The company has seven directors, of which 28% are directors with employee status, and the number of independent directors’ accounts for 42% of all directors, 2 independent directors have a term of office under 3 years, 1 independent director has a term of office under 9 years. 2 director is above 70 years old, and 4 directors are between 50~69 years old, with 1 directors under the age of 50 years old.

5、The Company's implementation of the board diversity policy

Job Title	Chairperson	Director			Independent Director		
name	Lim, Pok-Chin	Lim, Jie-Ren	Neo, Khay-Pin	Wang, I-Yao	Hung,Da-Feng	Wang, Chia-Cheng	Lin, Hui-Ping
Gender	Male	Male	Male	Male	Male	Male	Female
Nationality	Singapore	Singapore	Singapore	ROC	ROC	ROC	ROC
Age	61~70	31~40	71~80	61~70	71~80	51~60	51~60
Part-time employee of the company	V	V					
Length of tenure of directors	More than 9 years	More than 9 years	More than 9 years	3 years or les	3 years or les	3 to 9 years	3 years or les
Skills and Experience							
Operational judgment	V	V	V	V	V	V	V
Accounting and finance analysis		V	V		V	V	V
Business management	V	V	V	V	V	V	V
Crisis handling	V	V	V	V	V	V	V
Industry knowledge	V	V		V		V	V
International market perspective	V	V	V	V	V	V	V
Leadership	V	V	V	V	V	V	V
Decision-making	V	V	V	V	V	V	V

二、Independence of the Board of Directors: State the number and proportion of independent directors, and explain that the board of directors is independent, and explain with reasons whether there are no items 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act, including a description of inter-director, Circumstances where the supervisors or the directors and supervisors have spouses and relatives within the second degree of kinship:

The board of directors of the company consists of 3 independent directors and 4 directors, and independent directors account for 42% of all directors. Only two directors have first-degree relatives, and the remaining directors have no spouse or relatives within the second degree, which complies with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

（II）Management Team

Apr.21, 2023

Title（Note 1）	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）（Note 2）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks（Note 3）
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	ROC	Hsueh, Hsiu-Chu	F	2021/04/01	1,247,860	2.49%	0	0	0	0	LuShuLin Co., Ltd. Chairperson Intech for Computer Education	Yixin Inc. Chairperson Yi-De Co., Ltd. Chairperson	None	None	None	
Chief Operating Officer	ROC	Yu, Hung-Wu	M	2019/06/04	70,000	0.14%	0	0	0	0	IF CASA Chairperson EMBA, NTU	Deli Bed Co., Ltd. General Manager Chairperson	None	None	None	
Assistant Manager	ROC	Liao, I-Chen	F	2020/03/10	10,105	0.02%	0	0	0	0	Green Forest Co., Ltd. Manager Department of Data Processing, Shu Jen High School of Home Economics & Commerce	None	None	None	None	
CFO	ROC	Ho, San-Chuang	M	2011/05/02 2011/07/19	0	0	0	0	0	0	Yoko International Financial Manager MCU BA NTUST EMBA	None	None	None	None	
Chief Auditor	ROC	Huang, Shu-Ling	F	2016/11/03	0	0	0	0	0	0	Formosa Epitaxy Incorporation Auditor Vice Manager PwC Taiwan Auditor Director TKU BA	None	None	None	None	

Note 1: The General manager, deputy general manager, associate, department and branch supervisor data should be included, and where the position is equivalent to the general manager, deputy Manager or associate, regardless of job title, should also be disclosed.

Note 2: The experience associated with a current position, such as having served on a accounting firm or a relational enterprise during the pre-unveiling period, shall state the title and responsible position of the office.

Note 3: If the positions of the general manager or equivalent titles (senior manager) and the Chairman are held by the same person, spouses or first degree of kinship, the reason, rationality, necessity, and countermeasures shall be expose.

(III) Succession Plan of the Board of Directors and Key Senior Management and Operational scenarios

1.ccession planning for members of the Board of Directors and Operational scenarios：

(1) The Company currently has 7 Directors (including 3 Independent Directors) with business, finance, accounting expertise, or management expertise necessary for the business of the Company, of which 2 Directors are also senior management of the Company. In the future, the structure of the Board of Directors, as well as the experiences and background of its members will maintain its current status. The Company has a strong talent pool to take over future Directors' vacancies in a timely manner. According to the laws and regulations, Independent Directors are required to have working experience in business, legal, finance, accounting or other areas necessary for the business of the Company. Therefore, future successions will prioritize professions in each field.

(2) The Company has also set forth the "Evaluation Measures for the Performance of the Board" to ensure the effectiveness in the operation of the Board and evaluate the performance of directors by evaluation items of performance evaluation, including the alignment of the goals and missions of the Company, awareness of the duties, participation in the operation, management of internal relationship and communication, professionalism and continuing education, internal control and expression of specific opinion, which will be the future reference in the selection of Directors.

2.Key management succession planning and operation:

(1) Positions of manager or above of the Company are members of the key management, each of whom has completed the departmental duties and job descriptions, and has trained representatives with designated duties；Strengthen the mechanism of job agency and job rotation.The Company has established an education and training system and a comprehensive promotion channel to provide employees with opportunities for continuous improvement and development.

(2)The Company conducts annual performance review on its employees. Through daily observation and performance evaluation, the Company can understand areas that should be improved, needs of personal development and expectations of the Company. The result of the review is the reference for future succession planning.

(IV) Remuneration of Directors, President, and Vice President

I.Remuneration of Directors

Apr.21, 2023 ； Unit: NT$ thousands

Title (Note1)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)（Note 10）		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)（Note 10）		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary（Note 11）
		Base Compensation (A) (Note2）		Severance Pay (B)		Bonus to (C)（Note 3）		Base Compensation (D)（Note 4）				Salary, Bonuses, and Allowances (E)（Note 5）		Severance Pay (F)		Profit Sharing- Employee Bonus (G)（Note 6）						
		The company	All companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company	Companies in the consolidated financial statements（Note 7）	The company		Companies in the consolidated financial statements（Note 7）		The company	Companies in the consolidated financial statements（Note7）	
																Cash	Stock	Cash	Stock			
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	0	6,182	0	0	4,030	4,030	126	126	1.93%	4.79%	9,153	11,321	0	0	1,000	0	1,000	0	6.63%	10.50%	-
General Director	Neo, hay-Pin																					
	LIM, IE-REN																					
	Wang, I-Yao																					
Independent Director	Wang, Chia-Cheng																					
	Hung,Da-Feng																					
	Lin, Hui-Ping																					

1. Please specify the independent directors' remuneration policy, system, standards, and structure of, and specify the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: the remuneration of independent directors is based on the Articles of Association and the regulations governing the remuneration of directors and supervisors. The remuneration shall submit to the Board meeting for resolution in accordance with the degree of participation and contribution to the Company 's operations with reference to the standard of the industry.
2. In addition to the disclosure in the table above, specify the compensation received by the directors providing services to the company:None

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company（Note 8）	Companies in the consolidated financial statements（Note 9）H	The company（Note 8）	Companies in the consolidated financial statements（Note 9）I
Under NT$ 1,000,000	LIM, JIE-REN、Neo, Khay-Pin、Wang, I-Yao、Wang, Chia-Cheng、Hung,Da-Feng Lin, Hui-Ping	Neo, Khay-Pin、Wang, I-Yao、Wang, Chia-Cheng、Hung,Da-Feng Lin, Hui-Ping	Neo, Khay-Pin、Wang, I-Yao、Wang, Chia-Cheng、Hung,Da-Feng Lin, Hui-Ping	Neo, Khay-Pin、Wang, I-Yao、Wang, Chia-Cheng、Hung,Da-Feng Lin, Hui-Ping
NT$1,000,000 ~ NT$1,999,999	Lim, Pok-Chin			
NT$2,000,000 ~ NT$3,499,999		LIM, JIE-REN	LIM, JIE-REN	
NT$3,500,000 ~ NT$4, 999,999		Lim, Pok-Chin		
NT$5,000,000 ~ NT$9, 999,999			Lim, Pok-Chin	LIM, JIE-REN
NT$10,000,000 ~ NT$14, 999,999				Lim, Pok-Chin
NT$15,000,000~ NT$29, 999,999				
NT$30,000,000~ NT$49, 999,999				
NT$50,000,000 ~ NT$99, 999,999				
Over NT$100,000,000				
Total	7	7	7	7

Note 1: The names of directors should be listed separately (corporate shareholders should list the names and representatives of the corporate shareholders separately). The names of general directors and independent directors should also be listed separately. The amount of each payment should be disclosed in a consolidated manner. A director concurrently serves as a general manager or deputy general manager should fill in this table and Table (3-1) or (3-2) below.

Note 2: Refer to the remuneration paid to directors in the most recent year (including director's salaries, job remuneration, severance, bonuses, and incentives etc.).

Note 3: Fill in the amount of remuneration of directors assigned by the board in the most recent year.

Note 4: Refers to the most recent annual directors related business implementation costs (including supervisors, special expenses, various allowances, dormitories, distribution vehicles and other in-kind provision, etc.). In the case of the provision of housing, motor vehicles and other means of transport or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent, oil and other payments at fair market value shall be disclosed. In the case of a driver, please note that the company pays the relevant remuneration of the driver, but does not count towards the remuneration.

Note 5: Refers to the most recent annual director of the staff (including also the General manager, deputy general manager, other managers and employees) received including salary, job bonus, severance payment, various bonuses, awards, supervisors, special fees, various allowances, dormitories, distribution vehicles and other in-kind provision and so on. In the case of the provision of housing, motor vehicles and other means of transport or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent, oil and other payments at fair market value shall be disclosed. In the case of a driver, please note that the company pays the relevant remuneration of the driver, but does not count towards the remuneration. Also in accordance with the IFRS 2, share base payment" recognized salary costs, including the acquisition of employee recognition certificates, restrictions on the rights of employees of new shares and participation in cash capital to subscribe for shares, and so on, should be included in the remuneration.

Note 6: Refer to the most recent annual director of the staff (including also the General manager, deputy general manager, other managers and employees) to obtain staff remuneration (inclusive of stocks and cash); Please disclose the most recent year by the Board of directors through the allocation of staff remuneration, if it is not possible to estimate the proportion of the actual allocation of this year's proposed allocation.

Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the combined report shall be disclosed.

Note 8: The company's payment of total remuneration to each director and exposes the name of the director in the distance to which it belongs.

Note 9: When the aggregate amount of the remuneration paid to the Company's directors from all companies in the consolidated financial statements (including the Company) should be disclosed, the name of the director should also be disclosed in the level in which he/she belongs.

Note 10: Net profit after tax refers to the net profit after tax in the most recent parent company only or individual financial report.

Note 11: a. This field should clearly indicate the amount of remuneration received by the Company 's directors from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").

b. Remuneration received by the Company's directors from a reinvestment business other than a subsidiary or the parent company shall be combined into the field I of the Table of Range of Remuneration, which shall be renamed as "Parent Company and All Reinvestment Business".

c. Remuneration refers to rewards, compensations (including compensation to employees, directors or supervisors) and allowances from professional practice received by the Company's director from a reinvestment business other than a subsidiary or the parent company for their services as a director, supervisor, or manager.

* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure instead of taxation.

II. Remuneration of the President and Vice President

Apr.21, 2023 ； Unit: NT$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Profit Sharing- Employee Bonus (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary (Note 9)
		The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Hsueh, Hsiu-Chu	4,115	4,115	0	0	1,871	1,871	3,439	0	3,439	0	4.37%	4.37%	None

＊all the person receiving compensation equal to the GM regardless of the actual position.

Range of Remuneration

Range of Remuneration	Name of President and Vice President	
	The company (Note 6)	Companies in the consolidated financial statements (Note 7)
Under NT$ 1,000,000		
NT$1,000,000 ~ NT$1,999,999		
NT$2,000,000 ~ NT$3,499,999		
NT$3,500,000 ~ NT$4, 999,999		
NT$5,000,000 ~ NT$9, 999,999	Hsueh, Hsiu-Chu	Hsueh, Hsiu-Chu
NT$10,000,000 ~ NT$14, 999,999		
NT$15,000,000 ~ NT$29, 999,999		
NT$30,000,000 ~ NT$49, 999,999		
NT$50,000,000 ~ NT$99, 999,999		
Over NT$100,000,000		
Total	1	1

Note 1: The names of the general manager and the deputy general manager should be listed separately, and the amount of each payment should be disclosed in a summary manner. If the director is also the general manager or deputy general manager, this form and the above form (1-1) or (1-2) shall be filled out.

Note 2: This is to list the salary, post supplement and severance payment of the general manager and deputy general manager of the most recent year.

Note 3: This is to list the various bonus, incentives, transportation allowances, special disbursement, various allowances, and physical supplies such as dormitory or car, and other remuneration of the general manager and deputy general manager. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the rent at actual or at a fair market price, fuel expenses and other payments shall be disclosed. If a driver is provided, please note to describe the Company's payment for the driver, but not to be included in the remuneration. The salary expenses recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, employee restricted stock awards and participating in issuance of common stock for cash with shares subscription, shall also be included in the remuneration.

Note 4: This is to list the remuneration (including stocks and cash) of the general manager and deputy general manager approved by the board of directors in the most recent year. If the amount was not able to be estimated, the proposed distribution this year shall be calculated based on the actual distribution last year, and the table 1.3 shall be filled out. Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of the individual or separated financial report of the most recent year.

Note 5: The remuneration paid by all the companies (including the Company) in the consolidated report to the general manager and deputy general manager of the Company shall be disclosed.

Note 6: The remuneration paid by the Company to each general manager and deputy general manager, for that the names of general manager and deputy general manager shall be disclosed in the belonged range of remuneration.

Note 7: The remuneration paid by all the companies (including the Company) in the consolidated report paid to each general manager and deputy general manager of the Company shall be disclosed, and the names of general manager and deputy general manager shall be disclosed in the belonged range of remuneration.

Note 8: Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of individual or separated financial report in the most recent year.

Note 9: a. This field should clearly indicate the amount of remuneration received by the Company 's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").

b. Remuneration received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company shall be combined into the field E of the Table of Range of Remuneration, which shall be renamed as "Parent Company and All Reinvestment Business".

c. Remuneration refers to rewards, compensations (including compensation to employees, directors or supervisors) and allowances from professional practice received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company for their services as a director, supervisor, or manager.

＊The remuneration disclosed in this form is different from the concept of the income tax law, so the purpose of this form is for information disclosure and not for tax.

(V) Manager responsible for salary allocation

Dec.31,2022

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	General Manager	Hsueh, Hsiu-Chu	0	4,977	4,977	2.31%
	Chief Operating Officer	Yu,Hung-Wu				
	Assistant Manager	Liao,I-Chen				
	CFO	Ho, San-Chuang				
	Chief Auditor	Huang, Shu-Ling				

Note 1: Individual names and titles shall be disclosed, but the remuneration distribution can be disclosed in a summary manner.

Note 2: This is to list the remuneration (including stocks and cash) of the managers approved by the board of directors in the most recent year. If the amount was not able to be estimated, the proposed distribution this year shall be calculated based on the actual distribution last year. Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of the individual or separated financial report of the most recent year.

Note 3: The scope of the manager is stipulated by the letter No. 0920001301 of the Taiwan-Finance-Securities of March 27, 2003 by the Commission, the scope is as follow:

(1) General manager and equivalent

(2) Deputy general manager and equivalent

(3) Associate general manager and equivalent

(4) Head of Finance Department

(5) Head of Accounting Department

(6) Other persons who have the right to manage affairs and sign for the Company

Note 4: If the directors, general manager and deputy general manager have received employee compensation (including stocks and cash), in addition to the table 1.2, this table shall be filled out as well.

Note 5: Lim,Pok-Chin, Chairman of the Company, served as the General Manager of the Company concurrently. In order to enhance corporate governance, he resigned from the General Manager's position and continues to serve as the chairman of the Company. It is proposed that Hsueh,Hsiu-Chu, Vice General Manager, be promoted to the General Manager's position, Effective from April 1, 2021.

(VI) Comparing the remuneration paid to the Company's directors, general manager and deputy general manager by the Company and all the companies in the financial report in the last two years in the ratio of net profit after tax, and describe the policy, standard and portfolio of remuneration, the procedures for determining remuneration and its correlation with business performance and future risks:

1.Remuneration standards for the directors, supervisors, general managers and deputy general managers

Unit: thousand dollars; %

Position	2022				2021			
	The Company		Consolidated companies		The Company		Consolidated companies	
	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate
Director	14,309	6.63%	22,659	10.50%	15,996	5.92%	24,143	8.94%
GM and Vice GM	9,425	4.37%	9,425	4.37%	17,807	6.59%	17,807	6.59%

2. Remuneration policies, standards and portfolio, procedures for determining remuneration and its correlations with business performance and future risks

(1)Directors: In accordance with the Company's Articles of Incorporation, the results of Directors' performance evaluation, the level of participation and contribution in the operation of the Company, as well as giving consideration to the Company's operating performance and industry standards, and also in accordance with the Company's "Rules Governing the Payment of Directors' Remuneration". The Chairman's participation in the management of the Company's operation is governed by regulations, and additional weighted distribution shall be made When the target of operating efficiency is achieved. The results will be reviewed by the Compensation Committee before submission to the Board for discussion.

(2)General Manager and Deputy General Manager: The salaries, bonuses and employee compensation of the General Manager and Deputy General Manager are determined based on their positions held, duties and contributions to the Company's performance and the results of the Company's operations, as well as the reference to industry standards; an overall consideration is given to employee compensation based on their participation in the Company's operations and performance evaluation. Aspects to be considerations include financial indicators (such as the achievement rate of after-tax net profit) and non-financial indicators (practice and operational management capabilities of the company's core values, financial and business operation performance indicators and comprehensive management indicators, other special contributions or major negative events, etc.),which are considered for performance evaluation and the distribution and payment of compensation.

(3)Correlation between operational performance and future risks:

The Company's policy on the payment of remuneration to Directors, general manager and deputy general managers, and the procedures for determining remuneration are positively correlated with operating performance. Also, the amount of payment is disclosed in accordance with laws and regulations, and the future risk should be limited.

III、Implementation of Corporate Governance

(I) Board of Directors

Hold 6 meetings in 2022 【A】, participating status is as follows：

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】(Note 2)	Remarks
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	6	0	100.00%	Extended, re-elected 2020/6/17
Director	Neo, Khay-Pin	6	0	100.00%	Extended, re-elected 2020/6/17
Director	LIM, JIE-REN	6	0	100.00%	Extended, re-elected 2020/6/17
Director	Wang, I-Yao	6	0	100.00%	Extended, re-elected 2020/6/17
Independent Director	Wang, hia-Cheng	6	0	100.00%	Extended, re-elected 2020/6/17
Independent Director	Hung,Da-Feng	6	0	100.00%	Extended, re-elected 2020/6/17
Independent Director	Lin, Hui-Ping	6	0	100.00%	New election，2021/7/7

Other mentionable items:

I、If there are circumstances referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified: Refer to P.20 (Note 4).

II、If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: Refer to P.22 (Note 5).

III、TWSE/TPEx listed companies shall disclose information on the evaluation cycle and period, scope, method, and content of the Board of Director's self (or peer) evaluation, and fill out the status of Board evaluation in Table 2(2) , Refer to P.24.

IV、The objectives of strengthening the functions of the board of directors in the current and most recent years (such as setting up an audit committee, improving information transparency, etc.) and performance evaluation:

1、The Company has selected suitable board of directors and supervisors courses within Taiwan Corporate Governance Association in November 25,2022. and arranged 6 hours training for the board of directors and supervisors in order to strengthen the functions of the board of directors.

2、In order to realize the corporate governance spirit and effectively improve information transparency, the Company discloses Board meeting minutes and corporate internal governance regulations on its website and has dedicated a person in charge.

3、A sound and effective board of directors is the foundation of good corporate governance. Under this principle, a remuneration committee is established to assist the board in carrying out its duties. 4、The Company has established the Audit Committee to replace the power of supervisors and strengthen the function of the Board of Directors after the re-election of directors and supervisors at the general shareholders meeting on June 17, 2020. 5、In order to implement corporate governance and enhance the functions of the Board of Directors to establish performance targets and strengthen the effectiveness of the Board of Directors, the Company has formulated the Procedures for Performance Evaluation of the Board of Directors on November 10, 2020 and conducts performance evaluation at the beginning of each year. In 2022, the evaluation result is above standard, which has been reported to the Board of Directors on March 30, 2023. V、Communication between independent directors, manager of internal audit and certified public accountants (for example, the matters, the methods and results of communication on company finances and business conditions) Refer to P.22~23（Note 6、7）.

Note 1 : Directors and supervisors are juridical persons, the names of the juridical person shareholder and the names of its representative shall be disclosed.

Note 2：(1) If the directors or supervisors resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual attendance during their employment.

(2) Before the end of the year, if there is a re-election of the directors or supervisors, the new and old directors and supervisors are to be listed and remark in the remarks column to indicate the directors or supervisors as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual attendance during their employment.

Note 4 : The matters listed in Article 14-3 of the Securities and Exchange Act, and other matters resolved by the Board meeting for which independent directors have provided dissenting or qualified opinion.

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
12th Meeting of the 10th session	1. The Distribution of the Company's Directors, and Employees Remuneration in 2021.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. Approved the amendments of certain provisions of the Articles of Association.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4. Approved the Amendments to the certain provisions of the Company's Regulations Governing the Acquisition and Disposal of Assets.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
13th Meeting of the 10th session April 7, 2022	1. Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
14th Meeting of the 10th session May 10, 2022	1. Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
15th Meeting of the 10th session June 23, 2022	1. The Distribution of the Company's Directors, Managers Employees Remuneration in 2021.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
17th Meeting of the 10th session November 09, 2022	1. 2022 year-end bonus distribution for the Company's managers.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. 2022 year-end bonus distribution for the subsidiaries Director.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
18th Meeting of the 10th session February 23, 2023	1. The Company’s the second-tier subsidiary NOVA FURNISHING CENTRE company for subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. The Company’s subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. The Company's of the replacement CPA in the fourth quarter of 2022.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
19th Meeting of the 10th session March 30, 2023	1. The Distribution of the Company's Directors, Employees Remuneration in 2022.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. The amendment of certain provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Note 5: In 2022,Directors abstaining from resolution with conflict of interest

Date of the meeting	Resolution	Directors avoiding conflict of interest, reasons for avoidance and participation in voting
17th Meeting of the 10th session November 09, 2022	2022 year-end bonus distribution for the Company's managers.	1. As Chairman Lin, is a related party with conflict of interest in this resolution, he will abstain from discussion and voting. In addition, director Wang, Chia-Cheng will be appointed to act as the acting chairman temporarily for the discussion of the resolution. 2. When the director's spouse, relative within the second degree of kinship or a company that has a controlled affiliation with the director is interested, the director shall not participate in the discussion and voting in the Board meeting. As director Lim, Jie-Ren has a conflict of interest in this resolution, he will abstain from discussion and voting. 3. Approved by Mr. Wang, Chia-Cheng, the acting chairman and independent director, with the resolution of all directors present.
	2022 year-end bonus distribution for the subsidiaries Director.	1. Chairman Lim and Director Lim, Jie-Ren have a conflict of interest in this resolution. They will abstain from the discussion and voting of this resolution. In addition, independent director Wang, Chia-Cheng will be appointed to act as the acting chairman temporarily for the discussion of the resolution. 2. Approved by Mr. Wang, Chia-Cheng, the acting chairman and independent director, with the resolution of all directors present.

Note 6: Communication between the independent directors and chief internal auditor

(1) Independent directors provide timely feedback through the monthly audit report provided by the chief internal auditor.
(2) The internal audit supervisor of the Company regularly reported the audit reports to Independent Director in the Audit Committee meetings, communicating the results of the audit report and the execution of the follow-up report with the Independent Director.

(3) Major communication from January 1, 2022 to April 30, 2023 is as follows

Date	Item	Recommendations and Results
12th Meeting of the 10th session March 30, 2022	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2021	communication no opinion
14th Meeting of the 10th session May 10, 2022	Report on internal audit operations	communication no opinion
16th Meeting of the 10th session August 09, 2022	Report on internal audit operations	Communication no opinion
17th Meeting of the 10th session November 09, 2022	1. Report on internal audit operations 2. 2023 audit plan	communication no opinion
19th Meeting of the 10th session March 30, 2023	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2022	communication no opinion

Note 7: Communication between independent directors and CPAs

(1) The Company's CPAs communicate and report the review or audit results of the financial statements of the Company and its subsidiaries at home and abroad to Independent Director during the quarterly Audit Committee meetings.

(2) Major communication from January 1, 2022 to April 30, 2023 is as follows

Date	Item	Recommendations and Results
12th Meeting of the 10th session March 30, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
14th Meeting of the 10th session May 10, 2022	CPA explanation on the audit results of the individual and consolidated financial report	Communication no opinion
16th Meeting of the 10th session August 09, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
17th Meeting of the 10th session November 09, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
19th Meeting of the 10th session March 30, 2023	CPA explanation on the audit results of the consolidated financial report	Communication no opinion

(II) Evaluation of the performance of the Board of Directors

Evaluation cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
The evaluation is conducted at the end of each year in accordance with the procedures.	2022	Performance evaluation of the Board of Directors as a whole, individual directors, and functional committees	The performance evaluation methods include internal self-evaluation of the Board of Directors and director self-evaluation.	The standards for the performance evaluation of the Board of Members include the following five aspects: 1. The level of participation in the Company's operations. 2. Increase in the quality of the Board of Directors' decisions. 3. The composition and structure of the Board of Directors. 4. The election and continuous education of directors. 5. Internal control. The evaluation result is above standard The standards for the performance evaluation of individual director include the following six aspects: 1. Understanding of the Company's objectives and missions. 2. Understanding of directors' responsibilities. 3. Participation in the Company's operations. 4. Internal relationship management and communication. 5. Professional and continuous education of directors. 6. Internal control. The evaluation result is above standard The standards for the performance evaluation of the functional committees include the following five aspects: 1. The level of participation in the Company's operations. 2. Understanding of the functional committees' responsibilities. 3. Increase in the quality of the functional committees' decisions. 4. The composition and election of the members of the functional committees. 5. Internal control. The evaluation result is above standard

Note 1: Fill in the evaluation cycle of the Board of Directors. For example: once a year.

Note 2: Fill in the period covered by the evaluation covered by the Board of Directors. For example: The performance evaluation of the Board of Directors from January 1, 2022 to December 31, 2022.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual board members and functional committees.

Note 4: The performance evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation and peer evaluation of the directors, the appointment of external professional institutions or experts, or other appropriate methods.

Note 5: The evaluation content includes at least the following items according to the evaluation scope:

(1) Performance evaluation of the Board of Directors: At least include the level of participation in the Company's operations, the quality of the Board of Directors' decisions, the composition and structure of the Board of Directors, the election and continuous education of directors, internal control, etc.

(2) Performance evaluation of individual directors: At least including the understanding of the Company's objectives and missions, directors' responsibilities, participation in the Company's operations, internal relationship management and communication, professional and continuous education of directors, internal control, etc.

(3) Performance evaluation of the functional committees: At least include the level of participation in the Company's operations, the quality of the functional committees' decisions, the composition and election of the members of the functional committees, internal control, etc.

（IV）Audit committee operation information:

The Audit Committee, comprising of all independent directors, was established on June 17, 2020 to replace the function of the supervisors. In 2022, the Audit Committee held 5 meetings (A). The attendance records of independent directors are as follows:

Title	Name（Note 1）	Attendance in Person (B)	By Proxy	Attendance Rate (%)（Note 2）	Title
Independent Director	Wang, Chia-Cheng	5	0	100.00%	Extended, re-elected 2020/6/17
Independent Director	Hung,Da-Feng	5	0	100.00%	Extended, re-elected 2020/6/17
Independent Director	Lin, Hui-Ping	5	0	100.00%	New election， 2021/7/7

Other mentionable items:

Ⅰ、In the event of any of the following circumstances, the operation of the Audit Committee shall specify the date, duration, content of the proposal, objections of independent directors, reservations or major recommendations, the results of the audit committee's resolutions and the company's handling of the audit committee's opinions.

（1）Matters referred to in Article 14-5 of the Securities and Exchange Act. Refer to P.27~29（Note 2）

（2）Other matters which were not approved by the Audit Committee but were approved by twothirds or more of all directors：None.

Ⅱ、If there are independent directors’ avoidance of motions in conflict of interest, the directors’s names, contents of motion, causes for avoidance and voting should be specified:None

III、Communications between the independ directors, the Company’chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.): Refer to P.29~30（Note 3、4）.

IV、Audit Committee's Work Priorities for the Year 2022

1.Review, establish, or amend the internal control system.
2.Review the assessment of the effectiveness of the internal control system.
3.Review or revise operating procedures of material financial business, such as the acquisition or disposal of assets, the trading of derivatives, loans to others, and provision of guarantees/endorsements.
4.Review matters bearing on the personal interest of a director.
5.Review material assets or derivatives trading.
6.Review material loaning of funds, and provision of endorsements/guarantees.
7.Review offering, issuance, or private placement of any equity based securities.
8.Review the appointment, dismissal, or compensation of CPAs.
9.Review the appointment or dismissal of a finance manager, accounting manager or chief internal auditor.
10.Review annual financial reports and quarterly financial reports.
11.Review other significant matters required by the Company or the competent authority.

●Review of financial report

The Board of Directors has prepared the Company's 2021 business report, financial statements, and earnings appropriation, among which the financial statements have been audited by Deloitte & Touche, and the CPAs have issued an audit report. The aforementioned business report, financial statements, and earnings appropriation have been reviewed and determined to be correct and accurate by the Audit Committee.

●Evaluation of the effectiveness of internal control system

The Audit Committee has evaluated the effectiveness of the policies and procedures of the Company’ s internal control system, reviewed the qualification of the Audit Committee members and CPAs, and also reviewed the regular reports submitted by the management. The Audit Committee deemed that the Company’ s risk management and internal control system are effective, and the Company has adopted necessary mechanisms to monitor and correct any violations.

●Retaining of CPAs

Audit Committee is charged withed the responsibility to supervise the independence of CPAs to ensure the fairness of the financial statements. In general, CPAs shall not provide the Company with any services other than taxation-related services or services otherwise approved. All services provided by the CPAs shall be approved by the Audit Committee.

V、 Conditions and Independence of the Audit Committee: Refer to P.42~44.

Note 1：(1) If the Independent Director resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Audit committee meetings held and the actual attendance during their employment.

(2) Before the end of the year, if there is a re-election of the Independent Director, the new and old Independent Director are to be listed and remark in the remarks column to indicate the Audit committee as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the actual attendance during their employment.

Note 2:The matters listed in Article 14-5 of the Securities and Exchange Act, and other resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
08th Meeting of the 1th session March 30,2022	1、2021 business report and financial statements.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、Approved the Amendments to the certain provisions of the Company's Regulations Governing the Acquisition and Disposal of Assets committee of the Company.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4、2021 Internal Control System Statement.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
09th Meeting of the 1th session April 07,2022	1、Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
10th Meeting of the 1th session May 10,2022	1、2022 Q1 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
11th Meeting of the 1th session August 09,2022	1、2022 Q2 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
12th Meeting of the 1th session November 09,2022	1、2022 Q3 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、The Company's 2023 audit plans.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
13th Meeting of the 1th session February 23,2022	1、The Company's the second-tier subsidiary NOVA FURNISHING CENTRE company for subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、The Company's subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、The Company's of the replacement CPA in the fourth quarter of 2022.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
14th Meeting of the 1th session March 30,2023	1、2022 business report and financial statements.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
	2、evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、The amendment of certain provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4、2022 Internal Control System Statement.	V	None
	Independent director's opinions: None The Company’s response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Note 3 Communication between the independent directors and chief internal auditor

(1) Independent directors provide timely feedback through the monthly audit report provided by the chief internal auditor.

(2) The internal audit supervisor of the Company regularly reported the audit reports to Independent Director in the Audit Committee meetings, communicating the results of the audit report and the execution of the follow-up report with the Independent Director.

(3) Major communication from January 1, 2022 to April 30, 2023 is as follows

Date	Item	Recommendations and Results
8th Meeting of the 1th session March 30, 2022	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2021	Communication no opinion
10th Meeting of the 1th session May 10, 2022	Report on internal audit operations	Communication no opinion
11th Meeting of the 1th session August 09, 2022	Report on internal audit operations	Communication no opinion
12th Meeting of the 1th session November 09, 2022	1. Report on internal audit operations 2. 2023 audit plan	Communication no opinion
13th Meeting of the 1th session March 30, 2023	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2022	Communication no opinion

Note 4: Communication between independent directors and CPAs

(1) The Company's CPAs communicate and report the review or audit results of the financial statements of the Company and its subsidiaries at home and abroad to Independent Director during the quarterly Audit Committee meetings.

(2) Major communication from January 1, 2022 to April 30, 2023 is as follows

Date	Item	Recommendations and Results
8th Meeting of the 1th session March 30, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
10th Meeting of the 1th session May 10, 2022	CPA explanation on the audit results of the individual and consolidated financial report	Communication no opinion
11th Meeting of the 1th session August 09, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
12th Meeting of the 1th session November 09, 2022	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
13th Meeting of the 1th session March 30, 2023	CPA explanation on the audit results of the consolidated financial report	Communication no opinion

(III) Corporate governance condition, differences in Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and its reasons

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
I. Did the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established the "Corporate Governance Best-practice Principles" in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and disclosed the principles on the Market Observation Post System (MOPS) and the company website.	The Company has established the "Corporate Governance Best-practice Principles".
II. Equity structure and shareholders' rights of the Company (I) Did the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the procedure?	V		(I) The Company has a spokesperson and an acting spokesperson that handle shareholders' suggestions, inquiries and disputes, convenes shareholders' meetings in accordance with the Company Act and related regulations, and formulates complete Rules of Procedure for Shareholders Meetings to provide shareholders with appropriate rights.	No significant difference.
(II) Did the Company maintain a list of major shareholders with actual controlling power as well as a list of major shareholders exercising ultimate control over those major shareholders?	V		(II) The Company obtains information on actual changes in the shareholdings of major shareholders through professional stock service agencies and reports their shareholdings according to the laws.	
(III) Did the Company establish and enforce risk control and firewall systems with its affiliated companies?	V		(III) The Company and its affiliates operate independently of each other, and has formulated the "Operation Procedure for Control in the Supervision and Management of Subsidiaries", "Regulations Governing the Acquisition and Disposal of Assets", " Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and other regulations to be enforced accordingly.	

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
(IV) Did the Company stipulate internal rules that prohibit internal staff from trading marketable securities by utilizing information not disclosed to the market?	V		(IV) The Company has stipulated Procedures for Handling Material Inside Information to prevent insider transactions and educate insiders on matters that should be paid attention to at least twice a year to prevent inappropriate behavior. In the annual course of Prohibition Against Insider Trading, the Company reminds the Director that a director is prohibited from trading the Company's shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.	
III. Composition and responsibilities of the Board of Directors （I）Does the Board of Directors formulate diversified policies, specific management objectives and implement them?	V		（I）The Company has formulated the Procedures for Election of Directors in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The composition of the Board of Directors should consider diversification. In addition, appropriate board diversity policies should be formulated and implemented in accordance with its operation, type of business and development needs. The Company has 7directors (including 3 independent directors) according to the scale of operation and development needs. The background of the board members covers different nationalities, cultures, industries, academics, finance, accounting, management and other fields, which fulfills the board diversity policy.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
			The specific management goal for Board diversity: 1. The Company focuses on gender equality in the composition of the Board of Directors, and at least one female Director should be included. 2. Among the members of the Board, Directors who are also concurrently the managers of the Company shall take up less than 1/3 of the seats of Directors (inclusive) for supervision purposes. The number of directors of the Company equipped with an employee identity accounts for 28% of all directors, and the number of independent directors' accounts for 42% of all directors, 2 independent directors have a term of office under 3 years, 1 independent director has a term of office under 9 years. 2 director is above 70 years old, and 4 directors are between 50~69 years old, with 1 directors under the age of 50 years old. For the Company's board diversity policy, please refer to The implementation of the Company's board diversity policy on page12 of this annual report (Note 6).	
(II) Does the Company voluntarily establish other functional committees in addition to the remuneration committee and the audit committee?		V	(II) The company currently has not established any other functional committees except for the establishment of a remuneration committee and an audit committee according to the laws. However, the Company has a complete processing method and control mechanism for each business function. The persons in charge of each unit are responsible for the control and management of each function.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
（III） Did the Company formulate performance evaluation procedures for the Board of Directors and its evaluation method, conduct annual and regular performance evaluations, and report the results of the performance evaluation to the Board of Directors, which is provided for reference for the remuneration, nomination and re-election of individual directors?	V		（III） In order to implement corporate governance and enhance the functions of the Board of Directors to establish performance targets and strengthen the effectiveness of the Board of Directors, the Company has formulated the Procedures for Performance Evaluation of the Board of Directors on November 10, 2020 and conducts performance evaluation at the beginning of each year. In 2022, the evaluation result is above standard, which has been reported to the Board of Directors on March 30, 2023. The result will be taken into consideration in the remuneration and election of individual directors. The scope of the evaluation includes the performance evaluation of the overall Board of Directors, functional committees; the evaluation method includes the internal self-evaluation of the Board of Directors, director self-evaluation, or other ppropriate methods.	No significant difference.
(IV) Did the Company regularly evaluate the independence of CPAs?	V		(IV) The company regularly inspects the independence of certified CPAs every year. When the accounting department evaluates the independence and suitability of CPAs, in addition to obtaining the certified CPAs to provide " CPAs 's Detached Independence Statement" and "Audit Quality Indicators (AQIs)", and according to the assessment The project (please refer to Note 6 on page 40~41) evaluates independence, and the 13 AQI indicators evaluate suitability from various aspects such as professionalism, quality control, independence, supervision and innovation ability. The evaluation results of the most recent year are all in line with the independence and eligibility of the company. After being discussed and approved by the Audit Committee on March 30, 2023, it will be submitted to the board of directors for approval on March 30, 2023.	

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
IV. Did the TWSE/TPEx listed company has qualified and an appropriate number of corporate governance personnel, and appointed corporate governance directors responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		The Board of Directors has appointed the Chief Financial Officer Ho, San-Chuang as the Chief Corporate Governance officer on November 09,2022. The corporate governance unit is responsible for handling matters relating to Board meetings and shareholders' meetings according to laws; producing minutes of Board meetings and shareholders' meetings; assisting in on boarding and continuous education of directors; furnishing information required for business execution by directors; and assisting directors with regulatory compliance. Major work in 2021 was as below: (I) Acting as the secretary of the Board and the major contact between the Directors and the Company. (II) Assisting Directors to performing their duties and provide meeting materials information as they deem necessary as well as to help the communications between Directors and internal officers. (III) Propagate the law and regulation of corporate governance to the Board. (IV) Providing continuing educations information to Directors and arranging training courses for them. (V) Assisting the arrangement the communication affairs between Audit Committee members, external CPAs and chief of internal auditor. (VI) Setting up the Board meetings agenda, call the meetings and providing meetings materials. Reminder the director for rescue in advance if there is any conflict interests matter. Providing meeting minutes within 20 days after the Board meeting. (VII) Assisting shareholders' meeting affairs.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
V. Did the Company establish a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Did the Company set up a stakeholders' area on the Company's website? Are matters related to significant Corporate Social Responsibility that the stakeholders are concerned with addressed appropriately?	V		A stakeholder area is set up on the Company's website to disclose the contact information of the spokesperson and acting spokesperson, so as to facilitate the communication of stakeholders on the issues they are concerned about. Personnel in charge of each unit are designated to handle employee suggestions and feedback. Labor-management meetings are held quarterly to encourage communication between employees and the management, reflect employees' opinions appropriately, improve labor-management communication channels, and protect labor rights. The Company has a 0800 customer service hotline, the Company's official website and e-mail dedicated to handling appropriately the issues that our customers are concerned about, such as information on marketing activity and customer rights, to maintain customer relations and protect consumer rights. Special areas for corporate governance, Board meeting, and shareholders meeting are established on the Company's website, adhering to the principle of honesty and transparency, so that shareholders and stakeholders can fully understand the Companys financial and business condition and corporate governance.	No significant difference.
VI. Did the Company appoint a professional shareholder services agent to handle matters related to shareholders meetings?	V		The Company assists in handling matters related to shareholders meetings through professional stock service agencies to ensure shareholders meetings are convened in a legal, effective and safe manner.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
VII. Information disclosure (I) Did the Company establish a website to disclose information on financial operations and corporate governance? (II) Did the Company adopt other ways of information disclosure (e.g. setting up an English website, appointing designated people to handle information collection and disclosure, establishing a spokesman system, and webcasting investor conferences on the Company's website)? (III) Did the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V V V		(I) The Company has set up an investor-specific web page on its website, which regularly updates relevant corporate governance information and discloses information related to the Company's financial business. The website is at https://www.topshine.tw. (II) The Company has arranged personnel designated to collect relevant information and disclose major issues immediately in order to implement the spokesman system, and has uploaded the presentation of the judicial person on the Company's website and Market Observatory Post System for Inquiry. (III) The Company's financial report and the announcement of the operating status each month shall be handled in accordance with Article 36 of the Securities and Exchange Act and reported to the competent authority.	No significant difference.
VIII. Has the Company provided important information to enable better understanding of the state of corporate governance (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, education of directors and supervisors, risk management policy and implementation risk evaluation standards, implementation of customer policies, and the Company's purchase of liability insurance for its directors and supervisors)?	V		(I) The Company attaches great importance to employee relations. In addition to establishing an employee welfare committee and providing marriage and funeral subsidies, the Company also organizes new year tours and group buys for its employees. To ensure employees' rights, labor management rules are stipulated in accordance with the Labor Standards Act to provide employees with rules to be followed. In addition, the Company has established an employee reward and punishment management rules and various welfare systems, so that employees behavior and workplace ethics codes can be followed to ensure legitimate rights and interests. Employees are encouraged to communicate with the management, reflect employees' opinions appropriately, improve labor-management communication channels, and protect labor rights.	

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	
			(II) The directors and managers of the Company design relevant training courses related to professional knowledge and practical operation in accordance with the regulations for the continuous education of the directors refer to page39~40 (see Note 3 and Note 4). (III) The implementation of risk management policies and risk evaluation standards: The company attaches great importance to its industry. In addition to promoting various policies in accordance with the laws, risk evaluations of major banks, customers, and suppliers are conducted to reduce and avoid potential risks. (IV) Implementation of consumer or customer protection policy: The Company has a 0800 customer service hotline, the Company's official website and e-mail dedicated to handling appropriately customer issues, maintaining customer relations and protect consumer rights. (V) The Company's purchase of liability insurance for directors: The directors and supervisors of the Company uphold the principle of ethical corporate management, fully understand the responsibilities of the directors, plan and evaluate, and regularly purchase insurance related to directors responsibilities according to the needs refer to page40 (see Note 5).	No significant difference.

IX. Please provide information on the status of improvement regarding the results of Corporate Governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements that are yet to be implemented, please specify the matters and measures to be prioritized for improvement.

(I) Improvement Status

1. The Company Corporate Governance is appointed to be responsible for corporate governance-related matters.
2. The Company focuses on gender equality in the composition of the Board of Directors, and increased the number of female Directors in the Board of Directors.

(II) Prioritized improvement matters and measures

1. The Company annually reviews the results of the corporate governance evaluation and the corporate governance evaluation criteria issued in the most recent year, reviews the individual criteria that are in compliance with the evaluation standards and arranges improvement schedules to improve aspects that failed to meet the

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	

standards.

Note 1: Operating conditions should be stated in the Summary Description field.

Note 2: The self-assessment report on corporate governance refers to the self-assessment of corporate governance projects, which are assessed and explained by the company itself, and the current evaluation projects are currently reported on the operation and execution of the company.

Note 3: The details of the education of directors are as follows:

Title	Name	Study period		Organizer	Course title	Hrs
		From	To			
Representative of Juridical person director	Lim, Pok-Chin	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Director	LIM, JIE-REN	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Director	Neo, Khay-Pin	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Director	Wang,I-Yao	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Independent Director	Wang, Chia-Cheng	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Independent Director	Hung,Da-Feng	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0
Independent Director	Lin, Hui-Ping	2022/11/25	2022/11/25	Taiwan Corporate Governance Association	How to Read and Analyze Financial Statements Utilize Leadership to Break Through Difficulties	6.0

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	

Note 4：The situation of managers ' participation in the study and training related to corporate governance:

Position	Name	Duration	Training unit	Course	Hrs
CFO	Ho, San-Chuang	2022/11/22	Accounting Research and Development Foundation	Continuing training class for principal accounting officers of issuers, securities firms, and securities exchanges	6.0
		2022/11/23	Accounting Research and Development Foundation	Continuing training class for principal accounting officers of issuers, securities firms, and securities exchanges	6.0
Chief Auditor	Huang, hu-Ling	2022/04/25	The Institute of Internal Auditors - Chinese Taiwan	The Impacts of ESG Risks on the Company's Internal Control System and the Company's Countermeasures in the Trend of ESG	6.0
		2022/10/07	Accounting Research and Development Foundation	Latest "Amendments to Internal Control Management Guidelines" and Practice of Legal Compliance and Fraud Prevention of "Information Security"	6.0
		2022/11/30	The Institute of Internal Auditors - Chinese Taiwan	Case Study of New Internal Auditing Positioning -- Ethics and Law	6.0

Notes 1: Qualification of Related personnel:

International internal audit (CIA)：Auditor Office 1 person

Note5：Liability Insurance for Director and key personnel：

Director Liability Insurance			
Insured	Insurance Company	Coverage	Duration
All Directors and key personnel	CHUBB Taiwan	USD 2,000,000	From：Mar.1, 2023 To：Mar.1, 2024

Note 6: 2022 Accountant Independence and Suitability Evaluation Form

Name of CPA: CPA, Lee, Li-Huang	CPA Firm: Deloitte & Touche
Main educational background: A graduate from Department of Accounting, National Taipei University, he/she has been working in the fields of auditing, financial management and information management at Deloitte Taiwan since 1996. He/She has more than 25 years of experience and has obtained the Accreditation of Business Valuation in 2006. He/She has been provide guidance to domestic and foreign customers regarding the listing of shares and establishment of accounting internal control system.	
Name of CPA: CPA, Kuo, Nai-Hua	CPA Firm: Deloitte Taiwan
Main educational background: Graduated from the Department of Accounting, Chinese Culture University, joined the audit service department of Deloitte & Touche in 1997. In addition to providing financial statement assurance and audit services, assisting SMEs to establish internal control systems and procedure improvement, Kuo, Nai-Hua has assisted many companies in public offerings, listings or over-the-counter listing and financing.	

Item No.	Evaluation Items	Yes	No

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary (Note 2)	

1	As of the most recent assurance operation, no CPA has been replaced for seven years.	V	
2	The CPA does not have significant financial relationship with his/her client.	V	
3	The CPA avoids any inappropriate relationship with his/her client.	V	
4	The CPA ensures that his/her assistants are honest, fair and independent.	V	
5	The CPA has not performed audit and assurance services on financial statements of companies he/she has served within two years before practicing.	V	
6	The CPA has not permitted others to practice under his/her name.	V	
7	The CPA has not owned any shares of the Company and its affiliated companies.	V	
8	The CPA does not loan any money from the Company and its affiliated companies.	V	
9	The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.	V	
10	The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary.	V	
11	The CPA is not involved in the management function of the decision-making of the Company and its affiliated companies.	V	
12	The CPA has not concurrently engaged in other businesses that may lead to loss of independence.	V	
13	None of the Company's management is a spouse of a relative within second degree of kinship with the CPA.	V	
14	The CPA has not received any commission related to his/her service.	V	
15	The CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence so far.	V	
Evaluation results: Fulfilled the Company's independence and suitability evaluation standards.			

（IV）If the Company has Set Up a Remuneration Committee, It Shall Disclose Its Composition, Responsibilities and Operations

(1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title（Note 1）	Criteria / Name	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent Director	Wang, Chia-Cheng	Wang, Chia-Cheng graduated from the Department of Accounting in Fu Jen Catholic University. He previously worked in Prolific Technology Inc. as the head of Accounting Department, the head of the Accounting Department in SCAN-D Corporation, and the Independent Director of Simula Technology Inc. Wang, Chia-Cheng is concurrently the senior manager of Finance and Accounting Department in Samebest Co., Ltd. Director Wang, Chia-Cheng is equipped with capabilities in corporate governance, professional finance and accounting skills and investment management. The Company relies on its management experience and perspectives in different industries to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0	

Title (Note 1)	Criteria / Name	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent Director	Hung, Da-Feng	A graduate of the National Taiwan University of Arts, Hung, Da-Feng was the division chief of the Business Division in the head office of the First Commercial Bank, manager of the Taishan Branch of the First Commercial Bank, the manager of Tucheng Branch of the First Commercial Bank. Hung, Da-Feng is concurrently the executive assistant to the Chairman of Tai Shan Gas Co., Ltd. Director Hung, Da-Feng has a very complete record in the financial industry, and is equipped with professional abilities in the area of finance. Hung, Da-Feng is also familiar with the direction of various industries and can provide different opinions in relation to operational management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0	convener

Title (Note 1)	Criteria / Name	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent Director	Lin, Hui-Ping	Lin, Hui-Ping has a Master of Business Administration in Finance from Baruch College in New York City, and was previously the Deputy General Manager of the Underwriting Department in the Grand Cathay Securities Corporation, the executive assistant to the Chairman of M.J.International Flooring and Interior Products Inc. Lin, Hui-Ping is concurrently a Director of Pili International Multimedia Co.,Ltd., a senior advisor to Stylution International Corp. Director Lin, Hui-Ping is familiar with the operation of capital market, and is equipped with capabilities in corporate governance, finance and accounting, as well as investment management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0	

Note 1：Please state in the table the job tenure, professional qualifications, and independence status of each member of the Compensation Committee. If the member is an Independent Director, please state in the remark to refer to Attachment I Director and Supervisor Information (I) on page OO. Please enter your status as an Independent Director or other (if you are the convener, please remark).

Note 2：Professional qualifications and experience: Please specify the professional qualifications and experience of each member in the Compensation Committee.

Note 3：Independence status: Compensation Committee members shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as directors, supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 6 of 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); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

Note 4：For the disclosure method, please refer to the template on the Taiwan Stock Exchange Rules & Regulations Directory website.:

(2) Attendance of Members at Remuneration Committee Meetings

I、There are 3 members in the Remuneration Committee

II、: from Jun.17, 2020 to Jun.16, 2023

3 meetings was hold in the recent year(Ａ) and the attendency are as follows：

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【Ｂ/Ａ】	Remarks
Convener	Hung, Da-Fen	3	0	100%	Extended, rel-elected on 2020/06/17
Member	Wang, Chia-Cheng	3	0	100%	Extended, rel-elected on 2020/06/17
	Lin, Hui-Ping	3	0	100%	New election on 2021/03/23

Other mentionable items:

I、 If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

II、 Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

III、The Remuneration Committee shall exercise the care of an administrator with good faith, faithfully fulfill the following responsibilities, and submit its recommendations to the Board of Directors for discussion.

(I) Establish and regularly review the performance evaluation standards and performance targets of the Company's directors and managers, as well as the remuneration policies, systems, standards, and structure.

(II) Periodically evaluate the fulfillment of performance goals of the Company's directors and managers, determine the content and amount of remuneration based on the results of the reviews conducted in accordance with the performance evaluation standards.

The Committee shall perform its functions referred to in the preceding paragraph in the following manners:

1. Ensure that the remuneration arrangements of the Company comply with applicable laws and regulations and are sufficient to attract outstanding talent.
2. Performance evaluation and remuneration of the directors and managers shall be based on the industry standards as well as their individual performance, the Company's operational performance, and reasonable assessments of future risks.
3. There shall be no incentive for the directors or managers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
4. For directors and senior managers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be determined with regard to the characteristics of the industry and the nature of the Company's business.
5. Reasonableness shall be taken into account when determining the contents and amounts of the remuneration of the directors and managers. Decisions made on the remuneration of the directors and managers shall not be significantly contrary to the financial performance.
6. Committee members may not participate in discussion and voting when the Committee is determining their remuneration.

Note1：

(1) If any of the remuneration committee member resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the actual attendance during their employment.

(2) Before the end of the year, if there is a re-election of the remuneration committee, the new and old committee members are to be listed and remark in the remarks column to indicate the member as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the actual attendance during their employment.

(3) Significant resolutions:

List of important meetings of the Remuneration Committee

January 1, 2022 to April 30, 2023

Date	Session	Content	Resolution	The Company's response to the remuneration committee's opinion
March 30, 2022	6th meeting of the 4rd session Remuneration Committee	1、Approved the Company's 2021 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
June 23, 2022	7th meeting of the 4rd session Remuneration Committee	1、Approved the Company's 2021 Remuneration Payment for Directors and Supervisors and Remuneration Payment for Managers and Employees.	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
November 09, 2022	8th meeting of the 4rd session Remuneration Committee	1、Approved the establishment of Chief of Corporate Governance. 2、Approved the amendment to the Company's "Regulations Governing Salary and Wages Management". 1、Approved and reviewed the 2022 year-end bonus payment for the Company's managers. 2、Passed the proposal to 2022 year-end bonus distribution for the subsidiaries Director.	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
March 30, 2023	9th meeting of the 4rd session Remuneration Committee	1、Approved the Company's 2020 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors

(V) The implementation status on the promotion of sustainable development and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviation

Evaluation items	Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
I. Does the Company establish and promote a governance structure for sustainable development, and set up a dedicated (concurrent) unit to promote sustainable development, and have the Board of Directors authorize senior management for handling and how is the Board of Director's supervision?	V		The general manager office is responsible for promoting the Company's sustainable developmen, with the general manager reporting directly to the Board of Directors.	No significant difference.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations based on the principle of materiality, and formulate relevant risk management policies or strategies? (Note 3)		V	The Company upholds the principle of ethical operation, attaches importance to the rights of consumers and stakeholders, pays attention to corporate governance, environmental and social factors, which are incorporated in the Company's management policies and operational activities.	The Company will stipulate a sustainable developmen policy or system in the future, the remaining shall have no significant differences.
III. Environmental issues (I) Does the Company establish appropriate environmental management systems based on the characteristics of the industry?	V		(I) The Company focuses on its own business, maintains a strict standard on the production process of upstream manufacturers and regularly dispatches staff to check and put forward improvement plans, so as to ensure the utilization rate of materials, production capacity and reduce wasting of materials while maintaining product quality and value.	No significant difference
(II) Does the Company endeavor to utilize all energies more efficiently and use renewable materials that have low impact on the environment?	V		(II) We use eco-friendly secondary forests, natural coatings and packaging materials, and develop element series products. We also use recycled furniture and wood to demonstrate the simple and natural texture of teak.	
(III) Has the Company assessed the current and future potential risks and opportunities arising from climate changes taken countermeasures related to the climate changes?	V		(III) The Company pays attention to the impact of climate change on operating activities and formulates the Company's energy conservation and carbon reduction strategies, such as the use of LED lamps, inverter air conditioners, and adjustment of air-conditioning temperature at any time in new retail stores to reduce the impact of the Company's operating activities on climate change.	

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>(IV) Has the Company calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established policies with regard to energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, and waste management?</td><td>V</td><td></td><td>(IV) With a professional background and the concept of forest protection, we use the teak forest in area developed by the government to exploit forest areas in a planned way to ensure the sustainable development of the forests in the globe.</td><td>No significant difference.</td></tr>
<tr><td>IV. Social Issues
(I) Did the Company formulate management policies and procedures in accordance with relevant regulations and international human rights treaties?

(II) Did the Company establish and implement reasonable employee benefits measures (including remuneration, leave, and other benefits) and reflected the business performance or results in employee remuneration appropriately?

(III) Has the Company provided employees with a safe and healthy work environment as well as conducted regular courses on health and safety for its employees?

(IV) Has the Company established an effective career development and training program for its employees?</td><td>V

V

V

V</td><td></td><td>(I) The Company complied with relevant labor laws and regulations, protects the legitimate rights and interests of employees and follows internationally recognized labor human rights protection responsibilities, and formulates relevant management policies and procedures.
(Ⅱ)The Company has specified in its Articles of Association that no less than 4% of the profit for the year shall be included in the employees' remuneration. The payment standard is in compliance with the Company's "Management Measures of Employee Remuneration". The average salary adjustment for 2020 has been disclosed on the Market Observation Post System. For more information on the employee benefit measures, please refer to the Employee Benefit Measures and Implementation disclosed in the Labor Relationship section of this annual report.
(III) In order to maintain the physical and mental health and balance of our employees, we establish an occupational safety and health management plan and hold seminars on occupational disasters from time to time to enhance employees' awareness of safety and health, eliminate potential hazards, and promote employee safety and health in order to achieve the goal of zero occupational disasters and maintain an excellent working environment.
(IV) In order to enhance the competitiveness of our employees, the Company invests in employee education and training every year to enable each employee to realize his or her fullest potential through talent trainings.</td><td>No significant difference.</td></tr>
</table>

Evaluation items	Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
(V) Has the Company complied with relevant laws, regulations and international standards for the customer health and safety, customer privacy, and marketing and product labeling, and formulate relevant consumer protection policies and complaint procedures?	V		(V) The Company upholds the principle of ethical operation, attaches importance to the rights of consumers. The marketing and labeling of products and services are in compliance with relevant laws and regulations. The Company has a 0800 customer service hotline dedicated to improve the quality of customer service and protect consumer rights.	No significant difference.
(VI) Has the Company formulated a supplier management policy requiring suppliers to comply with the relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	V		(VI) The Company may terminate or terminate the contract at any time if the raw materials and processes used by the supplier are found to have adverse effects on the environment and society.	
V. Does the Company make reference to international standards or guidelines for the preparation of reports, such as Sustainable Development reports and other reports that disclose non-financial information of the Company? Has a third-party verification unit obtained a confirmation or assurance opinion on the aforementioned report?		V	The Company has not compiled the Sustainable DevelopmentReport but will implement corporate governance in accordance with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.	No significant difference.

VI. If the Company has established the Sustainable Development principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation:
The Company has not established Sustainable Development principles based on “the Sustainable Development Best-Practice Principles for TWSE/ TPEx Listed

VII. Other important Other important information to help understand the implementation of sustainable development.

The Company has established an 0800 customer service line to ensure the rights of customers and attempt to find the balance between securing the benefit of shareholders and environment protection and to fulfill the Sustainable Development.

Note 1: If implementation status is specified "Yes", please explain the key policies, strategies and measures taken and the implementation status; if implementation status is specified "No", please explain the relevant policy, strategy and measures to be taken in the future in "the deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviation" box.
Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders..
Note 3: For the disclosure method, please refer to the template on the Taiwan Stock Exchange Rules & Regulations Directory website.

(VI) Fulfillment of ethical operation, Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Formulation of policies and plans for ethical corporate management (I) Has the Company established the ethical corporate management policies approved by the Board of Directors, and specified its ethical corporate management policies and practices, and the commitment of the Board of Directors and senior management to actively implement such policies in its rules and external documents?		V	(I) The Company has not established any regulations of ethical corporate management. However, when the Company enters into external contracts, it agrees on the contents of the contracts and actively fulfills the contractual commitments based on the principle of ethics and reciprocity. The directors, and managers fulfill the principle of ethical operation in their internal management and external business activities.	The Company will stipulate Corporate Governance Best Practice Principles in the future, the remaining shall have no significant differences.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention measures accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?		V	(II) The Company has not established regulations to prevent unethical conduct, such as bribery, acceptance of bribes and provision of illegal political contributions, through the internal audit unit's inspection mechanism.	
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a reporting system, implemented them and reviewed the prevention measures on a regular basis?		V	(III) The Company has not established regulations to prevent unethical conduct. However, it has been promoting the importance of ethical conduct to its employees, and the internal audit department includes checks on the occurrence of unethical conduct in its internal audit during regular spot checks.	
II. Implementing ethical corporate management (I) Has the Company evaluated ethical records of its counterparty? Does the contract signed by the Company and its counterparty clearly stipulates terms on ethical conduct?	V		(I) The Company has established an evaluation mechanism for its suppliers. In entering into external contracts, the Company adheres to the principle of ethics and reciprocity and actively fulfills its contractual commitments.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report the implementation of the ethical corporate management policies and prevention measures against unethical conduct to the Board of Directors?		V	(II) Although the Company has not established a dedicated department to promote ethical corporate management, it has been regularly promoting the importance of ethical corporate management in internal meetings from time to time. The head of audit regularly attends the board meetings to report on business execution to facilitate the supervision from the Board of Directors.	No significant difference.
III) Has the Company established policies to prevent conflicts of interest, provided appropriate reporting channels, and implemented accordingly?		V	(III) The Company has not established a policy for the prevention of conflicts of interest. However, in the case of conflict of interest, employees of the Company may report such matters directly to the Management Department in addition to their immediate department heads.	
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit department, based on the assessment results of the risk of unethical conduct, formulated audit plans and inspected the compliance with the prevention measures accordingly or entrusted a CPA to conduct the audit?	V		(IV) The Company has an internal audit plan. The internal audit department performs various spot checks in accordance with the audit plan. When special circumstances arise, spot checks will be arranged.	
(V) Does the Company regularly organize internal and external training for ethical corporate management?	V		(V) Promote the importance of ethical corporate management in internal meetings of the Company on a regular basis.	
III. Implementation of the whistle-blowing system in the Company (I) Has the Company established a detailed whistle-blowing, reward system and accessible whistle-blowing channels? Does the Company assign suitable and dedicated individuals for cases reported by the whistle-blower?		V	(I) The Company has not established a detailed whistle-blowing and reward system. However, in the case of violation of ethical corporate management, employees of the Company may report such matters directly to the Management Department in addition to their immediate department heads.	No significant difference.
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?		V	(II) The Company has not established standard operating procedures and confidentiality mechanisms for accepting whistle-blowing. In the event of a violation of the ethical corporate management, the Company will, depending on the circumstances and significance of the violation, take disciplinary action in accordance with the Regulations on the Management of Awards and Punishments.	

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company implemented protection measures against inappropriate disciplinary actions on the whistle-blower?	V		(III) If the Company receives a report from a whistle-blower, a dedicated team will be established to investigate and protect the whistle-blower from inappropriate treatment.	No significant difference.
IV. Improvement of information disclosure (I) Has the Company disclosed the content of its best practices on ethical corporate management and the effectiveness of its implementation on its website or Market Observation Post System (MOPS)?		V	The Company plans to disclose information about integrity management on the official website.	The Company plans to disclose information on its ethical corporate management on its website, the remaining have no significant difference.
V、If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
VI、Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).None				

Note 1: Regardless of "Yes" or "No" checked on operation situation, the summary shall be provided in summary column.

1. The Company follows the Company Act, Securities and Exchange Act, Business Entity Accounting Act, stock listed for trading regulations and other business conduct related regulations, upholding the "innovation, harmony, pragmatism, speed" business philosophy at the time of its creation, as the foundation and belief of the stable development of the Company.
2. The Company stipulated in the "Code of the Board of Directors" a directors' conflict of interests rule and requires the directors to be highly self-disciplined. If the listed proposals are of interest to themselves, which may be harmful to the interests of the Company, they may express opinions and respond to the inquiries, but may not join the discussion and voting, and should be avoided during discussion and voting, and may not exercise voting rights on behalf of other directors, to follow the principle of corporate integrity management and corporate governance culture.

（VII）If the company has established a corporate governance code and related regulations, the inquiry method should be disclosed.

The Company has set up a "For Shareholders" page in investor relation website https://www.topshine.tw, which can be used to query the Company's relevant regulations, articles and operating procedures.

（VIII）Other important information that is sufficient to increase understanding of corporate governance operations: None.

(IX) The implementation status of the internal control system should disclose the following matters

1. Internal Control Declaration.

Scan-D Corporation

Statement of Internal Control System

Date: March 30, 2023

The Company's internal control system for 2022, based on the results of self-assessment, hereby states as follows:

1. The Company recognizes that it is the responsibility of the board of directors and managerial officers of the Company to establish, implement and maintain the internal control system, and the Company has set up such a system to provide reasonable assurance of operational effectiveness and efficiency (including profit, performance and safety of assets), report reliability, timeliness, transparency and compliance with relevant codes and regulations.
2. An internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of the internal control system may vary with the environment and situation. However, the Company's internal control system has a self-monitoring mechanism. Once the deficiencies are identified, the Company will take corrective action.
3. The Company judges whether the design and implementation of the internal control system are effective or not according to the criteria for the effectiveness of the internal control system as stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (the Regulations). The internal control system criteria adopted in the Regulations is to classify the system into five elements according to the process of management control: 1) control environment; 2) risk assessment; 3) control activities; 4) information and communications, and 5) supervision activities. Each element also includes several items. For the foregoing items, please refer to the provisions of the Regulations.
4. The Company has adopted the above internal control system criteria to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the foregoing assessment, the Company considers that the design and implementation of its internal control system (including supervision and management of its subsidiaries) as of December 31, 2022, including the understanding of the effectiveness of operations and the extent to which efficiency objectives have been achieved, report reliability, timeliness, transparency and compliance with relevant codes and regulations, are effective, and can reasonably ensure the achievement of the above goals.
6. This Statement will constitute the main content of the Company's annual report and public statement and be made public. If any of the contents disclosed above is found to be false, have concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement was approved by the board of directors of the Company on March 30, 2023 None of the seven directors present had any objection and they all agreed to the contents of this Statement.

Scan-D Corporation

2. Internal control event shall be exposed by accountant: None.

(X) In the most recent year and before the deadline of publishing the annual report, were the companies and internal personnel penalized? Were the internal personnel penalized for violating the internal control system? Were there any major defects or improvements: none

(XI) Significant resolutions of the shareholders' meeting and the board meetings in the most recent fiscal year and as of publication date of this annual report

1. Significant Resolutions of the Shareholders' Meeting

(1) 2022 General Shareholders Meeting of Scan-D Corporation

Date of meeting	Significant Resolutions
June 23, 2022	1. Recognition of the Company's 2021 Business Report and Financial Account. 2. Recognition of the 2021 Earning Distribution Resolution. 3. Approval to certain articles of the Articles of the Company's Articles of Association.. 4. Approval to certain articles of the Company's Regulations Governing the Acquisition and Disposal of Assets.

(2) Resolutions of the 2022General Shareholders Meeting of Scan-D Corporation and their Implementation

Subject: Recognition of the Company's 2021 Business Report and Financial Account.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 30,332,134votes

Voting results	% of the total voting rights of the attending shareholders
For: 30,254,306 votes (including 30,238,304 electronic votes)	99.74%
Against: 16,001 votes (including 16,001 electronic votes)	0.05%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 61,827 votes (including 61,827 electronic votes)	0.21%

This resolution was recognized as the original resolution by voting.

Implementation: The Company's 2021 final account has been recognized: and has been announced and reported to the competent authorities in accordance with the relevant regulations.

Subject: Recognition of the Company's 2021 Earning Distribution Resolution.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 30,332,134votes

Voting results	% of the total voting rights of the attending shareholders
For: 30,254,289 votes (including 30,238,287 electronic votes)	99.74%
Against: 16,018votes (including 16,018 electronic votes)	0.05%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 61,827 votes (including 61,827 electronic votes)	0.21%

This resolution was recognized as the original resolution by voting.

Implementation: The ex-dividend date was set to July 17, 2022. In accordance with the resolution of the shareholders meeting, a cash dividend of NT$220,848,945 (NT$4.4 per share in cash) was distributed to the shareholders and was fully paid on July 29, 2022.

Subject: Approval to certain articles of the Articles of the Company's Articles of Association.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 30,332,134 votes

Voting results	% of the total voting rights of the attending shareholders
For: 29,902,314 votes (including 29,886,312 electronic votes)	98.58%
Against: 368,001 votes (including 368,001 electronic votes)	1.21%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 61,819 votes (including 61,819 electronic votes)	0.21%

This resolution was recognized as the original resolution by voting.

Implementation: Effective after the resolution at the shareholders' meeting, which was registered with the Ministry of Economic Affairs within 15 days according to the laws and regulations. The registration was approved by the Taoyuan City Government on July 05, 2022.

Subject: To approve certain amendments to the Regulations Governing the Acquisition and Disposal of Assets.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 30,332,134 votes

Voting results	% of the total voting rights of the attending shareholders
For: 30,198,297 votes (including 30,182,295 electronic votes)	99.55%
Against: 72,018 votes (including 72,018 electronic votes)	0.24%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 61,819 votes (including 61,819 electronic votes)	0.21%

This resolution was recognized as the original resolution by voting.

Implementation: It is announced on the Market Observation Post System and the Company's website in accordance with the laws and regulations, which is implemented according to the revised procedures.

2. Significant Resolutions of the Board Meeting

Significant Meeting Agenda

January 1, 2022 to April 30, 2023

Date	Session	Summary
March 30, 2022	12th meeting of the 10th session Board Meeting	1、Approved the Company's 2021 business report and financial statements. 2、Approved the Company's 2021 Remuneration Payment for Employees and Remuneration Payment for Directors. 3、Approved the Company's 2021 earnings distribution. 4、Approved the evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration. 5、Approved the benchmark date for the issuance of new shares for the second secured convertible corporate bonds into common shares. 6、Approved the amendments of certain provisions of the Articles of Association. 7、Approved the amendment of certain provisions of the Company's Regulations Governing the Acquisition and Disposal of Assets. 8、Approved the Company's 2020 Internal Control System Statement. 9、Approved the application of the extension of the bank credit line. 10、Approved the date, venue and reason of convening of the Company's 2022 general shareholders meeting. 11、Approved the Company's acceptance of the resolutions at the 2022 general shareholders meeting.
April 07, 2022	13th meeting of the 10th session Board Meeting	1、Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.
May 10, 2022	14th meeting of the 10th session Board Meeting	1、Approved the Company's2022 Q1 consolidated financial report. 2、Approved the new application of the bank credit line. 3、Based on long-term development needs, important subsidiaries obtained right-of-use assets for business use and authorized the chairman to purchase factories.
June 23, 2022	15th meeting of the 10th session Board Meeting	1、Approved the Company's 2021 Remuneration Payment for Directors and Supervisors and Remuneration Payment for Managers and Employees. 2、Approved matters related to the ex-dividend date and payment date of the Company's cash dividend. 3、Approved the application of the extension of the bank credit line.
August 09, 2022	16th meeting of the 10th session Board Meeting	1、Approved the Company's2022 Q2 consolidated financial report. 2、Approved the application of the extension of the bank credit line.
November 09, 2022	17th meeting of the 10th session Board Meeting	1、Approved the Company's2022 Q3 consolidated financial report. 2、Approved the establishment of Chief of Corporate Governance. 3、Approved the 2022 year-end bonus distribution for the Company's managers. 4、Approved the 2022 year-end bonus distribution for the subsidiaries Director. 5、Approved the Company's 2023 Budget. 6、Approved the amendment to the Company's "Regulations Governing Salary and Wages Management". 7、Approved the amendment to part of the Company's "Rules Governing the

Date	Session	Summary
		Proceedings of Board Meetings". 8、Approved the amendment to part of the Company's “Procedures for Handling Material Inside Information”. 9、Approved the Company's 2023 audit plans.
February 23, 2023	18th meeting of the 10th session Board Meeting	1、Approved subsidiary NOVA FURNISHING HOLDINGS PTE LTD the new application of the bank credit line. 2、Approved the second-tier subsidiary NOVA FURNISHING CENTRE PTE LTD the new application of the bank credit line. 3、Approved the second-tier subsidiary NOVA FURNISHING CENTRE company for subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case. 4、Approved subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case. 5、Approved the Company's of the replacement CPA in the fourth quarter of 2022. 6、Approved the deregistration of the subsidiary.
March 30, 2023	19th meeting of the 10th session Board Meeting	1、Approved the Company's 2022 business report and financial statements. 2、Approved the Company's 2022 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors. 3、Approved the Company's 2022 earnings distribution. 4、Approved the evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration. 5、Approved the re-election of 8 directors (including 3 independent directors) of the Company. 6、Approved the nomination list of directors and independent directors candidates. 7、Approved the removal of non-competition restrictions for newly elected directors (including independent directors) and their representatives. 8、Approved the amendments of certain provisions of the Company's Rules of Procedure for shareholders' meetings. 9、Approved the amendment of certain provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees. 10、Approved the Company's 2022 Internal Control System Statement. 11、Approved the new application and extension of the bank credit line. 12、Approved the date, venue and reason of convening of the Company’s 2022 general shareholders meeting. 13、Approved the Company's acceptance of the resolutions at the 2020 general shareholders meeting and nomination of directors.

（XII）Any Directors disagreeing with the decisions that were made by the Board of Directors meeting showing with a record or written statement in the most recent year and before the deadline of publishing the annual report and its content: none.

（XIII）In the most recent year and before the deadline of publishing the annual report, personnel who are connected to the financial report has resigned or been laid off (including the Chairman, General Manager, Director of Accounting, Director of Finance, Director of Internal Audit, etc.): none.

IV、Information about the fees for the CPA

Audit Expense of the CPA

Unit: NT$ thousands

<table>
<tr><th>Accounting Firm</th><th>Name of CPA</th><th>Period Covered by CPA's Audit</th><th>Audit Fee</th><th>Non-audit Fee</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">Deloitte & Touche</td><td>Chen, Hui-Min</td><td rowspan="2">2022.01.01-2022.09.30</td><td rowspan="4">2,800</td><td rowspan="4">30</td><td rowspan="4">2,830</td><td rowspan="4"></td></tr>
<tr><td>Kuo, Nai-Hua</td></tr>
<tr><td rowspan="2">Deloitte & Touche</td><td>Kuo, Nai-Hua</td><td rowspan="2">2022.10.01-2022.12.31</td></tr>
<tr><td>Lee, Li-Huang</td></tr>
</table>

Details of non-audit fees: (e.g. tax visa, assurance or other financial advisory services)

Note: If the company has changed accountants or accounting firms this year, please list the audit period separately, explain the reasons for the change in the remarks column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public fees and should be annotated to explain its service content.

V、Information about the change of the CPA：

(I) Former accountant：

<table>
<tr><td>Replacement Date</td><td colspan="4">From 2022 Q4</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">Change accountant for the internal arrangement of Deloitte & Touche</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated, or the CPA did not accept the appointment</td><td colspan="2">Parties
Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td colspan="2" rowspan="2">NA</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Differences with the company</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of Financial Statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td></td><td colspan="3">V</td></tr>
<tr><td colspan="4">Remarks/specify details:</td></tr>
<tr><td>Others (shall be disclosed according to Article 10, Subparagraph 5, Item 1-4 of the Principle)</td><td colspan="4">None</td></tr>
</table>

(II) Current Accountant：

Name of accounting firm	Deloitte & Touche
Name of CPA	Kuo, Nai-Hua、Lee, Li-Huang
Date of appointment	From 2022 Q4
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) The company shall inform the former accountant about the first item and third part of the second item that are stated in this paragraph with a letter and notify the former accountant to reply within 10 days if there are opinion of disagrement. The reply of former accountant shall be disclosed by the company: not applicable.

VI、The company's chairman, general manager, manager of finance or accounting affairs, who has worked in a CPA's office or its related business in the past year, should disclose his or her name, company title and the employment period of the accounting firm or its related business. The definition of related business of the accounting firm is which the CPA of the accounting firm hold more than 50% of the shares or has obtained more than half of the board of directors or had publicly announced or printed documents to label the relationship with the accounting firm.

VII、In recent fiscal year and as of the date of this Annual Report, Transfer of equity and change of equity pledge of directors, managers and shareholders with a shareholding ratio of more than 10%.The relative persons relationship of equity transfer or equity pledge shall disclose the name of the counterpart, the relationship with the company, directors, shareholding ratio of more than 10% of the shareholders and the number of shares acquired or pledged.

(一) Changes of Directors, Managers and major Shareholders:

Unit: share

Title	Name	2022		As of Apr. 21, 2023		Note
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	0	0	0	0	
Director	Neo, Khay-Pin	0	0	(70,000)	0	
Director	LIM, JIE-REN	0	0	0	0	
Director	Wang, I-Yao	0	0	0	0	
Independent Director	Wang, Chia-Cheng	0	0	0	0	
Independent Director	Hung,Da-Feng	0	0	0	0	
Independent Director	Chen, Chung-Cheng	0	0	0	0	
Independent Director	Lin, Hui-Ping	0	0	0	0	
General Manager	Hsueh, Hsiu-Chu	0	0	0	0	
Chief Operating Officer	Yu,Hung-Wu	(153,000)	0	(40,000)	0	
Assistant Manager	Liao, I-Chen	(18,000)	0	0	0	
CFO	Ho, San-Chuang	0	0	0	0	
Chief Auditor	Huang, Shu-Ling	0	0	0	0	

Note1: Shareholders hooding over 10% id deemed as major shareholder, please specify.
Note2: The relative person in relation to the transfer of equity or the pledge of equity shall fill in the following information.

(II) Share transfer over 10% among director, and manager：None.

(III) Equity pledge over 10% among director, and manager：None.

VIII、The shareholding ratio of the top 10 shareholders are 2nd degree relatives specified in Financial Accounting Standards Bulletin No. 6

Name（Note 1）	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees（Note 3）		Remark s
	Shares	%	Shares	%	Shares	%	Name	Relationship	
BVI Noble Link Management Ltd.	15,049,125	29.98%	0	0	0	0	YiCHia Investment Standard Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
BVI Noble Link Management Ltd. Representative: Lim, Pok-Chin	0	0	0	0	21,299,490	42.44%	YiCHia Investment Standard Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
Standard Chartered entrusted Noble Link Management Ltd. Investment Account	3,320,775	6.62%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment Standard Chartered entrusted LIN, JIE-MIN Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
YiCHia Investment	2,929,590	5.84%	0	0	0	0	BVI Noble Link Management Ltd. Standard Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
YiCHia Investment Responsible person: Lim, Pok-Chin	0	0	0	0	21,299,490	42.44%	YiCHia Investment Standard Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
Standard Chartered entrusted LIM, JIE-REN Investment Account	2,028,200	4.04%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment Standard Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account	Hold by first-degree relatives Hold by first-degree relatives Hold by first-degree relatives Hold by second-degree relatives	None
Fubon Life Insurance Co., Ltd.	2,000,000	3.98%	0	0	0	0	None	None	None
Fubon Life Insurance Co., Ltd. Responsible person: TSAI, MIN-XIN	0	0	0	0	0	0	None	None	None
Hsueh, Hsiu-Chu	1,247,860	2.49%	0	0	0	0	Hsieh, Hsiu-Chuan	Hold by second-degree relatives	None
Standard Chartered entrusted LIN, JIE-MIN Investment Account	885,397	1.76%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment Standard Chartered entrusted Noble Link Management Ltd. Investment Account CTBC entrusted LIM, JIE-REN Investment Account	Hold by first-degree relatives Hold by first-degree relatives Hold by first-degree relatives Hold by second-degree relatives	None
Standard Chartered entrusted Credit Suisse Investment Account	849,550	1.69%	0	0	0	0	None	None	None
Tai,Chuan-Wen	430,000	0.86%	0	0	0	0	None	None	None
Hsieh, Hsiu-Chuan	408,000	0.81%	0	0	0	0	Hsueh, Hsiu-Chu	Hold by second-degree relatives	None

Note 1: The top ten shareholders shall be listed, and the institutional shareholder shall list the name of the institutional shareholder and the name of the representative separately.
Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of the shareholder, the spouse and minors of the shareholder or nominee shareholder.
Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship with each other in accordance with the issuer of financial reporting standards.

IX、The number of shares of an enterprise held by the Company, the Company's Directors and officers and the enterprises controlled by the Company directly or indirectly, and the consolidated shareholding percentage: none.

Consolidated Shareholding

Unit: Shares; %

Reinvestment (Note)	Investment by the Company		Investments by the directors, supervisors, managers, and directly or indirectly controlled business		Consolidated Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Nova Furnishing Holdings Pte.Ltd.	2,000,000	100%	-	-	2,000,000	100%

Note: Long-term investments made by the Company using the equity method.

IV、Capital Overview

I、Capital and Shares

（I）Source of Capital

Apr.21, 2023；Unit: thousand dollars；1,000 shares

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1995/10	10	5,000	50,000	2,000	20,000	Establish	None	
1997/08	10	5,000	50,000	3,500	35,000	Capital Increased by Cash, 15,000,000 dollars	None	
1999/10	10	10,000	100,000	10,000	100,000	Capital Increased by Cash, 53,125,000 dollars Capital increase by retained earnings and bonus 11,875,000 dollars	None	
2000/06	10	19,220	192,200	19,220	192,200	Capital Increased by Cash, 50,000,000 dollars Capital increase by retained earnings and bonus 42,200,000 dollars	None	
2001/01	10	21,220	212,200	21,220	212,200	Consolidated capital increase, 20,000,000 dollars	None	Note 1
2001/07	10	25,648	256,476	25,648	256,476	Capital increase by retained earnings and bonus 33,666,000 dollars Capital Reserve Increase, 10,610,000 dollars	None	Note 2
2002/07	10	48,000	480,000	31,631	316,313	Capital increase by retained earnings and bonus 59,837,000 dollars	None	Note 3
2003/08	10	48,000	480,000	35,194	351,946	Capital increase by retained earnings and bonus 35,633,000 dollars	None	Note 4
2004/09	10	48,000	480,000	37,139	371,391	Capital increase by retained earnings and bonus 19,445,000 dollars	None	Note 5
2005/08	10	48,000	480,000	40,402	404,022	Bond conversion, 32,631,000 dollars	None	Note 6
2005/10	10	48,000	480,000	38,562	385,622	Treasury stock cancellation, 18,400,000 dollars	None	Note 7
2005/11	10	48,000	480,000	27,420	274,205	Capital reduction for cover accumulated deficits, 111,417,000 dollars	None	Note 8
2005/12	8	48,000	480,000	42,421	424,205	Capital Increased by Cash, private offered ordinary shares 15,000,000 shares 120,000,000 dollars	None	Note 9
2006/07	10	80,000	800,000	16,968	169,682	Capital reduction for cover accumulated deficits, 254,523,000 dollars	None	Note 10
2006/11	10	80,000	800,000	22,968	229,682	Capital Increased by Cash, private offered ordinary shares 6,000,000 shares，60,000,000 dollars	None	Note 11
2010/02	14	80,000	800,000	37,968	379,682	Capital Increased by Cash, private offered ordinary shares 15,000,000 shares ，150,000,000 dollars	None	Note 12
2012/07	10	80,000	800,000	39,866	398,666	Capital increase by retained earning18,984,000 dollars	None	Note 13
2013/06	10	80,000	800,000	41,859	418,599	Capital increase by retained earning19,933,000 dollars	None	Note 14
2014/08	10	80,000	800,000	43,952	439,529	Capital increase by retained earning20,930,000 dollars	None	Note 15
2015/07	10	80,000	800,000	42,982	429,829	Cancel treasure stock 9,700,000 dollars	None	Note 16
2017/06	10	80,000	800,000	43,438	434,380	Convertible bond 4,551,000 dollars	None	Note 17
2017/12	10	80,000	800,000	44,379	443,799	Convertible bond 9,419,000 dollars	None	Note 18
2018/03	10	80,000	800,000	45,853	458,530	Convertible bond 14,731,000 dollars	None	Note 19

2018/06	10	80,000	800,000	46,123	461,239	Convertible bond 2,709,000 dollars	None	Note 20
2018/09	10	80,000	800,000	46,133	461,332	Convertible bond 93,000 dollars	None	Note 21
2020/12	10	80,000	800,000	46,731	467,311	Convertible bond5,979,000dollars	None	Note 22
2021/03	10	80,000	800,000	48,537	485,378	Convertible bond18,067,000dollars	None	Note 23
2021/06	10	80,000	800,000	48,974	489,738	Convertible bond4,360,000dollars	None	Note 24
2021/09	10	80,000	800,000	49,853	498,531	Convertible bond8,793,000dollars	None	Note 25
2021/12	10	80,000	800,000	50,193	501,930	Convertible bond3,399,000dollars	None	Note 26

Note 1： Approved by FSC-SFB letter no.106166 on Jan.11, 2001.
Note 2： Approved by FSC-SFB letter no.142968on Jul.4, 2001.
Note 3： Approved by FSC-SFB letter no.132474 on Jun.17, 2002.
Note 4： Approved by FSC-SFB letter no.0920127738 on Jun.23,2003.
Note 5： Approved by FSC-SFB letter no.0930128780 on Jun.30, 2004.
Note 6： Approved by FSC-SFB letter no.0920120687 on May 20, 2003. Conduct capital change registration every quarter.
Note 7： Approved by FSC letter no.0940139239 on Sep.9, 2005.
Note 8： Approved by FSC letter no.0940135003 on Sep.13, 2005.
Note 9： Approved by TCOOC letter no.09419140910 on Oct.25, 2005.
Note 10： Approved by FSC letter no .0950126721 on Jul.28, 2006.
Note 11： Approved by TCOOC letter no.09585004510 on Nov.10, 2006.
Note 12： Approved by TCOOC letter no.0993071321 on Mar.18, 2010.
Note 13： Approved by FSC letter no.1010030338 on Jul. 10, 2012.
Note 14： Approved by FSC letter no.1020024503 on Jun.25, 2013.
Note 15： Approved by FSC letter no.1030034432 on Aug.27, 2014.
Note 16： Approved by FSC letter no.1040027396 on Jul.14, 2015.
Note 17： 2017 Q2 Convertible bond 455,097 shares, approved by letter no.10690963160 on Aug.24, 2017.
Note 18： 2017 Q4 Convertible bond 941,906 shares, approved by letter no.10790798590 on Apr.3, 2018.
Note 19： 2018 Q1 Convertible bond 1,473,090 shares, approved by letter no.10790856650 on May 24, 2018.
Note 20： 2018 Q2 Convertible bond 270,958 shares, approved by letter no.10790967280 on Aug.24, 2018.
Note 21： 2018 Q3 Convertible bond 9,236 shares, approved by letter no.10791076770 on Nov.23, 2018.
Note 22： 2020 Q4 Convertible bond 597,893 shares, approved by letter no.11090812710 on Apr.07, 2021.
Note 23： 2021 Q1 Convertible bond 1,806,693 shares, approved by letter no.11090879450 on May.24, 2021.
Note 24： 2021 Q2 Convertible bond 435,998 shares, approved by letter no.11091007640 on Aug.25, 2021.
Note 25： 2021 Q3 Convertible bond 879,255 shares, approved by letter no.11091129390 on Nov.24, 2021.
Note 26： 2021 Q4 Convertible bond 339,876 shares, approved by letter no.11190823140 on April.14, 2022.

Apr.21, 2023 Unit: share

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Ordinary share	50,192,942	29,807,058	80,000,000	The Company's shares are listed in TPEx.

Note 1:Specify if the share is listed company at over-the-counter market.

(II) Information on the shelf registration system: Not applicable.

（III）Shareholder structure

Apr.21, 2023 Unit: share

Shareholder structure / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Person	0	1	29	7,021	32	7,083
Shares	0	2,000,000	3,587,591	21,742,689	22,862,662	50,192,942
%	0	3.98%	7.15%	43.32%	45.55%	100.00%

（IV）Share status

1.Ordinary Stock (Par value 10 dollars) Apr.21, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	2,751	325,209	0.65 %
1,000 ~ 5,000	3,565	6,888,028	13.72 %
5,001 ~ 10,000	402	3,090,976	6.16 %
10,001 ~ 15,000	135	1,709,928	3.41 %
15,001 ~ 20,000	66	1,209,087	2.41 %
20,001 ~ 30,000	55	1,359,783	2.71 %
30,001 ~ 40,000	41	1,496,488	2.98 %
40,001 ~ 50,000	10	442,701	0.88 %
50,001 ~ 100,000	34	2,406,127	4.79 %
100,001 ~ 200,000	11	1,461,000	2.91 %
200,001 ~ 400,000	3	655,118	1.31 %
400,001 ~ 600,000	2	838,000	1.67 %
600,001 ~ 800,000	0	0	0 %
800,001 ~ 1,000,000	2	1,734,947	3.46 %
1,000,001 or over	6	26,575,550	52.94 %
Total	7,083	50,192,942	100.00 %

2. Special share: no special shares are issued.

（V）Name of Major Shareholders: Top 10 sharehold holding the share over 5%

Apr.21, 2023 Unit: Share

Name \ Share	Shares	Rate (%)
BVI Noble Link Management Ltd.	15,049,125	29.98 %
Standard Chartered entrusted Noble Link Management Inc. Investment Account	3,320,775	6.62 %
YiCHia Investment	2,929,590	5.84 %
Standard Chartered entrusted Lim, Jie-Ren Investment Account	2,028,200	4.04 %
Fubon Life Insurance Co., Ltd.	2,000,000	3.98 %
Hsueh, Hsiu-Chu	1,247,860	2.49 %
Standard Chartered entrusted Lin, Jie-MinInvestment Account	885,397	1.76 %
Standard Chartered entrusted Credit Suisse Investment Account	849,550	1.69 %
Tai,Chuan-Wen	430,000	0.86 %
Hsieh, Hsiu-Chuan	408,000	0.81 %

（VI）Share price, worth, earning, dividend information of theses 2 years

Unit: TWD:1000 shares

Items \ Year			2021	2022	As of Mar.31, 2023 (Note 8)
Market Price per Share (Note 1)	Highest Market Price		61.10	55.90	47.20
	Lowest Market Price		47.00	41.60	41.95
	Average Market Price		54.26	49.30	44.45
Net Worth per Share (Note 2)	Before Distribution		27.25	27.58	24.97
	After Distribution		23.18	（Note 9）	-
Earnings per Share	Weighted Average Shares		48,739	50,193	50,193
	EPS (Note 3)		5.54	4.30	0.78
Dividends per Share	Cash Dividends		4.40	3.40	-
	Stock Dividends	Dividends from Retained Earnings	-	（Note 9）	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
Return on Investment	Price / Earnings Ratio (Note 5)		9.79	11.47	-
	Price / Dividend Ratio (Note 6)		12.33	14.50	-
	Cash Dividend Yield Rate (Note 7)		8.11	6.90	-

* In the event of a surplus or capital reserve transfer, the market value and cash dividend information adjusted retroactively according to the number of shares issued should be disclosed.

Note 1: The highest and lowest market prices for common shares for each year are shown and the average market price for each year is calculated on the basis of the transaction values and volumes for each year.

Note 2: Please fill in based on the number of issued shares at the end of the year and the distribution according to the resolution of the board of directors or the shareholders' meeting of the following year

Note 3: If there is a retroactive adjustment due to a non-reimbursable rights issue, the pre-adjustment and adjusted surplus per share should be shown.

Note 4: If the terms of issue of equity securities stipulate that the dividends not issued in the current year have to be accumulated to the year of surplus, they shall disclose, respectively, the outstanding dividends for the year ended.

Note 5: This benefit ratio = when the annual average price per share/surplus per share.
Note 6: Profit = Average closing price per share/cash dividend per share for the year.
Note 7: Cash dividend rate = Cash dividend per share/average closing price per share for the year.
Note 8: Net value per share, surplus per share should be included in the most recent quarter of the published date of the annual report by the accountant's check (approval) data; the remaining fields should be filled in as annual data as of the publication date of the annual report.
Note 9: 2022 earning distribution is to be resolute by the shareholders ' meeting.

（VII）Company's dividend policy and its implementation

1. Dividend policy stipulated in the articles of incorporation:
   In case of any surplus in the Company's annual final accounts, the Company will pay taxes in accordance with the law, make up for the accumulated losses, and then set aside another 10% as a legal reserve. However, when the legal reserve has reached the paid-in capital of the Company, it may no longer be set aside, and the rest may be set aside or reversed to the special capital reserve according to the law. In the event of a balance and accumulated undistributed surplus, the board of directors shall prepare a proposal on surplus distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends.
   The Company's dividend policy, in line with the current and future development plans, considering the investment environment, capital requirements and domestic and foreign competition, and taking into account the interests of shareholders and other factors, shall allocate not less than 20% of the distributable surplus each year among shareholders. When distributing dividends to shareholders, they may be paid in cash or stock, with the cash dividends not less than 30% of the total dividends.

2. The proposed dividend distribution at the current regular meeting of shareholders.
   The Company's board of directors meeting on March 30, 2023 decided the following proposals for the distribution of earnings for 2022:

Scan-D Corporation
Distribution of earnings for 2022

Unit: NT$

Item	Amount	
	Subtotal	**Total**
Undistributed earnings at the beginning of the period	109, 237, 139	
Plus: current after-tax surplus	215, 847, 569	
Plus: Reversal of special surplus reserve	10, 870, 724	
Less: Statutory surplus reserve	(21, 584, 756)	
Distributable surplus for the current period		314, 370, 676
Distribution items:		
Shareholder bonus (NT$3.4er share in cash)	170, 656, 003	
Undistributed earnings at the end of the period	143, 714, 673	
Note: the calculation is based on the common shares issued on the previous day of the Company's board of directors meeting, i.e. March 29, 2023.		

3. If a material change in dividend policy is expected, provide an explanation: None.

（VIII）Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Unit: NT$; stock

<table>
<tr><th colspan="3">Year
Item</th><th>Year 2023 (forecast)</th></tr>
<tr><td colspan="3">Initial paid-up capital</td><td>NT$501,929,420</td></tr>
<tr><td rowspan="3">The situation of share allotment and dividend payment this year (Note 1)</td><td colspan="2">Cash dividend per share (NT$)</td><td>NT$3.4</td></tr>
<tr><td colspan="2">The number of share allotments per share for recapitalization of retained earnings</td><td>0 stock</td></tr>
<tr><td colspan="2">The number of share allotments per share for recapitalization of capital reserve</td><td>0 stock</td></tr>
<tr><td rowspan="7">Change in business performance</td><td colspan="2">Operating profit</td><td rowspan="13">The Company did not post financial forecast information in 2023, so it is not applicable.</td></tr>
<tr><td colspan="2">Increase or decrease ratio in net operating profit year-on-year</td></tr>
<tr><td colspan="2">Pre-tax profit</td></tr>
<tr><td colspan="2">Increase or decrease ratio in pre-tax profit year-on-year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Increase or decrease ratio in earnings per share year-on-year</td></tr>
<tr><td colspan="2">Average annual return on investment (inverse of average annual PE ratio)</td></tr>
<tr><td rowspan="5">Prepared earnings per share and PE ratio</td><td rowspan="2">Where recapitalization of retained earnings is reallocated to cash dividends</td><td>Prepared earnings per share</td></tr>
<tr><td>Prepared annual average rate of return</td></tr>
<tr><td rowspan="2">Where recapitalization of capital reserve is not handled</td><td>Prepared earnings per share</td></tr>
<tr><td>Prepared annual average rate of return</td></tr>
<tr><td>Where recapitalization of capital reserve is not handled and capital increase through capitalization of retained earnings is paid in cash dividends instead</td><td>Prepared earnings per share</td></tr>
</table>

Note 1: Pending the resolution of the 2023 regular meeting of shareholders.

（IX）Compensation of employees, directors:

1. The percentages or ranges with respect to employee, director, compensation, as set forth in the company's articles of incorporation:
   If the Company has earned a profit, no less than 4% of the profit shall be allocated to employees. The board of directors shall decide whether to distribute the remuneration in stock or cash to the company employees who meet certain conditions. The Company’s board of directors meeting shall, by resolution, allocate not more than 2% of the profits to the directors. Employee remuneration and director remuneration distribution shall be reported to the shareholders' meeting. However, if the Company still has an accumulated deficit, the amount of compensation shall be retained in advance, and then the remuneration of employees and directors should be set aside according to the proportion noted in the preceding paragraph.
2. The basis for estimating the amount of employee, director, compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting

treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

In case of any discrepancy between the actual distributed amount and the estimated figure, it will be treated according to the change in accounting estimate and be adjusted and recorded in the next year.

3. Information on any approval by the board of directors of distribution of compensation:

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The board of directors meeting on March 30, 2023 adopted the resolution of employee compensation and director compensation distribution for the year of 2022, and planned to distribute their compensation of 2022 to be NT$12,090,137 and NT$4,030,046 respectively, which would be paid in cash and submitted to the shareholders regular meeting of 2023 for deliberation.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: none.

4.The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The Company allocated NT$14,682,877 for employee compensation in 2021 and NT$4,894,292 for director and supervisor compensation in 2021, which was not different from the recognition in the financial report in 2021.

（X）Share repurchases: none.

II、Information on the Company's issuance of corporate bonds： None.

III、Issuance of Special shares： None.

IV、Issuance of Overseas Depository Receipts：None.

V、Issuance of Employee Stock Options & Issuance of Employee Restricted Shares:None.

VI、Status of New Shares Issuance in Connection with Mergers and Acquisitions：None.

VII、Implementation of Capital Utilization plan：None.

V、Operation Summary

I. Business Activities

(I)Scope of Business

1. Primary Business Activities
   (01) Manufacture of Furniture and Fixtures
   (02) Upholstery
   (03) Wholesale of Furniture, Bedding, Kitchen Equipment and Fixture
   (04) Wholesale of Construction Materials
   (05) Retail of Furniture, Bedding, Kitchen Equipment and Fixture
   (06) Retail of Construction Materials
   (07) Landscape and Interior Design
   (08) Wholesale of Precision Instruments
   (09) Wholesale of Telecom Instruments
   (10) Wholesale of Computer Software
   (11) Wholesale of Electronic Materials
   (12) Other Wholesale
   (13) Other Retail
   (14) International Trading
   (15) Management Consulting
   (16) Software Design Services
   (17) Digital Information Supply Services
   (18) Product Design
   (19) All business that is not prohibited or restricted by law, except permitted business

2. Revenue ratio

Unit: NT$'000

Year / Product Category	2022	
	Amount	%
Living room products	1,456,762	59.06%
Restaurant products	286,752	11.63%
Bedroom products	465,166	18.86%
Mattress	245,167	9.94%
Others	12,577	0.51%
Total	2,466,424	100.00 %

3. Current products and services offered by the Company
   Household consumer products, mainly sales of furniture and home decoration products.

4. Planned development of new products and services
   (1) Aggressive store expansion plan: Continuous development of sales points (new store) to improve market competitiveness and share.
   (2) Cultivation of own brands: In line with modern people's demand for home decoration, "Scanteak - feel at home" brand impresses consumers with its low-key and elegant style and fresh image, thus creating market differentiation and increasing its popularity and market share.
   (3) Strengthening product development: Apart from the original teak furniture products, the Company has strengthened the development of its sub-brand "Scan Living" and peripheral home decoration products of its own brand to create business opportunities with reliability and high quality, and avoid falling into a price-cutting competition.

(4) Development of marketing activities: In addition to utilizing the advantages of our existing physical stores with promotional activities, together with public relations, media and show biz operations, the efficiency and effectiveness of marketing activities can be enhanced while the scope of its business and profit can be expanded.

(II) Industry Overview

1. Current Condition and Development of the Industry

Taiwan's furniture industry can be traced back to two woodworking machinery factories Kuang Jung and Sheng Feng producing woodworking machines in 1956. Since then, it has formally stepped from traditional manual manufacturing to modern mechanical manufacturing. With the development of semi-automatic scale production, the production scale of the furniture industry has gradually increased. Meanwhile, the government was undertaking a major economic construction program. With the increase of national income, the demand for wooden furniture and desks and chairs was on the rise as well. In terms of production, due to the modernization of the furniture industry, most of the products are manufactured and processed by continuous manufacturing and single product production lines, resulting in the increasing number of new types of factories, with the products mainly made of wood, bamboo and rattan.

From 1966 to 1975, Taiwan's furniture industry entered a period of rapid development and prosperity of export. At the same time, with the aid of the plywood industry, the furniture industry entered the next stage of mass production and export development. Automated production of plywood increased the supply of important raw materials for furniture, which not only raised the production of furniture but also reduced its cost, thus creating another boom in the furniture industry. At that time, some large-scale furniture factories began to export high-end furniture produced. For example, a Hong Kong-based teak company set up a factory at the Kaohsiung Export Processing Zone in 1967, while the Veterans Affairs Council also set up a plant in the same year to produce wooden furniture for export. The two factories above manufactured products in an automated way and their products were competitive internationally. In addition to earning a profit from export trade for the country, they also laid a foundation for Taiwan to become a furniture kingdom thereafter.

During 1976 and 1980, Taiwan's furniture industry entered a mature stage. In addition to the continuous expansion of the production scale of existing factories, new factories and the production capacity of newly established wood companies were also opened up successively, and the export of products reached a peak at the time. However, the domestic furniture industry gradually underwent an important shift in structure, while under international market disruptions, such as inflation and oil crisis, and the ban on exports from log exporting countries, resulting in a decline of Taiwan's mainstream wooden furniture, which in turn created the rise of metal furniture products.

From 1981 to 1990, Taiwan introduced the manufacturing technology of Japanese copper furniture, which started the development process of metal furniture. At first, some manufacturers cooperated with Japanese factories to produce office furniture, such as UB and AURORA. In 1988, the Forestry Bureau banned logging and the price of local timber soared to three times of imported timber. Since then, Taiwan wooden furniture manufacturers began to rely on imported timber from Southeast Asia. Meanwhile, China's low-priced wooden furniture was sold to Taiwan in large quantities, which affected the domestic wooden furniture market. However, due to the abundant supply of steel raw materials in Taiwan, the high degree of automation in factories and the ability of independent research and development, metal furniture performed well during the period. As domestic steel mills such as China Steel and Hualung and other companies continue to supply high-quality raw materials, Taiwan's metal furniture had considerable competitiveness in the international market.

Over the period of 1991 to 2012, the domestic furniture industry experienced a breakthrough in transformation, with the business model gradually shifting from OEM to ODM. Office automation (OA) offers another long-term development opportunity for furniture products, characterized by limited production and diversification. In 1995, the Sakura manufacturer set up a system furniture factory in Taichung. The system furniture is intended for the overall planning and design of the interior space, where space can be utilized more effectively compared with traditional furniture. With the increase of national income, the system furniture began to shine in the furniture industry.

During the period, Taiwan's furniture industry was also facing such pressures as limited sources of raw materials, insufficient labor force, wage increase and appreciation of the Taiwanese currency, which had impacted our export market. Moreover, in emerging markets such as Malaysia, Indonesia and China, labor was cheap, and thus they had comparative advantages in production costs, so that the global market share of Taiwan's furniture was shrinking. In 1991, certain Taiwanese furniture manufacturers began to move out by transforming from the OEM model to self-owned brands, such as Legacy, a well-known American furniture brand acquired by Taisheng. Later, it acquired Universal, an American hotel furniture manufacturer, and set up factories in China, exporting products from China to the United States.

In the 1990s, as Taiwan gradually attaching importance to the quality of life, the chain furniture brand channel merchants focusing on the design concept and brand image began to enter the Taiwan furniture market. By selling single-brand products, they launched a series of design products. In addition, by utilizing brand power, they entered the consumer market and developed exquisite products with high added value and marketed the brand, including chain furniture brands like Scanteak, STRAUSS, and Order. With the rising consumption level in Taiwan, the demand for imported furniture was also increasing.

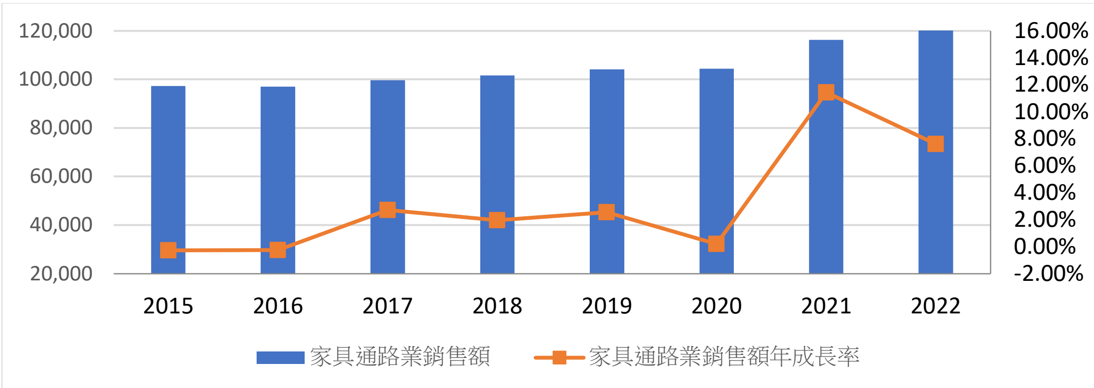
Large chain furniture outlets such as B&Q and IKEA expanded to Taiwan in the 2000s. They provided customers with DIY furniture and customized consulting services, which created a trend for DIY furniture and gained a share in the furniture market.In 2000, the scale of production and marketing of furniture manufacturing industry in Taiwan reached NT$53.9 billion. However, the scale declined to only about NT$35 billion by 2008. To avoid sinking deeper into a quagmire of low-price competition with other Asian countries, domestic furniture manufacturers began to focus on high-quality and high value-added furniture products to enhance their competitiveness.

The impact of the financial crisis in 2009 and the overall economic downturn reduced spending power and willingness, resulting in a sharp decline of 19.27% in sales in the domestic furniture manufacturing industry from 2008 to 2009. In 2010, with the recovery of the economy, the overall furniture industry began to revive, driving the annual growth rate of Taiwan’s furniture manufacturing output by 14.93%. Despite the unfavorable economic environment in Europe and the United States, the demand for housing renovation increased in 2011, which led to positive growth in the value of furniture production and sales, with an annual growth rate of 1.21%. In 2012, the domestic economic growth was weak while the housing market slightly recovered. In addition, domestic manufacturers actively establish OEM and ODM relationships with international furniture giants. Under the growth of export value, the annual growth rate of the overall sales value maintained a growing trend.

In 2013, as the number of real estate projects in the nation continued to rise while green and eco-friendly building materials were promoted worldwide, domestic furniture manufacturers continuously launched featured products to enhance their competitiveness and attractiveness, including green furniture, natural furniture and quality furniture. In addition, relevant companies actively cooperated with large European brand furniture companies to increase product competitiveness and support the sales growth of the furniture industry. In 2015, the Central Bank of Taiwan and the Financial Supervisory Commission increased and investigated taxes on the housing market, which cooled off the transaction in the market and slightly affected the demand for furniture following the purchase of new houses. In recent years, the overall sales market of Taiwan's furniture industry has maintained a stable level of between NT$80 billion and nearly NT$100 billion. Except for the annual decrease of 9.12% affected by the global financial crisis in 2009, the overall market has presented a pattern of small or steady growth and became to level off year by year. In 2022, the total sales volume of Taiwan's furniture industry was NT$ $125.1 bilion, and the overall furniture market without bedding was nearly NT$100 billion, which was mature and stable

Sales and annual growth rate of Taiwan furniture industry from 2015 to 2022

Unit: NT$ million



Note: Classified according to the taxation standard of the ROC. The furniture industry includes domestic furniture, imported furniture, and kitchenware.

Source: Ministry of Finance statistical database.

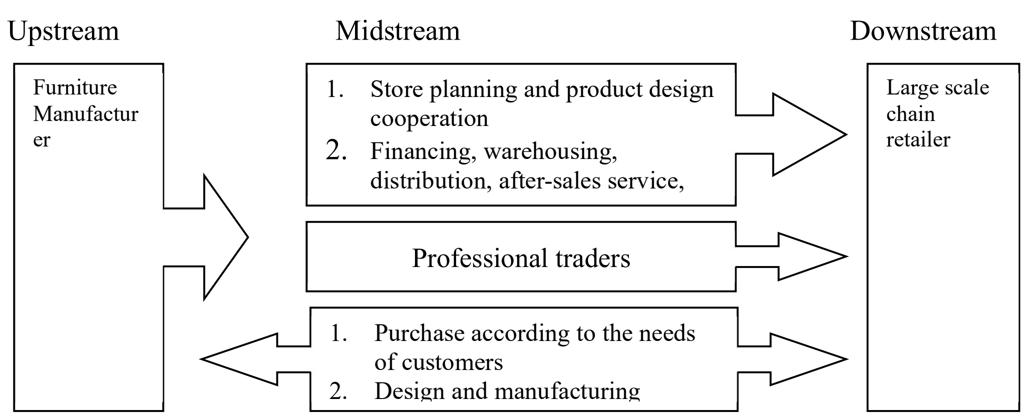
Since 2013, there has been a significant change in furniture sales channels, from the traditional furniture stores and furniture streets to large shopping malls and integrated furniture marts.

In addition, large furniture manufacturers, such as the chain furniture industry, have begun to upgrade their logistics and warehousing capabilities and build logistics centers, which assisted Taiwan's furniture industry, which is in a mature market, in enhancing its competitiveness.

2. Relevance between the upstream, midstream, and downstream of the industry

The furniture industry is a process in which the upstream manufacturers acquire raw materials for processing and manufacturing. Midstream agencies, such as traders, agents and wholesalers, then carry out trading and import and export business. Finally, the product is sold to the end-consumers through physical channels such as furniture stores, department stores, brand chain stores or online platforms. SCAN-D is primarily engaged in the operation of chain furniture stores, providing the sales and services of teak furniture, bedding, kitchen appliances, and other products. It is also the end of the channel that faces consumers directly in the circulation of commodities, which is at the downstream of the furniture industry chain.

The business relation diagram of the industry is illustrated as follows:



3. Product development trends and competition
   (1) Scale, specialization and branding of furniture enterprises: large enterprises and well-known brand enterprises are driving the development of the industry, with a number of outstanding featured products and well-known brands.
   (2) Furniture enterprise clustering: clustering will advance specialized division of labor and cooperation, promote industrial restructuring and product upgrading.
   (3) Innovative marketing strategy: As consumers pay more and more attention to shopping feeling, the Company reduces the stress of consumers entering the market by organizing casual and low-involvement marketing activities. In addition, it creates experiential marketing for customers with additional products and services, provides aesthetic, sensory and infectious creative association, and brings consumers a fresh feeling with the leisure family form of Scan Living.
   (4) International, professional and large-scale furniture exhibition: Driven by large-scale exhibitions, China will become the world's furniture purchase center.

(III) Technology and R&D Overview

1. R&D expenditure in the most recent year up to the publication date of the annual report:
   The Company is a furniture chain operator. Despite not having a dedicated R&D unit, the Company's marketing department has invested considerable human resources and costs over the years in planning marketing strategies and advertising to meet the needs of consumers.
2. Technologies or products that have been successfully developed in the most recent year up to the publication date of the annual report.
   As the Company focuses on imported furniture sales, there is no dedicated R&D unit. However, in order to cope with the rapid changes in the market and the increasingly fierce competition, so as to improve the Company's competitive advantage and operating performance, since April 2010, the Company has obtained the authorization of "Scanteak" brand and formally plunged into the furniture chain store business. In April 2012, a sub-brand of "Scanliving" was established. The two brands of Scanteak and Scan Living cooperated with different companies and teams in Europe to introduce new and premium furniture for Taiwanese consumers. Scan Living has signed a contract with brand CS Schmal under the Nolte Group, Europe's largest system panel furniture manufacturer, and has officially become the sole agent of the Nolte Group in Taiwan. Scanteak and Outofstock, a multi-cultural design team, jointly launched the PROLOGUE series furniture. PROLOGUE is highly praised for its design-inspired lifestyle. After winning the 2015 Good Design Award in Singapore and Japan respectively, it was awarded the highest honorary Presidential Design Award in Singapore. This has provided the largest momentum for SCAN-D to innovate.

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

In order to cope with the future industry trend and the overall economic environment and trend, the Company draws up various plans and comes up with the future business direction so as to enhance its competitiveness. The Company's short and long term business plans are summarized as follows:

1. Short-term plan:
   (1) Expand the potential consumer market through different brand channels.
   (2) Make good use of channel advantages to act as an agent for international boutique furniture, with multi-brand strategy management.
   (3) Strengthen diversified marketing activities to stimulate purchase power.
2. Long-term plan:
   (1) In response to the rise of the Chinese market and ASEAN, it is expected to expand the furniture chain outlet business in China and ASEAN at an appropriate time, with a hope to integrate the upstream and downstream resources through the experience

of developing brand channels in Taiwan, so as to become an international furniture manufacturer.

(2) A new SCAN-D membership system is being planned to strengthen customer relationship management (CRM) and customer loyalty, enhance the service mechanism of business bases, and develop different age groups of consumers.

II. Market, production and Sales Overview

(I) Market Analysis

1. Places of sales (provision) of major commodities (services)

Unit: NT$'000

Item		2021 Sales Amount	2021 Percentage of revenue %	2022 Sales Amount	2022 Percentage of revenue %
Distribution Region	Internal sales	1,598,424	66.88	1,623,862	65.84
	External sales	791,427	33.12	842,562	34.16
	Hong Kong/China	-	-	-	-
	US/Germany	-	-	-	-
	Others	-	-	-	-
	Other operating revenue	-	-	-	-
	Total	2,389,851	100.00	2,466,424	100.00

2. Market share

Taiwan's furniture industry is mainly divided into two systems: the manufacturing industry and the service industry. The manufacturing industry is export-oriented while the service industry is mainly domestic retail. According to the Report on Import and Export of Furniture in Taiwan in 2021 by the Taiwan Furniture Manufacturers' Association, the total import of furniture in Taiwan in 2021 was valued at about US$953 million while the Company accounting for about 3% of the total import. According to the statistical database of the Ministry of Finance, the sales volume of Taiwan's furniture industry in 2022 was NT$125.1 billion while the Company accounting for about 1.30% of the total sales.

3. Future supply, demand and growth of the market

(1) Future supply and demand

A furniture retail chain, the Company focuses on developing the Scanteak brand. In the past, Taiwan's main sales outlet was the furniture street formed by the "single-store market." In response to the changes in consumers and the market, the Company has gradually transformed into Specially Stores, design exhibition hall or chain stores, while the furniture products shifted from being made domestically to imported furniture. In the future, the channel moded of traditional furniture markets is expected to gradually replaced by large-scale furniture chains with high reputation and service orientation.

(2) Future growth of the industry

According to the analysis of the global furniture market, after the signing of AFTA and ECFA, China has become a huge potential market. In addition, Southeast Asia, as a well-known furniture manufacturing center in the world, has also become a stage where the global furniture industry is scrambling to invest in. SCAN-D has been operating brand and developing sales channels in Taiwan for many years, accumulated enough experience and energy to enter the furniture chain store business in mainland China and Southeast Asia. Through integrating upstream and downstream resources, the Company has expanded cross-strait furniture chain business with a view to becoming an international furniture manufacturer. However, in the domestic market, there is still no brand manufacturer with a heavy market share, with considerable room for growth. By understanding customers and paying attention to the direction of government policies, we will strive to pursue the growth and development of our operating results and establish an optimized sales system. In the future, Scan-D will base itself in Taiwan and enter the Chinese and ASEAN markets, expanding its vision to the globe as its corporate vision.

4. Competitive niche

(1) Quality assurance

The Company's products are subject to strict quality inspection from material selection to furniture design and production, so as to ensure that the goods delivered to customers are high-quality finished products. From furniture raw materials, joints, accessories to final decoration, we pay attention to every detail. With a product warranty card system and 0800 free customer service hotline, we are dedicated to solving problems for our customers, achieving the goal of "customer first, service from the heart." We will ensure that the Scanteak brand is striving for excellence and bring the best products and services to our customers.

(2) Cost advantage

Through the integration of professional purchasing teams with the global supply chain, coupled with an optimized logistics planning and warehousing management system, inventory cost can be effectively reduced and the competitive advantage can be enhanced.

(3) Value of the channel

We have more than 100 physical stores in Taiwan, all of which are operated under the direct operation moded. At the convergence of transportation systems, they have an absolute competitive niche in marketing activities, retail displays, and customer service.

(4) Brand image

SCAN-D has won many awards over the past years, including Singaporean potential brand award, super brand award, Singaporean city business district brand SPBA (Citibusiness-SPBA) award and was presented with the Golden Merchants Award for Outstanding Foreign Firm by the General Chamber of Commerce of Taiwan in 2006 and 2011. Moreover, in the "Household Brand" market survey conducted by a well-known magazine, the Company won the first place in the 2009 survey of ideal brands/well-known brands of 60 leisure furniture, and second place in the 2010 and 2011 surveys of well-known brands of furniture and professional awards. In 2012, it was regarded as one of "200 Best Small and Medium-sized Enterprises in Asia in 2012" by Forbes magazine. Every piece of furniture has obtained quality assurance. It is a trustworthy and high-quality brand in the heart of consumers. In 2015, Scanteak and Outofstock, a multi-cultural design team, jointly launched the PROLOGUE series furniture. PROLOGUE is highly praised for its design-inspired lifestyle. After winning the 2015 Good Design Award in Singapore and Japan respectively, it was awarded the highest honorary Presidential Design Award in Singapore. This has provided the largest momentum for SCAN-D to innovate.

5. Favorable and unfavorable factors and responding measures for prospects of development

(1) Favorable factors

a. The brand's orientation is clear as our core team has many years of sales experience. We have a flexible grasp of market dynamics and business management capabilities. Under the leadership of an elite team, Scan-D is able to perform well during difficult times.

b. Scan-D is people-oriented, understands the importance people attach to "home" and their desire for a comfortable and stable home environment. From product material, service attitude, size measurement, space design, decoration and quality of life, each retail staff understands customer preferences and actual needs and leads them to feel the carefully created warmth of the atmosphere.

c. To facilitate flexible dispatch and distribution of goods, large-scale transshipment and warehousing units were established in northern and central Taiwan. In addition to effectively shortening the logistics time, risk diversification can be achieved.
d. Long-term cooperation with overseas suppliers, quality and stable supply and strong bargaining power reduce the cost relatively, which is also the Company's competitive advantage in the furniture industry.
e. We have more than 130 physical stores in Taiwan, all of which are operated under the direct operation moded. At the convergence of transportation systems, they have an absolute competitive niche in marketing activities, retail displays, and customer service.

(2) Unfavorable factors and response measures

Unfavorable Factors	Response measures
Global recession and slowdown of the domestic economic growth.	Maintain growth despites the economical decline. The Company increases the number of customers and purchasing opportunities by expanding branch stores, using creative marketing ideas and creating atmosphere at store displays
Competition in the industry is intense, other than bricks and mortar the large retail chain stores have brought on major impact. In addition, low priced furniture imported from China had expanded its market share rapidly and resulted in a price-cutting competition in the furniture industry.	Enhance consumer recognition by establishing brand image and strengthening various marketing strategies. Actively develop peripheral soft products, increase product diversification and uniqueness to drive the development of potential markets.
The furniture industry sells semi-durable goods and involves a wide range of products.	The Company analyzes and understands the diversity and rapidly changing needs of consumers and communicate deeply with consumers through innovative marketing strategies and brand image. The Company strengthens customer relationship management, establishes a loyal and stable customer base, and improves customer return rate by adhering to its brand spirit and value recognition.

(II) Important use of the main products and production process

1. Important use of the main products
   (1) Furnitures: Mainly sells general home living products and furniturs. Such as tables, chairs, couches, bedframes, mattresses, closets, dressers and couch cover.
2. Production Process：Not Applicable. (The company is not a manufacturer)

(III) Supply of major materials：Not applicable. (The company is not a manufacturer)

(IV) The name of the manufacturer (customer) and the amount of the import (sales) and the proportion of the increase and decrease of the manufacturer (customer) in the previous year or the previous year.

1. Name of the manufacturer who accounted for more than 10% of the total purchase in any of the past two years

Unit: thousand dollars

Item	2021				2022				As of 2023 latest quarter			
	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer
1	K	92,278	9.81	None	H	68,136	6.40	None	E	13,019	7.28	None
2	J	50,890	5.41	None	M	62,851	5.90	None	J	12,486	6.98	None
3	I	49,767	5.29	None	J	59,055	5.55	None	N	8,370	4.68	None
	Others	747,803	79.49	None	Others	874,797	82.15	None	Others	145,044	81.06	None
	Total	940,738	100.00		Total	1,064,839	100.00		Total	178,919	100.00	

Note 1: List the names of suppliers who account for more than 10% of the total purchases in the last two years, as well as the purchase amount and proportion. However, because the contract stipulates that the name of the supplier shall not be disclosed or the transaction object is an individual and not a related person, it may be a code name.

Note 2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

Note 3:Reasons for increase or decrease: The increase or decrease in the purchase amount is due to fluctuations in the revenue of the store.

2. Name of the manufacturer who has accounted for more than 10% of the total sales in any of the past two years: none.

(V) Production value in the last two years: Not applicable (the company is not a manufacturer)

(VI) Sales Volume In The Past Two Years:

Sale Volume Chart of The Past Two Years

Unit: thousand dollars

Year / Shipments & Sales / Major Products (or by departments)	2021		2022	
	Local	Export	Local	Export
	Quantity	Quantity	Quantity	Quantity
Living Room	1,386,185	-	1,456,762	-
Restaurant	254,100	-	286,752	-
Bedroom	507,817	-	465,166	-
Mattress	227,045	-	245,167	-
Others	14,704	-	12,577	-
Total	2,389,851	-	2,466,424	-

III、Employees' information on the number of employees, average years of service, average age and academic distribution ratio of employees in the last two years and up to the date of publication.

Year		2021	2022	As of Mar.31, 2023
Number of Employees	Management	43	39	39
	Technician	45	47	49
	Staff	285	269	267
	Total	373	355	355
Average Age		41.10	41.50	41.85
Average Years of Service		4.80	5.08	5.13
Education	Ph.D.	0.00%	0.00%	0.00%
	Masters	1.88%	1.69%	2.25%
	Bachelor's Degree	52.28%	52.96%	53.24%
	Senior High School	39.68%	37.75%	37.46%
	Below Senior High	6.16%	7.60%	7.05%

IV、 Environmental Expenditures Information

1. The explanation of application, payment or establishment of applying pollution facility installation permit or pollution discharge permit or the payment of pollution prevention fee, or the establishment of personnel of environmental protection unit in accordance with the provisions of the law:
   The company mainly operates the sale of furniture, home decoration products instead of manufacture; accordingly, it is not applicable.
2. The investment, usage and benefits that may possibly create of the essential equipment of the environmental pollution prevention:
   The company mainly operates the sale of furniture, home decoration products instead of manufacture; accordingly, it is not applicable.
3. For the recent two years as of the date of the public issuance of handbook had been printed, the process of improving environmental pollution by the company, its dealing process of the pollution dispute, and the explanation of its dealing process: None.
4. Explain for the recent two years as of the date of the public issuance of handbook had been printed, the total amount of loss (including compensation) suffered by the company due to environmental pollution, and the disclosure its future responsive strategy (including improvement measure) and possible expenditure (including the possible loss, disposal and the estimated amount of compensation when not taking responsive strategy. If it fails to reasonable estimate, it shall explain its fact of the failure of the reasonable estimation): None.
5. Explain the impact on the company's earnings, competitive position and capital expenditure of the current pollution situation and its improvement, and the significant environmental capital expenditure for the upcoming two years: None.

V、Labor and Management Relation

(I) The company's employee's welfare measure, further studying, training,

retirement system and their implementation, and the agreement between the management and the labor, and the maintenance measures of the employee right:

1.The employee's welfare measures and their implementation:

In addition to the provision of labor insurance and National health insurance for employees, the Company also organizes employee travel and body checks bonuses, talent referral bonuses, employee shopping privileges from time to time. In addition, in accordance with the relevant laws and regulations, an employee welfare committee is established to implement various welfare measures, such as birthday vouchers, New Year's Day vouchers, subsidy for employee wedding and funeral, and year-end bonuses depending on the Company's earning at the end of the year.

2. The further studying and training implementation of the employee:

The Company conduct staff training every year to enhance the professions of the staff.

(1) The training of the recruit: To make the recruit thoroughly understand the operating concept, association overview, articles system, and the future development of the company, expect that the new recruit can adapt to the working environment as soon as possible, and plan the educational training at the beginning period.

(2) Internal training: The personnel of the management department arranges a time, course content, lecturers hiring, selection or designation trainees according to the training needs, training in the company or being internally trained by the operation department manager by organizing the new product knowledge and sales skills of the store personnel.

(3) External training: Refers to the company designation or individual application approved by the nuclear authority, to attend the seminar of the enterprise management company, academic research, vocational training, and other institutions outside of the company.

(4) The execution of 2022 employee's educational training

Unit: People/NT$

Item	Training People	Training Costs
Professional Competency Training and General Training	16	62,815

3.Retirement System:

To ensure a stable retirement life of our employees, the Company contributes 6% to the personal pension account of the Bureau of Labour Insurance in accordance with the Labour Pension Act. In accordance with the above regulations, the Company recognized an expense of approximately NT$11,640,000 in 2022.

4.The agreement between the labor and the management

The company attaches great importance to the colleague's opinions, irregularly holds the meeting of the labor and the management communication, invites the representative of both sides to participate and encourages the colleague to suggest in order to understand their opinion to the management and the welfare system, which can be the reference of the improvement. Accordingly, the relation between the labor and the management is harmonious so far, there is no Arbitration cases or the need of coordination of the relation between the labor and the management.

5.The employee's behavior or code of ethics:

(1) The working rules of the employee

The employees of the company shall take the maintenance of the company's development, the welfare of all employees as the highest purpose, and jointly comply with the following working ethics codes:

1.1 Be impartial and respect others, treats others with sincerity to cooperatively reach the operating purpose of the enterprise.

1.2 Obey the command and supervision of every managerial officer.

1.3 Daily behavior shall be honest, and with integrity, there must not have any dissemination of false words, negative messages, gambling, etc., which would harm the reputation of the company.

1.4 During the tenure, shall not operate privately or concurrently with duties outside the company.

1.5 The operational or technical confidential information of every department (unit) shall not be public disclosed.

1.6 Do not discuss the company's secret or privately collect the company's confidential information.

1.7 The colleague shall not disclose the business secret to other colleagues that are not involved in the program or project.

1.8 Do not arbitrarily skim through the documents, design pages, information that does not belong to you.

1.9 Shall value every public properties and shall not waste them.

1.10 Executing duties with certainty and without fear, avoidance, or unreasonable postponement.

1.11 Based on the necessity of enterprise operation, the company shall comply with the provisions of the laws or assists with the adjustment of the employee's duties. Every colleague shall obey the company's adjustment and dispatch, shall not find any excuse for refusal.

1.12 During the working hours, the employee shall not leave the office without approval. If it is necessary to meet guests due to important incidents, then shall meet at the designated location.

1.13 The employee shall not enter the prohibitive area with warning sign without permission.

1.14 The employee shall not bring out public property without written permission.

1.15 The employees are not allowed to carry dangerous goods such as knife, gun, gasoline, and alcohol, etc., contraband and items not related to business official duties and enter the office area and the warehouse, etc.

1.16 The employees are obliged to attend the assembly that the unit or company requests to participate in order to obtain the corporate policy, announcement, supervisor report, contact or other matters of the unit or company.

1.17 Do not personally disclose any information of the company to mass media or any social media without the company's approval.

1.18 The colleague shall not bring any information of the original serving company to the company.

(2) Sexual Harassment Prevention Operation Management Principles

To maintain gender equality and personal dignity, and to provide employees with a working environment free from sexual harassment and gender discrimination, the company has established these measures in accordance with the Sexual Harassment Prevention Act. The company organized sexual harassment prevention management educational training during the training of recruits, and informed employees of the "sexual harassment prevention and grievance procedures," in the hope that all employees will understand and comply with the provisions of these measures.

6.The measures of the employee's right maintenance:

To protect the rights of the colleagues, improve the life of the colleagues, and enhance the channels of labor and management communication, the company established a labor and management committee according to law, and coordinated matters related to strengthening labor and employment cooperation, improving working conditions and membership benefits.

7. The Protection Measures of Working Environment and Personal Satiety of the Employee:

Items	Content
Insurance	1. Handle labor insurance and national health insurance according to law. 2. Underwriting employer liability insurance; for accidents due to business duty, claim with insurance.
Access Security	1. The factory building in the district has a strict access control system on the day and night. 2. Warehouses and stores: At night and on holidays, sign the contract with security companies to maintain security.
Safety and Health	1. The smoking is completely prohibited in operating stores, the working environment has been cleaned regularly. 2. According to labor safety and health, the company handles safety and health work, prevents occupational disasters, and protects employee safety.
Maintenance and Inspection of Various Equipment	Regularly and irregularly clean, wash, maintain and inspect air-conditioning equipment and drinking equipment every year.

(II) For the recent year as of the date of the annual report had been printed, the loss of the company caused by the labor-management disputes, the estimated amount of possible occurrence currently and in the future and its responding measure: None.

VI、Major Contract：

Agreement	Counterparty	Period	Major Contents	Restrictions
Brand License	Hawaii Furnishing Pte Ltd.	2010/04/01 | 2040/03/31	Acquire the right of using SCANTEAK to operate business	Territory: Taiwan
Trademark License	Lim, Pok-Chin	2010/04/01 | 2040/03/31	Trademark right of use of SCANTEAK	Territory: Taiwan

VI、Financial Highlights

I、 Condensed Balance Sheet and Statement of Comprehensive) Income in the Most Recent 5 Years

(I) Balance Sheet-by IFRSs-consolidated

Unit: NT$ thousands

Item / Year		Financial Summary for The Last Five Years (Note1)					As of Mar.31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		-	851,212	1,097,944	1,240,279	1,207,674	1,015,144
Property, Plant and Equipment (Note2)		-	795,419	853,452	823,260	808,677	801,629
Intangible assets		-	1,188	984	3,921	3,226	2,997
Other assets (Note2)		-	1,057,306	977,258	921,093	1,031,586	1,615,082
Total assets		-	2,705,125	2,929,638	2,988,553	3,051,163	3,470,852
Current liabilities	Before distribution	-	919,698	996,168	913,000	905,596	996,916
	After distribution	-	1,002,738	1,189,327	1,133,849	(Note 4)	-
Non-current liabilities		-	776,465	761,426	705,110	757,867	1,217,182
Total liabilities	Before distribution	-	1,696,163	1,757,594	1,618,110	1,663,463	2,214,098
	After distribution	-	1,779,203	1,950,753	1,838,959	(Note 4)	-
Equity attributable to shareholders of the parent		-	1,006,667	1,169,437	1,367,539	1,384,363	1,253,387
Capital stock		-	461,332	467,311	501,930	501,930	501,930
Capital surplus		-	181,931	198,612	292,923	292,923	292,923
Retained earnings	Before distribution	-	364,652	506,653	583,557	578,556	447,242
	After distribution	-	281,612	313,494	362,708	(Note 4)	-
Other equity interest		-	(1,248)	(3,139)	(10,871)	10,954	11,292
Treasury stock		-	-	-	-	-	-
Non-controlling interest		-	2,295	2,607	2,904	3,337	3,367
Total equity	Before distribution	-	1,008,962	1,172,044	1,370,443	1,387,700	1,256,754
	After distribution	-	925,922	978,885	1,149,594	(Note 4)	-

* If a company has an individual financial report, it shall also prepare a concise balance sheet and a consolidated income statement for individuals for the last five years.
* If the financial data of the international Financial Reporting standards are used for less than 5 years, a separate table (2) shall be prepared using the financial data of our financial accounting standards.

Note 1: Any year in which a certification is not checked by an accountant shall be indicated.

Note 2:Those who have worked on the revaluation of assets in the current year shall be given the date of processing and the amount of revaluation value added.

Note 3: As of the date of publication of the annual report, companies that have listed or sold shares in the securities dealers ' premises should be disclosed if they have the most recent period of verification of visas or financial data approved by accountants.

Note 4: The 2023 surplus allocation case is yet to be resolved by the shareholders ' meeting.

Note 5: Financial data shall, upon notification by the competent authority, be corrected or re-compiled on its own and shall be made up of corrected or composer figures, indicating their circumstances and reasons.

(II) Balance Sheet-by IFRSs-Unconsolidated

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1)					As of Mar.31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		701,925	676,415	769,236	844,384	798,829	-
Property, Plant and Equipment (Note2)		761,985	753,459	823,451	798,659	785,981	-
Intangible assets		1,623	1,188	984	520	765	-
Other assets (Note2)		81,654	939,445	1,018,337	1,010,414	1,016,324	-
Total assets		1,547,187	2,370,507	2,612,008	2,653,977	2,601,899	-
Current liabilities	Before distribution	451,123	712,104	732,842	637,625	581,270	-
	After distribution	589,523	795,144	926,001	858,474	(Note4)	-
Non-current liabilities		53,324	651,736	709,729	648,813	636,266	-
Total liabilities	Before distribution	504,447	1,363,840	1,442,571	1,286,438	1,217,536	-
	After distribution	642,847	1,446,880	1,635,730	1,507,287	(Note4)	-
Equity attributable to shareholders of the parent		1,042,740	1,006,667	1,169,437	1,367,539	1,384,363	-
Capital stock		461,332	461,332	467,311	501,930	501,930	-
Capital surplus		181,931	181,931	198,612	292,923	292,923	-
Retained earnings	Before distribution	399,477	364,652	506,653	583,557	578,556	-
	After distribution	261,077	281,612	313,494	362,708	(Note4)	-
Other equity interest		-	(1,248)	(3,139)	(10,871)	10,954	-
Treasury stock		-	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	1,042,740	1,006,667	1,169,437	1,367,539	1,384,363	-
	After distribution	904,340	923,627	976,278	1,146,690	(Note4)	-

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* If the financial data of the international Financial Reporting standards are used for less than 5 years, a separate table (2) shall be prepared using the financial data of our financial accounting standards.

Note 1: Any year in which a certification is not checked by an accountant shall be indicated.

Note 2: Those who have worked on the revaluation of assets in the current year shall be given the date of processing and the amount of revaluation value added.

Note 3: As of the date of publication of the annual report, companies that have listed or sold shares in the securities dealers ' premises should be disclosed if they have the most recent period of verification of visas or financial data approved by accountants.

Note 4: The 2022surplus allocation case is yet to be resolved by the shareholders ' meeting.

Note 5: Financial data shall, upon notification by the competent authority, be corrected or re-compiled on its own and shall be made up of corrected or composer figures, indicating their circumstances and reasons.

(III) Condensed Balance Sheet-by IFRSs-consolidated

Unit: thousand dollars/EPS in dollars

Item \ Year	Financial Summary for The Last Five Years (Note 1)					As of Mar.31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Revenue	-	1,828,643	2,131,422	2,389,851	2,466,424	580,952
Gross Profit	-	1,004,836	1,203,522	1,365,796	1,368,004	318,086
Income from operations	-	116,758	252,795	287,596	255,074	52,168
Non-operating income	-	22,303	40,182	56,566	21,035	198
Net profit before tax	-	139,061	292,977	344,162	276,109	52,366
Net profit for operating unit	-	139,061	292,977	344,162	276,109	52,366
Loss from non-operating unit	-	-	-	-	-	-
Net profit/loss for this term	-	103,744	225,854	270,502	215,933	39,367
Other comprehensive income (income after tax)	-	(1,290)	(1,973)	(7,874)	22,173	343
Total comprehensive income	-	102,454	223,881	262,628	238,106	39,710
Net income attributable to shareholders of the parent	-	103,575	225,041	270,063	215,848	39,342
Net income attributable to non-controlling interest	-	169	813	439	85	25
Comprehensive income attributable to Shareholders of the parent	-	102,327	223,150	262,331	237,673	39,680
Comprehensive income attributable to non-controlling interest	-	127	731	297	433	30
EPS	-	2.25	4.88	5.54	4.30	0.78

* If a company has an individual financial report, it shall also prepare a concise balance sheet and a consolidated income statement for individuals for the last five years.

* If the financial data of the international Financial Reporting standards are used for less than 5 years, a separate table (2) shall be prepared using the financial data of our financial accounting standards.

Note 1: Any year in which a certification is not checked by an accountant shall be indicated.

Note 2: As of the date of publication of the annual report, companies that have listed or sold shares in the securities dealers ' premises should be disclosed if they have the most recent period of verification of visas or financial data approved by accountants.

Note 3: The loss of the closed unit is shown in the net amount after the deduction of income tax.

Note 4: Financial data shall, upon notification by the competent authority, be corrected or re-compiled on its own and shall be made up of corrected or composer figures, indicating their circumstances and reasons.

(IV) Condensed Balance Sheet-by IFRSs-Unconsolidated

Unit: thousand dollars/EPS in dollars

Item \ Year	Financial Summary for The Last Five Years (Note 1)					As of Mar.31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Revenue	1,703,688	1,442,780	1,546,283	1,598,424	1,623,862	-
Gross Profit	944,252	800,728	901,812	971,932	941,277	-
Income from operations	202,081	103,958	199,886	247,515	232,357	-
Non-operating income	9,762	26,613	81,842	82,500	39,383	-
Net profit before tax	211,843	130,571	281,728	330,015	271,740	-
Net profit for operating unit	211,843	130,571	281,728	330,015	271,740	-
Loss from non-operating unit	-	-	-	-	-	-
Net profit/loss for this term	167,570	103,575	225,041	270,063	215,848	-
Other comprehensive income (income after tax)	-	(1,248)	(1,891)	(7,732)	21,825	-
Total comprehensive income	167,570	102,237	223,150	262,331	237,673	-
Net income attributable to shareholders of the parent	167,570	102,237	223,150	262,331	237,673	-
Net income attributable to non-controlling interest	-	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	167,570	102,237	223,150	262,331	237,673	-
Comprehensive income attributable to non-controlling interest	-	-	-	-	-	-
EPS	3.67	2.25	4.88	5.54	4.30	-

* If a company has an individual financial report, it shall also prepare a concise balance sheet and a consolidated income statement for individuals for the last five years.
* If the financial data of the international Financial Reporting standards are used for less than 5 years, a separate table (2) shall be prepared using the financial data of our financial accounting standards.

Note 1: Any year in which a certification is not checked by an accountant shall be indicated.

Note 2: As of the date of publication of the annual report, companies that have listed or sold shares in the securities dealers ' premises should be disclosed if they have the most recent period of verification of visas or financial data approved by accountants.

Note 3: The loss of the closed unit is shown in the net amount after the deduction of income tax.

Note 4: Financial data shall, upon notification by the competent authority, be corrected or re-compiled on its own and shall be made up of corrected or composer figures, indicating their circumstances and reasons.

(V)Name and opinion of Certified Accountant in recent 5 years

Year	Firm	Name of the accountant	Opinion
2018	Deloitte & Touche	Hsieh, Min-Zhong、Kuo, Nai-Hua	Unqualified opinion
2019	Deloitte & Touche	Chen, Hui-Min、Kuo, Nai-Hua	Unqualified opinion
2020	Deloitte & Touche	Chen, Hui-Min、Kuo, Nai-Hua	Unqualified opinion
2021	Deloitte & Touche	Chen, Hui-Min、Kuo, Nai-Hua	Unqualified opinion
2022	Deloitte & Touche	Kuo, Nai-Hua、Lee, Li-Huang	Unqualified opinion

II、Financial Analysis in the Most Recent 5 Years

(I) Consolidated Financial Analysis-By IFRSs-consolidated

Item (Note 3) \ Year (Note1)		Financial Summary for The Last Five Years					As of Mar.31,2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt Ratio	-	62.70	59.99	54.14	54.52	63.79
	Ratio of long-term capital to property, plant and equipment	-	224.46	226.55	252.11	265.32	308.61
Solvency (%)	Current ratio	-	92.55	110.22	135.85	133.36	101.83
	Quick ratio	-	34.15	64.78	75.67	60.44	41.90
	Interest earned ratio (times)	-	8.29	13.22	17.85	14.49	9.65
Operating ability	Accounts receivable turnover (times)	-	24.01	26.40	20.30	18.03	20.49
	Average collection period	-	15.20	13.83	17.98	20.24	17.81
	Inventory turnover (times)	-	1.58	1.93	2.15	1.91	1.73
	Accounts payable turnover (times)	-	20.15	20.18	11.67	12.05	16.54
	Average days in sales	-	231.01	189.12	169.77	191.10	210.98
	Property, plant and equipment turnover (times)	-	2.35	2.59	2.85	3.02	2.89
	Total assets turnover (times)	-	0.86	0.76	0.81	0.82	0.71
Profitability	ROA (%)	-	5.60	8.70	9.69	7.69	4.98
	Return on stockholders' equity (%)	-	10.11	20.71	21.28	15.66	11.91
	Pre-tax income to paid-in capital (%)	-	30.14	62.69	68.57	55.01	10.39
	Profit ratio (%)	-	5.67	10.60	11.32	8.75	6.78
	Earnings per share (NT$)	-	2.25	4.88	5.54	4.30	0.78
Cash flow	Cash flow ratio (%)	-	50.04	78.80	53.84	43.56	11.56
	Cash Flow Adequacy Ratio (%)	-	113.72	239.54	218.34	202.15	238.16
	Cash Re-investment Ratio (%)	-	10.17	27.65	11.30	6.28	3.73
Leverage	Operating leverage	-	4.13	4.22	4.15	4.83	5.57
	Financial leverage	-	1.20	1.10	1.08	1.09	1.13

Please indicate the reasons for the changes in the financial ratios in the last two years. (If the change or decrease is not up to 20%, exempt from analysis)

1、Quick ratio decreased: Mainly due to the decrease in cash.

2、Return on assets, return on equity, Income before tax, net margin and EPS decreased: Mainly due to the gross margin decline、increase in expenses for the period and decrease in profit.

3、Cash reinvestment ratio decreased: Mainly due to the decrease in profit in the current period and the increase in the deposit for participating in the public bidding of the Singapore government, so the ratio decreased.

(II) Consolidated Financial Analysis-By IFRSs-Unconsolidated

Item (Note 3) \ Year (Note1)		2018	2019	2020	2021	2022	As of Mar.31,2023 (Note 2)
		Financial Summary for The Last Five Years					
Financial structure (%)	Debt Ratio	32.60	57.53	55.23	54.36	46.79	-
	Ratio of long-term capital to property, plant and equipment	143.84	220.11	228.21	244.87	257.08	-
Solvency (%)	Current ratio	155.60	94.99	104.97	132.43	137.43	-
	Quick ratio	36.31	28.02	54.39	67.50	45.85	-
	Interest earned ratio (times)	63.34	9.72	17.63	22.87	21.05	-
Operating ability	Accounts receivable turnover (times)	19.71	19.54	21.34	16.00	13.99	-
	Average collection period	18.52	18.68	17.10	22.81	26.09	-
	Inventory turnover (times)	1.55	1.30	1.54	1.64	1.48	-
	Accounts payable turnover (times)	26.93	21.78	25.46	17.69	20.69	-
	Average days in sales	235.48	280.77	237.01	222.56	246.62	-
	Property, plant and equipment turnover (times)	2.22	1.90	1.96	1.94	2.02	-
	Total assets turnover (times)	1.09	0.74	0.62	0.61	0.62	-
Profitability	ROA (%)	10.88	5.90	9.58	10.72	8.63	-
	Return on stockholders' equity (%)	16.58	10.11	20.68	21.29	15.69	-
	Pre-tax income to paid-in capital (%)	45.92	28.30	60.29	65.75	54.14	-
	Profit ratio (%)	9.84	7.18	14.55	16.90	13.29	-
	Earnings per share (NT$)	3.67	2.25	4.88	5.54	4.30	-
Cash flow	Cash flow ratio (%)	38.10	57.52	78.30	60.34	36.40	-
	Cash Flow Adequacy Ratio (%)	87.93	111.36	217.54	175.79	139.26	-
	Cash Re-investment Ratio (%)	(0.69)	9.18	22.38	8.22	(0.39)	-
Leverage	Operating leverage	4.22	3.83	3.87	3.23	3.49	-
	Financial leverage	1.02	1.17	1.09	1.06	1.06	-

Please indicate the reasons for the changes in the financial ratios in the last two years. (If the change or decrease is not up to 20%, exempt from analysis)

1、Quick ratio decreased: Mainly due to the decrease in cash.

2、Return on assets, retrn on equity, net margin and EPS decreased: Mainly due to the gross margin decline、decrease in investment income.

3、Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio decreased: Mainly due to the decrease in profit and the increase in inventory in the current period, so the business activities due to the decrease in cash flow.

* If the company conduct the preparation of individual financial reporting, it should also prepare an analysis of the individual financial ratio of the company.

* If the financial data of the international Financial Reporting standards are used for less than 5 years, a separate table (2) shall be prepared by the financial data of our financial accounting standards.

Note 1: The year without an accountant verification shall be indicated.

Note 2: As of the date of publication of the annual report, companies that have listed or sold shares in the securities dealers ' premises should and have been analyzed if they have the most recent period of verification of visas or financial data approved by accountants.

Note 3: At the end of this table, the following calculation formula should be presented:

1. Financial structure
   (1) Liabilities as a proportion of assets = Total liabilities/total assets.
   (2) long-term funds as a proportion of property, plant and equipment = (Total equity + non-current Liabilities)/Net property, plant and equipment.

2. Debt-servicing capacity
   (1) Flow ratio = Current assets/liabilities.
   (2) Speed ratio = (current assets-Inventory-prepaid fee)/ current Liabilities.
   (3) Interest protection multiples = income tax and interest charges before the pure benefit/This period Interest expense.
3. Operational capacity
   (1) The turnover of receivables (including accounts receivable and notes receivable arising from business) = The balance of net sales/average receivables for each period (including accounts receivable and notes receivable arising from business).
   (2) The average number of cash receipts =365/the turnover rate of receivables.
   (3) Inventory turnover = Cost of goods sold/average inventory amount.
   (4) The turnover of payables (including Accounts payable and notes payable as a result of business) = The balance of the cost of goods sold/the average amount due for each period (including accounts payable and notes payable arising out of business).
   (5) Average number of days sold =365/inventory turnover rate.
   (6) Turnover of property, plant and equipment = Net sales/average net property, plant and equipment.
   (7) Total Asset turnover = Net sales/Total average assets.
4. Profitability
   (1) ROA=(After-tax gains and losses + interest charges x (1-tax rate))/average total assets.
   (2) The rate of return on equity = The total profit/loss/average equity after tax.
   (3) Net Profit Margin= Profit/loss/net sales after tax.
   (4) Surplus per share = (profit and loss attributable to the owner of the parent company-dividend of special shares)/weighted average number of shares issued. (Note 4)
5. Cash Flows
   (1) Cash Flow ratio=Operating ActivitieNet cash flow/ Current Liabilities.
   (2) Net Cash Flow Adequacy Ratio= operating of the last five years Activities Net cash flow/Last five years (capital expenditure + inventory increase + cash dividend).
   (3) Cash re-investment Ratio= (Operating activitie Net cash flow-cash dividend)/(gross real estate, plant and equipment + long-term investment + other non- current assets + Working capital). (Note 5)
6. Leverage:
   (1) Operational leverage = (operating revenue-change operating cost and expense)/operating profit (Note 6).
   (2) Financial leverage = Operating profit/(operating profit-interest charges).

Note 4: The formula for calculating the surplus per share should be measured with particular attention to the following matters:
1. The weighted average number of common stock shares shall prevail, rather than on the basis of the number of shares issued at the end of the year.
2. Where cash capital increases or Treasury shares are traded, the weighted average number of shares shall be calculated taking into account the period during which they are in circulation.
3. In the calculation of the surplus per share for the past year and semi-annual earnings, the capital increase by retained earning or the capitalized reserve shall be adjusted retroactively in accordance with the proportion of the increase, without regard to the period of issue of the replenishment.
4. If the Special unit is a non-convertible cumulative Special Unit, its annual dividend (whether issued or not) shall be deducted from the net profit after tax or increased after tax. If the special unit is of a non-cumulative nature, in the case of net profit after tax, the dividend of the Special Unit shall be deducted from the net profit after tax;

Note 5: The cash use analysis should be measured with particular attention to the following matters:
1. Operating Activities net cash flow represents the net cash inflow operating activities in the statement of cash flows.
2. Capital expenditure means the number of cash outflows from annual capital investments.
3. The increase in inventory is counted only when the closing balance is greater than the opening balance and, if the inventory is reduced at the end of the year, at 0.
4. Cash dividends include cash dividends from common shares and special shares.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment deducted from accumulated depreciation.

Note 6: The issuer shall distinguish operating cost and operating expense by nature as fixed and variable, and shall pay attention to its rationality and maintain consistency if it involves estimation or subjective judgment.

Note 7: The company's shares are non-denomination or denomination per share is not NT $10, and the former Profit ratio of paid up capital is calculated on the basis of the equity ratio attributed to the owner of the parent company.

III、Audit Committee’s Review Report of the Financial Statements in the Most Recent Year

SCAN-D CORPORATION

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2022 Business Report, Consolidated and Individual Financial Statements, and earnings distribution proposal, of which the Consolidated and Individual Financial Statements have been audited and certified by the CPAs, Kuo, Nai-Hua and Lee, Li-Huang, of Deloitte & Touche, and an unqualified audit report has been issued.

The above Business Report, Financial Statements, and earnings distribution proposal have been reviewed by the Audit Committee, and no mistakes were found. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is hereby submitted for approval.

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The Company's 2023 General Shareholders' Meeting

Scan-D Corporation

Convener of the Audit Committee: Wang, Chia-Cheng

Mar.30, 2023

IV、Financial Statements in the Most Recent Year: Consolidated financial report， Please refer to page104 to 174.

V、 Un Consolidated Financial report of the parent and subsidiary company of the most recent year：Please refer to pege175 to 231.

VI、The company and its related enterprises in the most recent year and as of the publication date of the annual report, with the event of financial turnaround difficulties, shall specify their impact on the financial position of the company: None.

VII、Review of Financial Conditions, Financial Performance, and Risk Management

I、 Analysis of Financial Status

Unit: thousand dollars

Item \ Year	2022	2021	Difference	
			Amount	%
Current Assets	1,207,674	1,240,279	(32,605)	(2.63)%
Long-term Share Right Investment	-	-	-	-
Fixed Assets	808,677	823,260	(14,583)	(1.77)%
Other Assets	1,034,812	925,014	109,798	11.87%
Total Assets	3,051,163	2,988,553	62,610	2.09%
Current Liabiliies	905,596	913,000	(7,404)	(0.81)%
Other Liabilities	-	-	-	-
Long-term Liabilities	757,867	705,110	52,757	7.48%
Total Liabilities	1,663,463	1,618,110	45,353	2.80%
Paid in Capital	501,930	501,930	-	-
Capital Reserve	292,923	292,923	-	-
Legal Reserve	242,600	215,594	27,006	12.53%
Special Capital Reserve	10,871	3,139	7,732	246.32%
Undistributed earning	325,085	364,824	(39,739)	(10.89)%
Adjustment	10,954	(10,871)	21,825	200.76%
Shareholders equity	1,387,700	1,370,443	17,257	1.26%

1、IReasons, impact and future plans for changes of more than 20% or over NT$1,000,000 in assets, liabilities, and shareholding for the past two years:
Adjustment : Mainly due to exchange rate changes rate of the Singapore currency.

2、Review and analysis of major capital expenditure and its sources of funding: none.

II、 Financial Performance

(I)Results Comparison

Unit: thousand dollars

Item \ Year	2022	2021	Variance	%
Revenue	2,478,410	2,401,975	76,435	3.18%
Deduction: Sales return	(11,836)	(12,004)	168	(1.40)%
Sales discount	(150)	(120)	(30)	25.00%
Operating revenue	2,466,424	2,389,851	76,573	3.20%
Operating cost	1,098,420	1,024,055	74,365	7.26%
Unrealized/realized profit between affiliated company－net	-	-	-	-
Gross Profit	1,368,004	1,365,796	2,208	0.16%
Operating expense	1,112,930	1,078,200	34,730	3.22%
Operating net profit	255,074	287,596	(32,522)	(11.31)%
Non-operating expenses and losses	43,002	61,996	(18,994)	(30.64)%
Non-operating expenses and losses	(21,967)	(5,430)	(16,537)	304.55%
Income Before Income Tax from Continuing Operations	276,109	344,162	(68,053)	(19.77)%
Tax expense/interest	(60,176)	(73,660)	13,484	(18.31)%
Net profit for this term	215,933	270,502	(54,569)	(20.17)%

1、Reasons for changes in the amount of more than 20% or over NT$1,000,000 for the past two years: Increase in non-operating income and benefits as compared to the same period last year: Net profit for the year decreased: Mainly due to the gross margin decline、increase in expenses.

2、Reasons for changes in the Company's primary business:
Not applicable.

3、The expected number of sales in the coming year and its basis and the company's expected sales volume to continue to grow or decline in the main impact factors: not applicable

(II) Operating Section Financial Information

Provides information to key operational decision makers on the allocation of resources and evaluation of departmental performance, focusing on the types of products or services that are delivered or provided.

III、Cash Flow

(I) Results Comparison

Unit: thousand dollars

Item \ Year	2022	2021	Variance	%
Operating Activities	394,449	491,573	(97,124)	(19.76)%
Investment Activities	42,604	(44,183)	86,787	196.43%
Funding Activities	(458,397)	(475,394)	16,997	3.58%
Exchange effect	30,967	(9,475)	40,442	426.83%
total	9,623	(37,479)	47,102	125.68%

Analysis Instructions:

1、The cash inflow from operating activities decreased compared with the previous period: This was mainly due decrease in profit、inventory increase.

2、The cash outflow from investing activities decreased compared with the previous period: Mainly due to the decrease in fixed deposits (cost financial assets after amortization), so Cash inflows increased.

3、The cash outflow from financing activities decreased compared with the previous period: This was mainly due to an increase in loan, resulting in the increase of cash inflow.

4、The number of exchange rate effects increased compared with the previous period: mainly due to changes in the exchange rates of the US dollar and the Singapore currency.

(II) 2-Year Currency Analysis

Item \ Year	2022	2021	%
Cash flow ratio (%)	43.56	53.84	(19.10)%
Cash Flow Adequacy Ratio (%)	202.15	218.34	(7.42)%
Cash Re-investment Ratio (%)	6.28	11.30	(44.39)%

Analysis of the change in proportion of increase or decrease shows:
Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio decrease: Mainly due to the decrease in profit in the current period and the increase in the deposit for participating in the public bidding of the Singapore government, so the ratio decreased.

(III) Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
390,521	422,060	411,050	401,531	-	-

1、Analysis of changes in cash flows:
Operating activities: Mainly due to net cash inflows from operating activities in 2023.
Annual cash outflow: Mainly due to the expected distribution of cash dividend and the expansion of business locations.

2、Remedial measures and liquidity analysis for the expected cash deficiency: None.

IV、Impact of Significant Capital Expenditures in the Most Recent Year on the Financial and Operating Conditions of the Company: None.

V、Reinvestment Policy of the Most Recent Year, Reasons for Profit (Loss), Improvement Plan and Investment Plan for the Following Year: None.

VI、Analysis and Evaluation of Risk Factorsin the most recent year and as of the published date of the annual report:

(I) The impact of interest rate, exchange rate, and inflation on the company's profits and losses and its future responding mearsures:

1. The impact of interest rate, exchange rate, and inflation on the company's profits and losses and its future responding measures:

(1) The impact of interest rate on the company's profits and losses and its future responding measures

The 2022 interest expenses accounted for 9.48% of the net profit in the period, which did not significantly affect the company's profit and loss. The company mainly operated with its funds and has a good credit interaction relation with the bank. In the future, the company will continue to pay attention to the alteration of the interest rate as well as the trend of global economic development, and actively strive for the lowest interest rate with the cooperative bank, timely adopt necessary measures to avoid the risk of the rising interest rate.

(2) The impact of exchange rate on the company's profits and losses and its future responding measures

The 2022exchange profit accounted for 0.53% of the net profit for the period. The company adopted the principle of stability and conservativeness for the management of foreign exchange, collect the relevant alteration information of the exchange rate, determine the foreign exchange time to lower the impact of the exchange rate alteration on the company's revenue. The company will engage in financial derivatives merchandise to avoid the risk caused by the alteration of the exchange rate when necessary.

2. The impact of inflation on the company's profits and losses and its future responding measures:

(1) The impact of inflation for the recent two years on the company's profit and loss

So far, there are any significant impact on the company's profit and loss due to the inflation.

(2) Future responding measure

In recent years, due to the rising price of the raw materials, the overall economic environment becomes slightly inflationary; yet, there has not been immediate significant impact on the company due to the inflation so far, and the company has always paid attention to the fluctuation of the price at the raw material market and has maintained a good interaction relation with the supplier and the customers. In addition, the company can flexibly adjust the price according to the cost change of the supplier, accordingly, avoiding the massive impact of the inflation on the company.

(II) The main reason of the policy, profit, or loss of engaging in high-risk, high-leverage investment, loaning funds to others, the endorsement/guarantee, and the financial derivatives transactions and their future responding measures:

1. Engage in high-risk, high-leverage investment: None.
2. Loaning funds to others: None.

3. The endorsement/guarantee: None.
4. Financial derivatives transactions: None.
5. The company's policy: The company focuses on the operation of the relevant service business of retail chain; therefore, it did not engage in high-risk and high-leverage investment. To effectively control the special matters caused by the physical business demand, the company, in accordance with the provisions of the law of the Securities & Futures Institute, established a completed internal management regulation and the operational procedures of the financial and operational practice. The relevant management regulations including the "Operational Procedures for Loaning Funds to Others," the "Procedures for Acquisition or Disposal of Assets," and the "Procedures and Principles of Governing the Endorsement/Guarantee."

(III) Future research and development plan and estimated investing expenses in research and development: None.

(IV) The impact of the change of important policies at home and abroad as well as the laws on the company's financial business and its responding measures:

There is no impact of the change of important policies at home and abroad as well as the laws on the company's financial business. In the future, in addition to irregularly collecting and evaluating the impact of the change of important policies at home and abroad as well as the laws on the company's finance and business, the company will also seek for consult the relevant experts to thoroughly control the external information and timely adopt responding measures.

(V) The impact of technological changes (including information security risks) and industry changes on the company's financial business and its response measure:

The company keeps abreast of the change of its industry and the market trend, and pay attention to related technique development and alteration, understand the preference of the consumers to introduce the products that correspond with the public market trend. For the recent year as of the date of the public handbook had been printed, there is no massive change inw4raesw technology and industry that will significantly influence the company's financial business.

1. Information Security Management Framework

   The competent unit in charge of information security in the Company is the Information Technology Department, which is responsible for planning, implementing and promoting information security and management matters, and to promote awareness in information security.

   The Audit Department is the audit unit of the Information Technology Department in the Company. The Audit Department can request the department under review to propose relevant improvement plans and regularly track the improvement results.

2. Information Security Risk Management

   Through the Plan-Do-Check-Act (PDCA) revolving management, the Company continues to improve the security of the information environment to ensure the promotion of information security operation and risk control.

3. Specific management measures for information security management:

   (1) Cyber security management

   a. Corporate-level firewalls are deployed to prevent hackers from trespassing.

   b. Use MVPN connections with stores and external warehouses to avoid illegal extraction of data during transmission.

   (2) System access control

   a. The use of various application systems in the Company requires the establishment of an account by the information unit upon approval by the competent supervisor through the information services application process.

b. The password must fit the required length and its content must be a mix of numbers and alphabets to be allowed to set up.

c. Staff members are required to apply for the termination of their respective system accounts by the Information Technology unit when carrying out the resignation procedures.

(3) Anti-virus protection and management

a. Terminal protection software is installed for both servers and staff members operating computer devices, and the virus code is automatically updated to ensure that the latest virus is prevented.

b. Installing filtering mechanisms for junk mails to prevent viruses or spams from entering PCs at user-end.

(4) ensure system availability

a. Build data backup, keep daily data backed up periodically, one in the Company's safe, and another in offsite (Safe in the National Farmer's Association R.O.C.) locations as backup for each other.

b. A disaster recovery drill is carried out regularly, and backup files are returned to the system host to ensure availability of backup data.

(5) Computer equipment safety management

a. Set up dedicated server rooms for host computers, application servers, major network equipment, etc.
Access control is done by swiping cards and records are kept for future reference.

b. The server room is equipped with independent air-conditioning, UPS systems and emergency generators installed by the Company to maintain the computer equipment to operate at appropriate temperature in response to sudden power loss to protect equipment operation and data security.

(VI) The impact of the change of enterprise image on enterprise crisis management and its responding measures:

The company has always complied with the provisions of the laws, values the ethics of the employee as well as the discipline management, and request the managers to practice what they preach; therefore, there is no any negative enterprise image so far. While pursuing operational growth, profitability and maximizing the shareholders' equity, the company is also able to fulfill its corporate social responsibilities and aim to establish a corporate image of first-class corporate governance, enabling customers, employees and invested shareholders to rely on the company.

(VII) The estimated benefits and possible risks of merger and its responding measure: None.

(VIII) The estimated benefits and possible risks of plant expansion and its responding measures:

By the date of the public handbook has been printed, the company has no plant expansion plant. However, if there is the plant expansion plan in the future, the company must adhere to a prudent assessment attitude and consider whether expanding the plant can bring specific synergies to the company to ensure the protection of shareholders' equity.

(IX) The risks associated with any consolidation of sales or purchasing operations, and their responding measures:

1. The risks associated with any purchasing operations, and its responding measures

The ratio of consolidation of purchasing operations of the company's largest supplier did not exceed 15%; there have always been more than two suppliers of the main procurement of the merchandise. Daily, the company constructs a good relation with the suppliers; there is no blanking halfway or material offer termination. Moreover, because the main purchased products of the company are wooden furniture such as table and chair, chest of drawers, and bed frame, etc., the supplies offered by the different supplier will not create massive differences. Accordingly, there are no circumstances of exclusive supplier controlling the particular source of supply; instead, the essential design papers are all under the control of the company; thus, there is no risk associated with purchasing operations.

2. The risks associated with any consolidation of sale, and its responding measures

The company mainly operate the branding furniture chain store business, and its sale subject focuses on non-specific consumers instead of a single customer. The top ten sales customers accounted for less than 1% of the net operating income, so there shall be no risk arising from the consolidation of sales.

(X) Directors, or shareholders holding more than 10% of the shares, the impact of a large number of shares transferred or replaced on the company, risks and its responding measures: None.

(XI) The impact of the change of operating right on the company, risks, and its responding measures:

Although the company has had the re-election of supervisors, however, it is, to meet the company's articles of incorporation and strengthens the company's supervisory structure. The major operating teams have not undergone major changes and have no significant impact on the actual operations of the company.

(XII)A litigation or non-litigation incident, shall state the company and the company's directors, general manager, substantive person in charge, major shareholders holding more than 10% of the shares, and major lawsuits, non-litigation, or administrative litigation that the subordinate company has decided to determine or are still involved in, the outcome of which may have a significant impact on shareholders' equity or securities prices, shall disclose its fact in contention, underlying amount, the start date of litigation, the main party involved in litigation, and the dealing process as of the date of the annual report had been printed: None.

(XIII) Other important risks and the responding mearsures: None.

(XIV) The association structure of risk management:

1. Audit office: Responsible for audit, evaluate the management and control of every department operations and the assistance of improving risks. Also, it is responsible for evaluate the appropriateness and effectiveness of the company’s governance in accordance with the result of risk assessment.
2. General manager office: Responsible for setting the annual plan, and assist every department to establish the plan of the department, evaluate long-term operation strategy, to lower the strategic risks.

VII、Other important matters:

(I)Matters of risk assessment for the information security risk assessment analysis and its responding measures

According to the relevant provisions of the regulations and the operating demand of the company, the company established a cycle of internal control computerized information system, to ensure the negative impact of information security risks on the corporate operating and to adopt the corresponding measures.

The company lowers the risk through relevant operational procedures and the examination of the audit unit; however, it cannot be guaranteed that, under the changeful technology threats, the company's operation will not be attacked by the new risks. Nevertheless, the company still continue to engage in the investment of the information security protection and reinforce the emergency responding capability.

(II) Basis and foundation of the method for listing assets and liabilities assessment

1. The listing policy of the inventory valuation loss

Inventories are measured at the cost and net realizable value whichever is lower. When comparing costs and net realizable values, they are based on individual items except for the same type of inventory. The net realizable value refers to the balance of the estimated selling price under normal circumstances minus the estimated cost of completion and the estimated cost of completing the sale. The calculation of inventory cost is based on the weighted average method.

2. Foreign Currency Exchange

(1) When making the company's consolidative financial report, trading in currencies other than individual functional currencies (foreign currencies) shall be converted to functional currency records at the date of the exchange rate.

(2) The monetary items of foreign currency are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from the delivery of monetary items or conversion of monetary items are recognized in profit or loss in the period in which they are incurred.

(3) The non-monetary items of foreign currency measured at fair value are translated at the exchange rate at the date when the fair value is determined, and the resulting exchange differences are recognized in profit or loss for the current period. However, changes in fair value are recognized in other comprehensive income, and the resulting exchange differences are included in other comprehensive income.

(4) Exchange on the transaction date.

3.Allowance for bad debt

The company's method of providing an allowance for bad debts is to distinguish the payment of the receivables from the receivable related party payment, the receivable credit card payment (the money collected from the bank,) and the non-related party payment. There is no risk of impairment of the receivable related-party payment and the receivable credit card payment; accordingly, no allowance for bad debts is proposed. The receivable non-related party payment shall be deemed to the same group when engaging in impairment test due to its concert of credit risk characteristics. Initially, assess whether the client has a debtor who is much likely to close down or make other signs of objective impairment such as financial restructuring. For customers with individual signs of impairment, 100% bad debts are provided, and customers without individual signs of impairment are assessed based on experience. For the recovery rate, there was no objective evidence of impairment in the previous year. Therefore, the bills receivables are provided with a more conservative and stable bad debt ratio of 1%.

(III) The financial information of the department

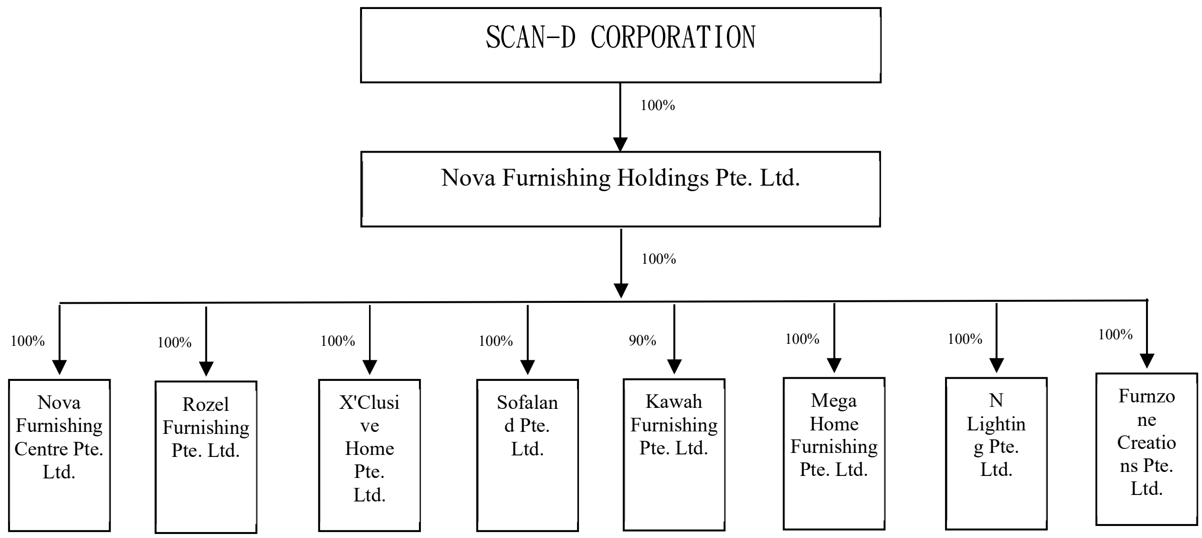
Provides the information of the distributed resources of the main operating strategist and the effectiveness of the department, focuses on the kind of every delivered or provided products or services. In accordance with the provisions of the IFRS No.41 "The Disclosure of Operating Segments Information," The company's business is concentrated in the sales of furniture, bedding, kitchen appliances, and furnishings, and there are no corresponding operating departments to report.

VIII、Others

I、Summary of Affiliated Companies

(I) Business report：None.

1. Affiliated Companies Organizational Chart December.31,2022



2. Basic information of related companies

Company Name	Date of establishment	Area	Paid-in capital	Scope of Business
Nova Furnishing Holdings Pte. Ltd.	January 2003	Singapore	SGD2,000,000	Holding company
Nova Furnishing Centre Pte.	January 2003	Singapore	SGD150,000	Furniture wholesale and retail
Rozel Furnishing Pte. Ltd.	September 2009	Singapore	SGD500,000	Furniture wholesale and retail
X'Clusive Home	November 2009	Singapore	SGD350,000	Furniture wholesale and retail
Sofaland Pte. Ltd.	March 2002	Singapore	SGD250,000	Furniture wholesale and retail

Company Name	Date of establishment	Area	Paid-in capital	Scope of Business
Kawah Furnishing Pte. Ltd.	June 2017	Singapore	SGD360,000	Furniture wholesale and retail
Mega Home Furnishing Pte. Ltd.	October 2017	Singapore	SGD500,000	Furniture wholesale and retail
N Lighting Pte. Ltd.	February 2006	Singapore	SGD100,000	Furniture wholesale and retail
Furnzone Creation	January 2003	Singapore	SGD600,000	Transportation

3. The same shareholder information of persons presumed to have control and affiliation

4. Information of directors of related companies

Company Name	title	Name or representative	Shareholding	
			Share	%
Nova Furnishing Holdings Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Nova Furnishing Centre Pte.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Rozel Furnishing Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
X'Clusive Home	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Sofaland Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Kawah Furnishing Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Mega Home Furnishing Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
N Lighting Pte. Ltd.	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-
Furnzone Creation	Director	Lim, Pok-Chin	-	-
	Director	Lim, Jie-Ren	-	-

5. Operational overview of related companies

December.31,2022 Unit:NT$ thousands

Company Name	Capital	Total Assets	Total Liabilities	Equity	Operating Income	Operating Margin (loss)	Net Income(loss) (after tax)	Earningsper share (after tax)(dollars)
Nova Furnishing Holdings Pte. Ltd.	45,380	306,018	35,655	270,363	0	24,571	24,571	0.49
Nova Furnishing Centre Pte.	3,404	273,254	244,192	29,062	437,927	12,107	9,271	0.18
Rozel Furnishing Pte. Ltd.	11,345	136,220	110,187	26,033	212,726	6,138	5,882	0.12
X'Clusive Home	7,942	87,553	69,993	17,560	148,871	2,970	2,951	0.06
Sofaland Pte. Ltd.	5,673	5,730	141	5,589	0	(131)	(131)	0.00
Kawah Furnishing Pte. Ltd.	9,076	54,303	20,929	33,374	46,390	1,047	846	0.02
Mega Home Furnishing Pte. Ltd.	11,345	56,854	45,755	11,098	93,916	(1,222)	(1,161)	(0.02)
N Lighting Pte. Ltd.	2,269	26,862	25,702	1,159	0	(694)	(694)	(0.01)
Furnzone Creation	13,614	19,028	1,949	17,079	939	8,569	7,536	0.15

(II) Financial statement：None.

(III)Relation Report：None.

II、Private Placement Securities in the Most Recent Years: none.

III、The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

IV、Other information：None.

IX、Any event regulated in Article 36-3-2 of Security Trade Act occurred and shall affect the right of shareholder of share price:

I. On April 19, 2019, the Board of Directors of the Company resolved to purchase 100% interest in Nova Furnishing Holdings Pte Ltd of NOVA, the second-largest furniture retailer in Singapore, for NT$228 million.

Declaration of Consolidated Financial Statements of Affiliates

For the fiscal year 2022 (January 1 to December 31, 2022), the affiliated companies of the Company that shall be included in the consolidated financial statements of affiliated companies as per the rules of the Criteria Governing Preparation of Affiliation Reports, the Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prescribed by the International Financial Reporting Standards No. 10. Also, all the information to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements. Hence, the consolidated financial statements of affiliated companies are not prepared separately.

As hereby declared

Company Name: Scan-D Corporation

Responsible Person: Lin, Fu-Chin

March 30, 2023

Stock Code: 6195

Scan-D Corporation and its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2022 and 2021

Address: No. 69, Dinhu 1 St., Gueishan Dist., Taoyuan City

Tel: 03-3180555

Declaration of Consolidated Financial Statements of Affiliates

For the fiscal year 2022 (January 1 to December 31, 2022), the affiliated companies of the Company that shall be included in the consolidated financial statements of affiliated companies as per the rules of the Criteria Governing Preparation of Affiliation Reports, the Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prescribed by the International Financial Reporting Standards No. 10. Also, all the information to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements. Hence, the consolidated financial statements of affiliated companies are not prepared separately.

As hereby declared

Company Name: Scan-D Corporation

Responsible Person: Lim, Pok-Chin

March 30, 2023

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation and its subsidiaries (hereinafter referred to as "Scan-D Group") as of December 31, 2022 and 2021, and the Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, and Notes to the Consolidated Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2022 and 2021.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Auditors' Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in 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. We are independent of the Scan-D Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2022. 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 for the 2022 Consolidated Financial Statements of Scan-D Corporation and its subsidiaries (Scan-D Group) are as followings:

<u>Authenticity of Sales Revenue</u>

As Scan-D Group belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, There are significant audit risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, Please refer to Note 4(14) of the consolidated financial report.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.
3. We found no significant sales return and discount during the later stage of the period.

Other Matters

Scan-D Corporation has compiled the Individual Financial Statements for 2022 and 2021, and we have compiled an audit report with our unqualified opinion for reference.

Responsibilities of the Management and Governance Bodies on the Consolidated Financial Statements

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

In preparing the financial statements, the management is responsible for assessing the Scan-D Group's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Group or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Group are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

Professional judgment and skepticism are to be applied when conducting audits per the Standards of Auditing. We have also performed the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain an necessary understanding of the 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 Scan-D Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Group's ability to continue as a going concern. If we are of the opinion 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 Scan-D Group to no longer have the capacity to function as a going concern
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

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

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us 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, including related protection measures.

We have determined the key audit matters to be audited in the consolidated financial statements for 2022 based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche

CPA Kuo, Nai-Hua

CPA Lee, Li-Huang

Financial Supervisory Commission
Approval Document No. Chin-Kuan-Cheng-Shen-Tzu No. 1070323246

Securities and Futures Commission Approval Document No.
Tai-Cai-Zheng-6 No. 0930128050

March 30, 2023

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: NT$'000

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	$ 390,521	13	$ 380,898	13
1110	Financial assets at fair value through profit and loss- current (Notes 4 and 7)	7,313	-	9,737	-
1136	Financial assets at amortized cost (Note 4, 8, 9,and 31)	27,586	1	143,442	5
1170	Net accounts receivable (Note 4 and 10)	114,109	4	140,261	5
1180	Receivables from related parties (Note 4, 10, and 30)	327	-	1,703	-
130X	Inventories (Note 4 and 11)	628,672	21	517,896	17
1410	Advance payments (Note 30)	31,624	1	31,489	1
1470	Other current assets (Note 30)	7,522	-	14,853	1
11XX	Total current assets	1,207,674	40	1,240,279	42
	Non-current assets				
1600	Property, Plant & Equipment (Note 4, 13, and 31)	808,677	26	823,260	28
1755	Right-of-use assets (Note 4 and 14)	751,749	25	696,444	23
1801	Net computer software (Note 4)	3,226	-	3,921	-
1805	Goodwill (Note 4 and 15)	158,913	5	158,913	5
1840	Deferred income tax assets (Note 4 and 25)	2,989	-	4,785	-
1915	Advance payment for equipment	3,016	-	6,159	-
1920	Refundable Deposits (Note 14 and Note 30)	114,919	4	54,792	2
15XX	Total non-current assets	1,843,489	60	1,748,274	58
1XXX	Total assets	$ 3,051,163	100	$ 2,988,553	100
Code	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 4 and 16 and Note 31)	$ 30,000	1	$ 9,820	-
2130	Contract liabilities - current (Note 23)	344,003	11	355,806	12
2150	Notes receivable (Note 4 and 18)	17,999	1	16,807	1
2170	Accounts payable (Notes 4 and 18)	53,049	2	94,386	3
2200	Other payables (Note 19)	107,831	4	117,567	4
2230	Income tax liabilities for the period (Note 4 and 25)	35,260	1	40,069	1
2280	Lease liabilities - current (notes 4, 14 and 30)	256,673	8	241,131	8
2300	Other current liabilities	2,001	-	1,865	-
2322	Long-term loans due within one year (notes 4, 16 and 31)	58,780	2	35,549	1
21XX	Total current liabilities	905,596	30	913,000	30
	Non-current liabilities				
2540	Long-term loans (notes 4, 16 and 31)	192,357	6	190,718	7
2550	Liabilities provision – non-current (Notes 4 and 20)	6,773	-	6,825	-
2570	Deferred income tax liabilities (Note 4 and 25)	41,407	2	33,641	1
2580	Lease liabilities - non-current (notes 4, 14 and 30)	515,987	17	472,354	16
2645	Guarantee deposited	1,343	-	1,572	-
25XX	Total non-current liabilities	757,867	25	705,110	24
2XXX	Total liabilities	1,663,463	55	1,618,110	54
	Equity (Note 22)				
	Equity attributable to owners of the Company				
3110	Capital - common stock	501,930	16	501,930	17
3200	Capital surplus	292,923	10	292,923	10
	Retained earnings				
3310	Statutory surplus reserve	242,600	8	215,594	7
3320	Special capital reserve	10,871	-	3,139	-
3350	Undistributed earnings	325,085	11	364,824	12
3300	Total retained earnings	578,556	19	583,557	19
3400	Other equity	10,954	-	(10,871)	-
31XX	Total equity attributable to owners of the Company	1,384,363	45	1,367,539	46
36XX	Non-controlling interests (Note 22)	3,337	-	2,904	-
3XXX	Total equity	1,387,700	45	1,370,443	46
	Total liabilities and equity	$ 3,051,163	100	$ 2,988,553	100

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

(Unit: NT$'000, NT$ for earnings per share)

		2022		2021	
Code		Amount	%	Amount	%
	Operating income (Note 23 and 30)				
4110	Sales revenue	$ 2,465,833	100	$ 2,387,271	100
4170	Sales return	(11,836)	(1)	(12,004)	(1)
4190	Sales discount	(150)	-	(120)	-
4100	Net sales revenue	2,453,847	99	2,375,147	99
4800	Other operating revenue	12,577	1	14,704	1
4000	Total Operating Revenue	2,466,424	100	2,389,851	100
	Operating costs (notes 11, 21, 24, and 30)				
5110	Cost of sales	(1,089,360)	(44)	(1,013,455)	(42)
5800	Other operating costs	(9,060)	(1)	(10,600)	(1)
5000	Total operating expenses	(1,098,420)	(45)	(1,024,055)	(43)
5900	Gross profit	1,368,004	55	1,365,796	57
	Operating expenses (Notes 21, 24 and 30)				
6100	Marketing expenses	(985,195)	(40)	(954,433)	(40)
6200	Administrative expenses	(120,735)	(5)	(119,485)	(5)
6450	Expected credit loss	(7,000)	-	(4,282)	-
6000	Total operating expenses	(1,112,930)	(45)	(1,078,200)	(45)
6900	Operating margin	255,074	10	287,596	12
	Non-operating income and expenses (Note 24 and 30)				
7100	Interest income	2,485	-	2,273	-
7010	Other income	40,517	2	59,723	2
7020	Other profit and loss	(1,505)	-	14,998	1
7050	Finance costs	(20,462)	(1)	(20,428)	(1)
7000	Total non-operating income and expenses	21,035	1	56,566	2
7900	Profit before tax of continuing operations	276,109	11	344,162	14

(Continued)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
7950	Income tax expenses (Note 4 and 25)	($ 60,176)	(2)	($ 73,660)	(3)
8200	Net income	215,933	9	270,502	11
	Other comprehensive profit or loss				
8360	Items that might be reclassified to profit or loss:				
8361	Translation differences in financial statements from overseas operations	27,630	1	(9,807)	-
8399	Income tax relating to items that may be reclassified (Notes 25)	(5,457)	-	1,933	-
8300	Other comprehensive income for the period	22,173	1	(7,874)	-
8500	Total comprehensive income	$ 238,106	10	$ 262,628	11
	Net income attributable to:				
8610	Owners of parent company	$ 215,848	9	$ 270,063	11
8620	Non-controlling interest	85	-	439	-
8600		$ 215,933	9	$ 270,502	11
	Total comprehensive income attributable to:				
8710	Owners of parent company	$ 237,673	10	$ 262,331	11
8720	Non-controlling interest	433	-	297	-
8700		$ 238,106	10	$ 262,628	11
	Earnings per share (Note 26)				
	From continuing business				
9710	Basic	$ 4.30		$ 5.54	
9810	Diluted	$ 4.27		$ 5.36	

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NT$'000

		Equity attributable to owners of the Company								
		Capital			Retained earnings					
Code		Number of shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve	Undistributed earnings	Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity
A1	Balance as of January 1, 2021	46,731	$ 467,311	$ 198,612	$ 193,090	$ 1,248	$ 312,315	($ 3,139)	$2,607	$ 1,172,044
	Appropriation and distribution of 2020 earnings									
B1	Statutory surplus reserve	-	-	-	22,504	-	(22,504)	-	-	-
B3	Special capital reserve	-	-	-	-	1,891	(1,891)	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(193,159)	-	-	(193,159)
D1	Net profit in 2021	-	-	-	-	-	270,063	-	439	270,502
D3	Other comprehensive income in 2021	-	-	-	-	-	-	(7,732)	(142)	(7,874)
D5	Total comprehensive income in 2021	-	-	-	-	-	270,063	(7,732)	297	262,628
I1	Conversion of convertible corporate bond	3,462	34,619	94,311	-	-	-	-	-	128,930
Z1	Balance as at December 31, 2021	50,193	501,930	292,923	215,594	3,139	364,824	(10,871)	2,904	1,370,443
	Appropriation and distribution of 2021 earnings									

Code		Equity attributable to owners of the Company								
		Capital			Retained earnings					
		Number of shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve	Undistributed earnings	Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity
B1	Statutory surplus reserve	-	-	-	27,006	-	(27,006)	-	-	-
B3	Special capital reserve	-	-	-	-	7,732	(7,732)	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(220,849)	-	-	(220,849)
D1	Net profit in 2022	-	-	-	-	-	215,848	-	85	215,933
D3	Other comprehensive income in 2022	-	-	-	-	-	-	21,825	348	22,173
D5	Total comprehensive income in 2022	-	-	-	-	-	215,848	21,825	433	238,106
Z1	Balance as at December 31, 2022	$ 50,193	$ 501,930	$ 292,923	$ 242,600	$ 10,871	$ 325,085	$ 10,954	$3,337	$ 1,387,700

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NT$'000

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit before tax for the year	$ 276,109	$ 344,162
A20010	Income and expense items		
A20100	Depreciation expenses	305,832	297,682
A20200	Amortization expenses	1,886	868
A20300	Expected credit loss	7,000	4,282
A20400	Net losses on financial liabilities at fair value through profit or (gain) loss	294	(2,686)
A20900	Finance costs	20,462	20,428
A21200	Interest income	(2,485)	(2,273)
A21300	Dividend income	(405)	(391)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	191	1,249
A29900	Gain on lease modification	(2,662)	(12,258)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	18,249	(58,353)
A31160	Receivables from related parties	1,376	550
A31200	Inventory	(110,776)	(90,326)
A31230	Prepayments	(135)	(6,393)
A31240	Total current assets	7,411	(3,270)
A32125	Contract liabilities	(11,803)	21,424
A32130	Notes payable	1,192	11,479
A32150	Accounts payable	(41,337)	35,330
A32180	Other Payables	(10,462)	(1,210)
A32230	Other current liabilities	136	(1,277)
A33000	Cash from operating activities	460,073	559,017
A33300	Interest paid	(4,631)	(4,198)
A33500	Income tax paid	(60,993)	(63,246)
AAAA	Net cash inflow from operating activities	394,449	491,573
	Cash flow from investment activities		
B00040	Acquisition of financial assets at amortized cost	-	(23,442)
B00050	Disposal of financial assets at amortized cost	115,856	-
B00200	Disposal of financial assets at fair value through profit or loss	3,264	-

(Continued)

(Continued from previous page)

Code		2022	2021
B02700	Acquisition of property, plant and equipment	(17,160)	(20,647)
B02800	Disposal price of property, plant and equipment	-	6
B03700	Increase in refundable deposits	(60,287)	-
B03800	Decrease in refundable deposits	-	4,622
B04500	Acquisition of intangible assets	(863)	(3,870)
B07100	Increase in prepayment for equipment	-	(2,472)
B07200	Decrease in prepaid equipment	78	-
B07500	Interest received	1,311	1,229
B07600	Dividend received	405	391
BBBB	Net cash inflow from investing activities（outflow）	42,604	(44,183)
	Cash flow from financing activities		
C00100	Increase in short-term loans	20,180	-
C00200	Decrease in short-term loans	-	(960)
C01600	Proceeds from long-term loan	120,000	130,000
C01700	Repayment of long-term loan	(95,130)	(164,927)
C03100	Decrease in guarantee deposits received	(229)	(2,865)
C04020	Repayment of lease principal	(282,369)	(243,483)
C04500	Cash dividend distributed	(220,849)	(193,159)
CCCC	Net cash outflow from financing activities	(458,397)	(475,394)
DDDD	Effect of exchange rate changes on cash and cash equivalents	30,967	(9,475)
EEEE	Increase (reduce) in cash and cash equivalents, net	9,623	(37,479)
E00100	Cash and cash equivalents at beginning of the year	380,898	418,377
E00200	Cash and cash equivalents at the end of the year	$ 390,521	$ 380,898

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin　Manager: Hsueh, Hsiu-Chu　Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries

Notes to Consolidated Financial Report

January 1 to December 31, 2022 and 2021

(Unless otherwise specified, the amounts are in NT'000)

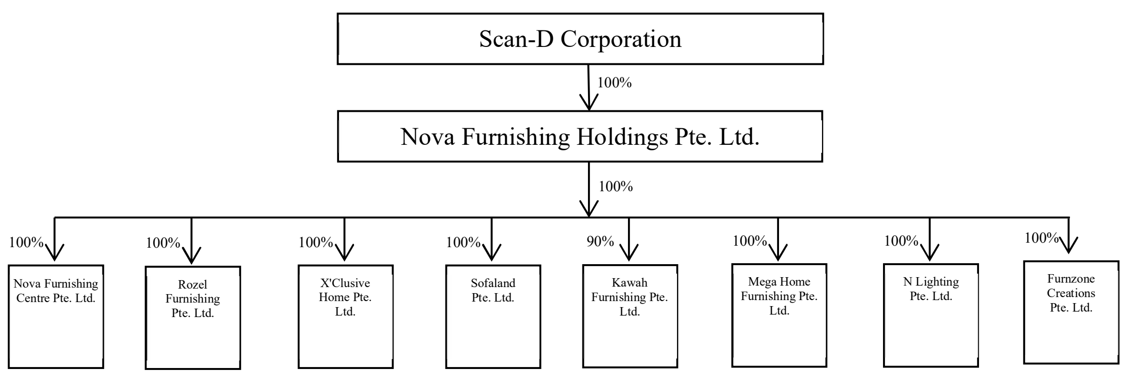
I. Company History

Scan-D Corporation (hereinafter referred to as the “Company”) was established under the approval from the Ministry of Economic Affairs on October 9, 1995. The Company was renamed “Scan-D Corporation” resolved by the Shareholders’ Meeting held on June 25, 2010 and completed the registration on July 15, 2010. The Company is primarily engaged in the wholesale and retail business of furniture, bedding, kitchen equipment, and fixtures.

The Company's shares have been listed on Taipei Exchange for trading since October 21, 2002.

The consolidated financial report is denominated in NT$, the Company's functional currency.

Investment structure



II. Date and procedures of Approving the Financial Report

The consolidated financial report was approved by the Board of Directors on March 30, 2023.

III. Application of New and Amendments to Standards and Interpretations

(I) Initial application the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) recognized and issued into effect by the Financial Supervisory Commission (FSC)

With the exception of the following, the application of the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs recognized and issued into effect by the FSC should not result in major changes to the accounting policies of the merged company:

i. Annual Improvements to IFRSs 2018-2020 Cycle

The Annual Improvements to IFRSs 2018-2020 Cycle amended certain standards. Among them, the amendments to IFRS 9 "Financial Instruments" apply to the exchange or modification of financial liabilities occurring in the merged company after January 1, 2022. This amendment stipulates the assessment of whether the exchange or modification of financial liabilities constitutes a material difference. For the amendments to IFRS 9 "Financial Instruments", in order to assess whether the exchange of financial liabilities or amendments to terms is significantly different, compare whether there is a 10% difference between the discounted cash flow of the new and old contract terms (including the net amount of fees paid or charged for entering into new contracts or amending contracts), the above fees charged only include fees paid or charged between such borrower and lender.

2. Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"

For the merged company, beginning January 1, 2022, this amendment applies to plants, real estate, and equipment that have reached the necessary locations and state of management's intended operation. The amendment regulates that any sale proceeds from items generated from the property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management shall not be a deduction of the cost of that asset. The aforementioned items should be measured in accordance with IAS 2 “Inventory”, and the sales price and cost should be recognized in profit and loss in accordance with the applicable standards.

3. Amendments to IFRS 16 "COVID-19-Related Rent Concessions after June 30, 2021"

The merged company chooses to apply the revised practical expedients to deal with rent negotiations directly associated with the COVID-19 pandemic between it and the lessor. For the relevant accounting policies, please refer to Note 4. Before applying these amendments, the merged company shall determine whether the aforementioned rent negotiations shall apply to the provisions of the lease amendment.

1. FSC-endorsed IFRSs that are applicable from 2023 onward

New, revised, amended standards and interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IFRS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2022 (Note 3)

Note 1. This amendment applies to the annual reporting periods beginning on or after January 1, 2023.

Note 2. These amendments are applied to the changes to accounting estimates and accounting policies for the annual reporting period beginning on or after January 1, 2023.

Note 3. Except for the recognition of deferred income tax on temporary differences between leases and decommissioning obligations on January 1, 2022, this amendment is applicable to transactions that occur after January 1, 2022.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments clarify that the merged company should determine the disclosure of material information on accounting policies based on the definition of materiality. The information on accounting policies is considered material if it is reasonably expected to affect the decision made by key users of the general-purpose financial statements based on such financial statements. The amendments also clarify that:

- If the information on accounting policies related to immaterial transactions, other factors, or circumstances are considered immaterial, the Company is not required to disclose such information.

- The merged company may, depending on the nature of the transaction, other factors, or circumstances, determine whether the relevant information on accounting policies are material, even if the amounts are immaterial.
- All information on accounting policies not relating to transactions, other factors, or circumstances is considered material.

In addition, the amendment provides an example of how the information on accounting policies may be material if it relates to material transactions, other factors, or circumstances and under the following circumstances:

(1) The merged company changes its accounting policies during the reporting period that have resulted in material changes to the information in the financial statements;

(2) The merged company selects applicable accounting policies from the options permitted by the standard;

(3) The accounting policies established by the merged company in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” In the absence of requirements by specific standards;

(4) The merged company disclosed the relevant accounting policies which require the use of significant judgments or assumptions; or

(5) Complicated accounting treatments and the users of the financial statements rely on such information to understand those material transactions, other factors, or circumstances.

2. Amendments to IFRS 8 "Definition of Accounting Estimates"

The amendments state that accounting estimates refer to the currency amounts in the financial statements that are subject to measurement uncertainties. In applying accounting policies, the merged company may measure items in the financial statements with the currency amounts that are not directly observable and must be estimated. Therefore, the Company is required to make accounting estimates with measurement techniques and inputs. The effects of changes to measurement techniques or inputs on accounting estimates that are not considered changes to early errors are considered changes to accounting estimates.

3. Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The amendment clarifies that the transactions that give rise to the same amount of taxable and deductible temporary differences at the time of initial recognition are not subject to the exemptions from the initial recognition of IAS 12. On January 1, 2022, the merged company recognizes deferred tax assets and liabilities for all deductible and taxable temporary differences associated with leases and decommissioning obligations (to the extent that it is probable that taxable temporary differences will be available for deductible temporary differences). The cumulative effect is recognized as the adjustment to the initial balance of retained earnings at that date. The amendment is deferred for transactions other than leases and ex-service obligations that occur after January 1, 2022.

Except for the aforementioned impact, as of the date of approval and issuance of the Consolidated Financial Statements, the merged company continued to evaluate the impact of amendments to other standards and interpretations on financial condition and performance.

2. IFRSs issued by the IASB but not yet approved as effective by the FSC

New, revised, amended standards and interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendment to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024 (Note 2)
IFRS17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Amendment to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024

Note 1. Unless otherwise specified, the aforementioned New/revised/amended standards or interpretations shall be effective at the reporting period from the year of such dates.

Note 2. The seller-lessee shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

1. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendment stipulates that if the merged company sells or invests assets to an affiliated enterprise (or joint venture), or the merged company loses control of the subsidiary, but retains significant influence on the subsidiary (or joint control), if the aforementioned assets or former subsidiaries fulfill the definition of “Business” in “Business Combination” in IFRS 3, the merged company recognizes all profits and losses arising from those transactions.

In addition, if the merged company sells or invests assets to an affiliated company (or joint venture), or the merged company loses control of the subsidiary in a transaction with the affiliated company (or joint venture), but retains significant influence on the subsidiary (or joint control), if the aforementioned assets or former subsidiaries do not fulfill the definition of “Business” in IFRS 3, the merged company will only recognize the profit or loss arising from the transactions in the interest scope where the investor is not related to such affiliated companies (or joint ventures). In other words, the share of the merged company on those profits or losses shall be eliminated.

2. Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current" (revised in 2020) and “Non-current liabilities with covenants” (amended in 2022)

   The 2020 revision clarifies that, when determining whether a liability should be classified as non-current, evaluation shall be made on whether the merged company has the right to defer the settlement period to at least 12 months at the end of the reporting period. If the merged company has such rights at the end of the reporting period, the liability shall be classified as non-current regardless of whether the merged company is expected to exercise the right. In addition.

   The 2020 revision clarifies that if the right to defer the settlement of liabilities of the merged company is subject to the compliance with specific conditions, the merged company must have met certain conditions at the end of the reporting period, regardless of whether the lender has tested whether the merged company has complied with such conditions at a later date. The 2022 amendment further clarifies that only contractual terms in effect up to the end of the reporting period will affect the classification of liabilities. Although contractual terms that must be followed within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable financial statement users to understand the risk that the merged company may not be able to comply with the contractual terms and may need to repay within 12 months after the reporting period.

The 2020 revision stipulates that for the purpose of classifying liabilities, the aforementioned settlement refers to the elimination of liabilities caused by the transfer of cash, other economic resources, or the equity instruments of the merged company to the counterparty. However, if the terms of the liability may be based on the choice of the counterparty to transfer the equity instrument of the merged company, which resulted in its settlement, and if the option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Expression," the aforementioned terms will not affect the classification of liabilities.

Except for the aforementioned impact, as of the date of approval and issuance of the Consolidated Financial Statements, the merged company continued to evaluate the impact of amendments to other standards and interpretations on financial condition and performance. Such impacts will be disclosed upon completion of the evaluation.

IV. Summarized Explanation on Significant Accounting Policies

(I) Statement of Compliance

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs recognized and announced as effective by the FSC.

(II) Basis of Preparation

In addition to the financial instruments measured at fair value, the consolidated financial report was prepared based on historical costs.

Fair value measurements are categorized into Level 1 to Level 3 based on the degree to which the inputs are observable and the significance of the inputs:

1. Level 1 input: Refers to the quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

(III) Classification Standard of Current and Non-Current Assets and Liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or a cash equivalent (excluding assets restricted to be utilized for the exchange or settlement of liabilities for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred till at least 12 months after the balance sheet date.

Current assets or current liabilities that are not specified above are classified as non-current assets or non-current liabilities.

(IV) Basis of the Merger

The consolidated financial report includes the financial reports of the Company and entities owned by the Company (i.e. subsidiaries, including structural entities). The statements of comprehensive income include the operating income of the acquired or disposed subsidiaries from the date of acquisition to the date of disposal in the current year. The financial reports of subsidiaries have been reorganized to bring uniformity between their accounting policies and those of the merged company. In the preparation of the consolidated financial report, all transactions, account balances, income and expenses between the entities have been written off. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become deficit balance as a result.

Changes in the merged company's ownership interests in a subsidiary that does not result in a loss of control to the subsidiary shall be considered equity transactions. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect relative changes in their interests in subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

For details, shareholding ratio and business items of subsidiaries, please refer to Note 12 and table 3 in Note 35.

(V) Foreign Currency

In preparing each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are converted into the entity's functional currency using the exchange rate on the date of transaction.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value is determined. The resulting exchange difference is recognized in the profit or loss of the period. However, for changes in fair value recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

In preparing the Consolidated Financial Statements, assets and liabilities of a foreign operation (including subsidiaries, associates, or joint ventures, of which the country of domicile or currency is different from the Company) are translated into NT$ by using the exchange rates on each balance sheet date. Income and expenses are translated at the average exchange rate of the period. The resulting exchange differences are recognized in other comprehensive income (and are attributable to owners of the Company and non-controlling interest, respectively).

(VI) Cash and Cash Equivalents

Cash and cash equivalents shall refer to cash on hand and demand deposits. Bank deposits are short-term, highly liquid time investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Reserve accounts that do not meet the foregoing definitions are recognized in financial assets at amortized cost.

(VII) Inventory

Inventory comprises goods and in-transit inventory. The value of inventory shall be determined based on the cost and net realizable value (NRV), whichever is lower. With the exception of inventory of the same category, individual items shall be assessed when comparing the cost and NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to complete the sale. Cost of inventory is calculated using weighted-average method.

(VIII) Property, Plant, and Equipment

Real estate, plants, and equipment are recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Construction-in-progress of real estate, plants, and equipment is recognized at cost less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization criteria. Such assets are measured at the lower of cost and net realizable value until they are ready for intended use, with the sales proceeds and costs recognized in profit or loss. Upon completion and reaching their intended use, such assets are classified into the appropriate category of real estate, plants, and equipment, and depreciation begins to be taken.

Except for the depreciation of self-owned land, the remaining property, plant and equipment are depreciated separately for each major part on a straight-line basis over the service life. The merged company has to review the estimated useful life, residual value, and depreciation methods at the end of each year at least annually, and deduce the effect of the changes in accounting estimates.

When derecognizing property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(IX) Goodwill

The goodwill acquired through business combination considers the amount of goodwill recognized on the acquisition date as the cost, and is subsequently married at cost less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) (the "CPUs") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually and when there is an indication that the unit may be impaired by comparing the carrying amount and the recoverable amount of the units with goodwill. For goodwill to which the CPUs are allocated acquired through business combination during the year, the unit is tested for impairment before the end of that year. If the recoverable amount of the CPUs is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CPU and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss of the period. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a certain business within the allocated CPUs, the attributable amount of goodwill of the disposed business is included in the carrying amount of the business to determine the profit or loss on disposal.

(X) Intangible assets

1. Separate Acquisition

The intangible assets with limited useful life acquired separately are measured at cost, and subsequently at cost less accumulated amortization and impairment loss. Intangible assets will be amortized using the straight-line method within the useful life. The merged company has to review the estimated useful life, residual value, and depreciation methods at the end of each year at least annually, and deduce the effect of the changes in accounting estimates. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment losses.

2. Derecognition

When derecognizing intangible assets, the difference between net disposal proceeds and the carrying value of the assets is recognized in profit and loss of the period.

(XI) Impairment of property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill), and contract costs

The merged company assesses whether there is an indication that the property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill) may be impaired on each balance sheet date. If there is an indication of impairment, the recoverable amount of the assets shall be estimated. If it is not possible to determine the recoverable amount for an individual asset, the merged company estimates the recoverable amount of the CPUs to which asset belongs.

Intangible assets with indefinite useful lives and not available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of individual asset or CPU is lower than its carrying amount, the carrying amount of the asset or the CPU shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

The impairment of the inventory, property, plant and equipment, and intangible assets recognized in the customer's contract are recognized based on the inventory impairment regulations and the aforementioned regulations. Subsequently, the carrying amount of the contract cost-related assets that exceed the expected remaining consideration receivable for provision of related products or labor services shall be deducted by directly related costs and recognized inan impairment loss. The carrying amount of the contract cost-related assets is subsequently included in the CPU for impairment assessment.

When the impairment loss is subsequently reversed, the carrying amount of the asset, CPU, or contract cost-related asset shall be increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (minus amortization or depreciation) of the asset, CPU, or contract cost-related asset that was not recognized inan impaired loss in the previous years. Reversal of impairment loss is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the merged company becomes a party of the financial instrument contract.

Upon initial recognition of financial assets and financial liabilities, if they are not measured at fair value through profit or loss, it is measured at value plus the transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss shall be immediately recognized in profit or loss.

1. Financial Assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement Types

The types of financial assets held by the merged company are financial assets at fair value through profit or loss and financial assets at amortized cost.

A Financial Assets Measured at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated to be measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include the equity investments that are not designated to be measured at fair value through other comprehensive income, and debt investments that are not qualified as to be measured at amortized cost, or that are measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are those measured at fair value, the dividends and interests incurred are recognized in other income and interest income, gains or losses incurred in the measurement of assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 29.

B Financial Assets Measured at Amortized Cost

Investments in financial assets of the merged company that satisfy the following two conditions are classified as financial assets at amortized cost:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Subsequent to initial recognition, financial assets at amortized cost (Including cash and cash equivalents and accounts receivable at amortized cost), are measured at the gross carrying amount determined by the effective interest method less the amortized loss of any impairment loss, while all currency exchange gains or losses are recognized in profit or loss.

Except for the following two circumstances, interest income is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets:

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

b. For financial assets other than purchased or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Credit-impaired financial assets refer to that the issuer or debtor has experienced significant financial difficulties, defaults, the debtor is likely to enter bankruptcy or other financial restructuring, or the active market for financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid time deposits which can be converted into fixed cash at any time within 3 months from the date of acquisition and have little risk of value change, and are used to meet short-term cash commitments.

(2) Impairment of Financial Assets

The merged company measures impairment losses on financial assets (including accounts receivable) measured at amortized cost on each balance sheet date at expected credit loss.

Loss allowances are recognized for accounts receivable at expected credit losses over the duration. Other financial assets are first evaluated to see whether the credit risk increases significantly after the initial recognition. If not, loss allowances are recognized based on 12-month expected credit losses. If it has increased significantly, loss allowances are recognized based on expected credit losses over the duration.

Expected credit loss is weighted-average credit loss based on the risk of default. The 12-month expected credit loss represents the expected credit loss that results from those possible default events on the financial instrument within 12 months after the reporting date, whereas the lifetime expected credit loss represents the expected credit loss that results from all possible default events over the life of the financial instrument.

For the purpose of internal credit risk management, provided that the collaterals held by the merged company are not taken into account, the following circumstances are determined to represent the default of financial assets:

A Internal or external information indicates that the debtor is unable to repay the debt.

B Overdue for more than 90 days, unless there is reasonable evidence showing that the delayed default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account. However, the allowance for the investment in the debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and shall not reduce its carrying amount.

(3) Derecognition of Financial Assets

The merged company derecognizes financial assets only when the contractual rights to the cash flow of the financial asset expire or when the financial assets have been transferred with substantially all the risks and rewards of ownership transferred to other enterprises.

On derecognition of an entire financial asset measured at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in a debt instrument at fair value through other comprehensive income in its entirety, the difference between its carrying amount and the sum of the consideration received and the accumulated gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in an equity instrument at fair value through other comprehensive income in its entirety, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity Instruments

Debts and equity instruments issued by the merged company are classified as financial liabilities or equity in accordance with the contractual substance and the definition of financial liabilities and equity instruments.

Equity instruments issued by the merged company are recognized based on the price obtained less direct issuance costs.

The recovery of the Company's self-owned equity instruments is recognized and derecognized in equity. The purchase, sale, issuance or cancellation of the Company's self-owned equity instruments is not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities are measured at amortized cost by the effective interest method.

(2) Derecognition of Financial Liabilities

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

(XIII) Liability Provision

Liability provision recognized includes the obliged amount of contract to be maintained or restored for return to the lessor, which is specifically indicated in the lease period, taking into account the risk and uncertainty of obligation, to become the optimal estimates for expenses required for repaying the obligation on the balance sheet date. Liability provision is measured by the estimated discounted cash flow for the repayment obligation.

(XIV) Revenue Recognition

After the merged company has identified the performance obligation in the client contract, the transaction price shall be distributed to each performance obligation and recognizes the revenue when the performance obligations are fulfilled.

1. Revenue from sales of commodity

Revenue from sales of commodity comes from the sales of furniture products. When the furniture is delivered to a customer's specific location, the customer has the right to use the product and bears the risks in Expiring Commodities, which should be recognized inrevenue and accounts receivable by the Company at the time.

2. Revenue from flooring

Primarily refers to the sales of flooring, which shall be recognized inrevenue when the customer completed acceptance and the rights and risks have been transferred.

(XV) Leases

The merged company evaluates whether the contract is (or involves) leases on the date entering into the contract.

1. The Merged Company as the Lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

When the merged company subleases the right-of-use asset, the classification of the sublease is determined by the right-of-use asset (instead of the underlying asset). However, if the main lease is a short-term lease where the recognition exemption is applicable to the merged company, the sublease is classified as an operating lease.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term.

Rental changes in lease agreements that do not depend on indices or rates are recognized inincome in the period in which they are incurred.

2. The Merged Company as the Lessee

Except for lease payment for leases of low-value underlying assets and short-term leases where recognition exemptions are applicable that are recognized inexpenses on a straight-line basis over the leasing period, other leases recognize the right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the initial measurement amount of the lease liability, lease payments before the inception of the lease less lease incentives received, the initial direct cost, and the estimated cost of restoring the underlying asset), and subsequently measured by the cost less accumulated depreciation and accumulated impairment losses. The remeasurement of lease liabilities is also adjusted. Right-of-use assets are recognized separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the inception of the lease to the earlier of the maturity of the useful life or leasing period.

Lease liabilities were initially measured at the present value of lease payments (including fixed payments). If the implicit interest rate of the lease is easy to determine, the lease payment is discounted using such interest rate. If the interest rate is not easily determined, the lease payment is discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured on the amortized cost basis using the effective interest method, and interest expenses are apportioned over the lease term. If during the leasing period or changes in the index or rate used to determine lease payments result in changes in future lease payments, the merged company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. With regard to changes in leases that are not considered separate leases, the remeasurement of lease liabilities as a result of the decrease in the scope of the lease refers to the reduction in right-of-use assets, with the recognition of the gains or losses on partial or complete termination of the lease. The remeasurement of lease liabilities as a result of other amendments refers to the adjustment in right-of-use assets. Lease liabilities are recognized separately in the consolidated balance sheet.

The merged company and the lessor conducted rent concessions directly associated with the COVID-19 pandemic, and adjusted the payable due before June 30, 2022, resulting in a decrease in the rent, and there is no substancial changes in other lending terms and conditions. The merged company chooses to adopt the practical expedient method to deal with rent concessions meeting the aforementioned conditions and does not assess whether is a lease modification, but recognizes the reduction in lease payment as profit and loss (classified as other gains) when the concession event or situation occurs, and reduces the lease liabilities relatively.

Changes in the lease agreement that do not depend on indice or rates are recognized inexpenses in the period in which they are incurred.

(XVI) Borrowing costs

The cost of loans directly attributable to the acquisition, construction, or production of assets that meet requirements is considered as part of the cost of the asset until almost all activities that such assets reach the expected stage of use or sale have been completed.

Special loans, such as investment income from temporary investments prior to capitalization, are deducted from the cost of loans eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit and loss in the period they are incurred.

(XVII) Government subsidies

Government subsidies are only recognized when they can be reasonably assured that the merged company shall comply with the conditions imposed by government subsidies and that such subsidies can be received.

Government subsidies related to income are recognized as other income during the period in which the costs intended to be compensated are recognized as expenses by the merged company.

If the government subsidy is used to compensate fees or losses incurred, or is given to the merged company for the purpose of immediate financial support without related future costs, it can be recognized in profit or loss within the collectible period.

(XVIII) Employee Benefits

1. Short-Term Employee Benefits

The liabilities connected with the short-term employee benefits are measured by non-discounted amounts expected to be paid in exchange for staff services.

2. Pension

Pensions under the defined contribution retirement plan are pensions contributable over the period for which employees render their services, and are recognized inexpense.

(XIX) Income taxes

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current Income Tax

The merged company determines the amount of income (loss) and calculated the payable (recoverable) income tax in accordance with the laws and regulations prescribed by the income tax reporting jurisdiction.

Additional income tax on the unappropriated earnings pursuant to the Income Tax Act, for the year of resolution of the shareholders' meeting. Adjustments to income tax payable in previous years are recognized in the current income tax.

2. Deferred Income Tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred tax liabilities are generally recognized for all temporary differences in taxable income, while deferred tax assets are recognized when they are likely to be taxable and to reduce income tax generated by the temporary differences.

Taxable temporary differences related to investment subsidiaries, affiliates, and joint agreements are recognized under deferred tax liabilities, except when the merged company is able to control the reversal of the temporary difference which is not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investments are recognized indeferred income tax assets only to the extent that it is likely that the taxable income is sufficient to be used to achieve the temporary difference and is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. Assets not recognized indeferred income tax assets are re-examined on each balance sheet date and the carrying amount is increased for assets likely to generate sufficient taxable income to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred income tax liabilities and assets reflects the tax consequences generated by the expected manner of recovery or repayment of the carrying amount of the assets and liabilities on the balance sheet date.

3. Current and Deferred Income Tax

Current and deferred income taxes are recognized in gain or loss. However, current and deferred income taxes related to items recognized in other comprehensive income or directly recognized in equity are recognized in other comprehensive income or are directly recognized in equity.

V. Significant Accounting Judgments and Assumptions, and Major Sources of Estimation Uncertainty

When the merged company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from original estimates.

The merged company has taken into consideration the recent development of the COVID-19 pandemic in Taiwan and its possible impact on the economic environment, and has taken into account the significant accounting estimates related to cash flow estimates, growth rates, discount rates, profitability, etc. The management shall continue to review the estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the current period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the current year and future periods.

Major sources of uncertainty in estimates and assumptions

Valuation of inventory

As inventory is valued at the lower of cost or net realizable value, the company must use estimates to determine the net realizable value of inventory at the end of the reporting period.

The company evaluates the amount of inventory at the end of the reporting period that is impaired due to normal wear and tear, obsolescence, or lack of market demand and reduces the inventory cost to its net realizable value. This inventory valuation is primarily based on estimates of future product demand within a specific period, so significant changes may occur.

VI. Cash and Cash Equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 382	$ 1,107
Bank check and current deposit	315,779	379,791
Cash equivalents		
Time deposits with banks	74,360	-
	$390,521	$380,898

VII. Financial Instruments at Fair Value through Profit or Loss

	December 31, 2022	December 31, 2021
Financial assets - Current		
Non-derivative financial assets		
- Domestic TWSE/TPEx listed stocks	$ 7,313	$ 9,737

VIII. Financial assets at amortized cost

	December 31, 2022	December 31, 2021
Current		
Domestic investment		
Restricted Time Deposit	$ 6,089	$ 5,442
Fixed deposit with an original maturity date of over 3 months (I)	21,497	138,000
	$ 27,586	$ 143,442

(I) As of December 31, 2022 and2021, The interest rates range for time deposits with original maturities exceeding three months is the per annum interest rates 2.60% ~ 3.00% and 0.560% ~ 0.815%.

(II) Please refer to Note 9 for the credit risk management and impairment assessment related to financial assets at amortized cost.

(III) For the details of financial assets at amortized cost, please refer to Note 31.

IX. Credit risk management for investments in debt instruments

Debt instruments invested by the Company are recognized as financial assets at amortized cost:

	December 31, 2022	December 31, 2021
Gross carrying amount	$ 27,586	$ 143,442
Allowance Loss	-	-
Amortized cost	$ 27,586	$ 143,442

The policy adopted by the merged company is to invest only in debt instruments with low credit risks according to the impairment assessment. The merged company The Company takes into account the historical default loss rate and the expected prospect of the industry in which its business operates in the measurement of 12-month expected credit loss or expected lifetime credit loss of debt instruments. As of December 31, 2022and December 31, 2021, due to the low credit risk of debtors and sufficient cash flow for contract settlement, provision of expected credit loss has not been made for financial assets at amortized cost.

X. Accounts Receivable

	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$126,640	$ 144,941
Less: Allowance for loss	(12,531)	(4,680)
	114,109	140,261
Gross carrying amount - related parties	327	1,703
	$114,436	$ 141,964

The merged company usually adopts cash payment (or credit card) from customers. Except for some accounts receivables with department stores and superstores, the credit period is mainly negotiated between both parties, with a monthly balance between 30-60 days. The merged company considers any changes to the credit quality of accounts receivable from the original credit date to the balance sheet date when determining the recoverability of accounts receivable.

To lower credit risk, Determination of credit limits set by the management of the merged company, credit approval, and other monitoring procedures to ensure that appropriate actions are taken to recover overdue accounts receivable. In addition, the merged company reviews the recoverable amount of each receivables on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As such, the merged company's management concludes that the credit risk of the merged company has been significantly reduced. As historical experience shows that the counterparty has no record of default, no allowance for bad debt is provided.

The merged company recognizes allowance loss for accounts receivable according to the lifetime expected credit loss. Lifetime expected credit loss is calculated taking into account the customer's past default records, economic conditions of the industry, GDP forecasts and the outlook of the industry. As the merged company's historical experience of credit loss indicates no significant difference in the loss patterns between the different customer groups, the merged company does not classify customers into different groups but determines the expected credit loss rate solely based on the overdue days of accounts receivable.

The Company's loss allowance for accounts receivable based on the provision matrix are as follows:

December 31, 2022

	Not past due	Past due 1 - 30 days	Past due 31 - 215 days	Past due more than 215 days	Total
Expected credit loss rate	0.00%~57.69%	0.00%~97.51%	0.00%~87.63%	100%	
Gross carrying amount	$ 115,928	$ 462	$ 2,238	$ 8,339	$ 126,967
Loss allowance (full lifetime expected credit losses)	(1,958)	(424)	(1,810)	(8,339)	(12,531)
Amortized cost	$ 113,970	$ 38	$ 428	$ -	$ 114,436

December 31, 2021

	Not past due	Past due 1 - 30 days	Past due 31 - 215 days	Past due more than 215 days	Total
Expected credit loss rate	0.00%	58.17%	58.25%	100.00%	
Gross carrying amount	$ 139,894	$ 502	$ 5,603	$ 645	$ 146,644
Loss allowance (full lifetime expected credit losses)	(479)	(292)	(3,264)	(645)	(4,680)
Amortized cost	$ 139,415	$ 210	$ 2,339	$ -	$ 141,964

Information on changes in allowance for accounts receivable is as follows:

	2022	2021
Balance at the beginning of the year	$ 4,680	$ 479
Add: Impairment loss recognized for the year	7,000	4,282
Less: Actual write-off for the year	(52)	-
Exchange difference from foreign currency	903	(81)
Balance at the end of the year	$ 12,531	$ 4,680

XI. Inventories

	December 31, 2022	December 31, 2021
Commodity	$614,773	$478,967

In-transit inventory	13,899	38,929
	$628,672	$517,896

In 2022 and 2021, the cost of sales related to inventory amounted to NT$1,089,360,000 and NT$1,013,455,000, respectively.

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The entities in preparation of the consolidated financial report are as follows:

Name of investment company	Name of subsidiary	Percentage of ownership 2022 December 31	Percentage of ownership 2021 December 31
Scan-D Corporation	Nova Furnishing Holdings Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	Nova Furnishing Centre Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	Rozel Furnishing Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	X'clusive Home Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	Sofaland Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	Kawah Furnishing Pte. Ltd.	90.00%	90.00%
Nova Furnishing Holdings Pte. Ltd.	Mega Home Furnishing Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	N Lighting Pte. Ltd.	100.00%	100.00%
Nova Furnishing Holdings Pte. Ltd.	Furnzone Creations Pte. Ltd.	100.00%	100.00%

(II) Subsidiaries not included in the consolidated financial statements: None.

XIII. Property, Plant, and Equipment

	December 31, 2022	December 31, 2021
For own use	$ 808,677	$ 823,260

	Self-owned land	Building	Communication and transportation equipment	Furniture, fixtures and office equipment	Leasehold improvements	Other equipment	Total
Costs							
Balance as at January 1, 2022	$ 622,550	$ 423,303	$ 26,116	$ 17,464	$ 264,021	$ 34,684	$ 1,388,138
Addition	-	-	1,140	1,377	10,646	4,624	17,787
Disposal	-	-	(1,255)	-	(12,528)	(904)	(14,687)
Reclassification	-	-	-	-	3,065	-	3,065
Net exchange difference	-	22,353	2,273	1,513	4,306	1,125	31,570
Balance as at December 31, 2022	$ 622,550	$ 445,656	$ 28,274	$ 20,354	$ 269,510	$ 39,529	$ 1,425,873
Accumulated depreciation							
Balance as at January 1, 2022	$ -	($ 267,206)	($ 14,877)	($ 14,831)	($ 240,933)	($ 27,031)	($ 564,878)
Depreciation expenses	-	(13,600)	(2,493)	(1,523)	(15,832)	(4,439)	(37,887)
Disposal	-	-	1,255	-	12,337	904	14,496
Net exchange difference	-	(22,326)	(1,092)	(1,292)	(3,307)	(910)	(28,927)
Balance as at December 31, 2022	$ -	($ 303,132)	($ 17,207)	($ 17,646)	($ 247,735)	($ 31,476)	($ 617,196)
Net amount as at December 31, 2022	$ 622,550	$ 142,524	$ 11,067	$ 2,708	$ 21,775	$ 8,053	$ 808,677

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	Self-owned land	Building	Communication and transportation equipment	Furniture, fixtures and office equipment	Leasehold improvements	Other equipment	Total
Costs							
Balance as at January 1, 2021	$ 622,550	$ 490,422	$ 27,038	$ 15,538	$ 270,852	$ 32,512	$ 1,458,912
Addition	-	176	1,062	2,611	13,791	2,866	20,506
Disposal	-	(55,253)	(939)	(85)	(22,188)	(278)	(78,743)
Reclassification	-	-	-	-	3,096	-	3,096
Net exchange difference	-	(12,042)	(1,045)	(600)	(1,530)	(416)	(15,633)
Balance as at December 31, 2021	$ 622,550	$ 423,303	$ 26,116	$ 17,464	$ 264,021	$ 34,684	$ 1,388,138
Accumulated depreciation							
Balance as at January 1, 2021	$ -	($ 309,846)	($ 13,675)	($ 14,232)	($ 244,166)	($ 23,541)	($ 605,460)
Depreciation expenses	-	(24,249)	(2,583)	(1,196)	(18,934)	(4,119)	(51,081)
Disposal	-	55,253	939	85	20,933	278	77,488
Net exchange difference	-	11,636	442	512	1,234	351	14,175
Balance as at December 31, 2021	$ -	($ 267,206)	($ 14,877)	($ 14,831)	($ 240,933)	($ 27,031)	($ 564,878)
Net amount as at December 31, 2021	$ 622,550	$ 156,097	$ 11,239	$ 2,633	$ 23,088	$ 7,653	$ 823,260

No indication of impairment was identified in 2022 and 2021 after evaluation, Impairment losses not recognized or reversed.

Depreciation expense is calculated on a straight-line basis according to the following useful years:

Building	
Main building of plants	15 to 40 years
Freight elevator and air-conditioning system	8 to 15 years
Communication and transportation equipment	1 to 20 year(s)
Furniture, fixtures and office equipment	3 to 4 years
Leasehold improvements	1 to 14 year(s)
Other equipment	3 to 9 years

Please refer to Note 31 for the amount of property, plant and equipment pledged as a guarantee of loans.

XIV. Lease Agreement

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Building	$ 751,707	$ 695,897
Transportation equipment	42	547
	$ 751,749	$ 696,444
Addition of right-of-use assets	$ 325,241	$ 247,574

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	December 31, 2022	December 31, 2021
Depreciation expense of right-of-use assets		
Building	$ 267,440	$ 245,768
Transportation equipment	505	833
	$ 267,945	$ 246,601
Right-to-use asset sublease income (recognized in other income)	($ 2,563)	($ 2,487)

Other than the above increase and recognition of depreciation expenses, the merged Company's right-of-use assets did not undergo significant sublease or impairment for the years ended December 31, 2022 and 2021.

(II) Lease Liabilities–

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 256,673	$ 241,131
Non-current	$ 515,987	$ 472,354

The discount rate ranges for lease liabilities are as follows:

	2022	2021
Building	1.47%~4.00%	1.47%~4.00%
Transportation equipment	1.82%	1.82%

(III) Material leasing activities and terms

The merged company had no significant new lease contracts in 2022 and 2021. In 2022 and 2021 the merged company entered into lease concessions with lessors due to the significant impact on the market and economy arising from the COVID-19 epidemic.In 2022 and 2021, the merged company adopted the practical expedient for lease concessions with lessors to recognize the effect of the aforesaid rental reduction amounting to $88 and $8,730 thousand (classified as other gains).

On December 28, 2022, the merged company participated in the Singapore government's public bidding and was awarded the right to use land and buildings, including Changi South Lane Kingsmen Creative Centre, for a total bid price of SGD 22,000,000. The company has already paid a bid deposit of SGD 2,215,000 (recorded as refundable deposits), and the remaining amount will be recorded as right-of-use assets after the actual payment is made.

(IV) Sublease

The merged company has conducted the following sublease transactions. The total minimum future payable amounts for subleases of operating leases are as follows:

	2022	2021
First year	$ 2,166	$ 2,166
Second year	1,519	1,872
Third year	80	1,519
Fourth year	-	80
	$ 3,765	$ 5,637

(V) Other Lease Information

	2022	2021
Short-term lease expense	$ 43,116	$ 49,075
Low-value assets lease expense	$ 135	$ 133
Changes in lease payments not included in the measurement of lease liability	$ 54,001	$ 41,532
Total cash (outflow) from lease	($ 379,621)	($ 334,223)

The merged company elected to apply the recognition exemption for business stores that fulfill the definition of short-term leases and leases that fulfill the definition of low-value assets, and does not recognize the related right-of-use assets and lease liabilities for these leases.

XV. Goodwill

	2022	2021
Goodwill	$158,913	$158,913

The merged company acquired Nova Furnishing Holdings Pte. Ltd. and its subsidiaries on May 1, 2019, resulting in goodwill of NT$158,913,000, This is mainly attributable to the effect of the expected sales of furniture in Singapore.

When conducting an impairment test, the goodwill relates only to a single cash-generating unit of Nova Furnishing Holdings Pte. Ltd. Therefore, impairment of goodwill is assessed by calculating the recoverable amount of the Nova Group and the carrying amount of the net assets to evaluate the need for a provision for impairment.

XVI. Loans

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured Loans（Note31）		
Bank Loans	$ 10,000	$ -
Unsecured loans		
Credit limit loans	20,000	9,820
Credit limit loans	$ 30,000	$ 9,820

The interest rate of bank revolving loans both as of December 31, 2022 and 2021 . 1.675%～1.725% and 2.50%, respectively.

(II) Long-Term Loans

	December 31, 2022	December 31, 2021
Guaranteed loans		
Bank loans	$ 251,137	$ 226,267
Less: part recognized inmaturity within one year	(58,780)	(35,549)
Long-term loans	$ 192,357	$ 190,718

The bank loan was pledge by the merged company's self-owned land and building (see Note 31). As of December 31, 2022 and 2021, the effective annual interest rates were 1.73% to 2.095% and 1.20% to 1.47%, respectively.

The long-term loans of the merged company are:

Borrowing bank	Original borrowing amount	December 31, 2022	December 31, 2021
Taiwan Business Bank	Total borrowings: NT$150,000,000 Borrowing period: October 23, 2019- October 23, 2034 Interest rate range: 2.075% (floating rate) Repayment method: The first 12 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 13th month, the repayment period is 1 month. Repayment is made on the 23th of each month, for a total of 168 installments.	$ 126,786	$ 137,500
Taiwan Business Bank	Total borrowing: NT$52,250,000 Borrowing period: August 19, 2020- August 19, 2040 Interest rate range: 2.095% (floating rate) Repayment method: The interest is paid on a monthly basis, the repayment period is 1 month. Repayment is made on the 19th of each month, for a total of 240 installments.	46,154	48,767
Hua Nan Bank	Total borrowing: NT$130,000,000 Borrowing period: August 16, 2021- August 16, 2023 Interest rate range: 1.20% (floating rate) Repayment method: The first 6 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 7th month, the repayment period is 1 month.	$ -	$ 40,000

Borrowing bank	Original borrowing amount	December 31, 2022	December 31, 2021
	Repayment is made on the 16th of each month, for a total of 24 installments. The long-term loans have been paid in full in January 2022.		
Hua Nan Bank	Total borrowing: NT$120,000,000 Borrowing period: July 26, 2022- July 26, 2024 Interest rate range: 1.73% (floating rate) Repayment method: The first 6 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 7th month, the repayment period is 1 month. Repayment is made on the 26th of each month, for a total of 24 installments.	70,000	-
United Overseas Bank	Total borrowing: NT$10,580,000 Borrowing period: October 20, 2025 Maturity Interest rate range: 2.00% (floating rate) Repayment method: The first 12 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 13th month, the repayment period is 1 month. Repayment is made on the 20th of each month, for a total of 60 installments.	$ 8,197	$ -
		$ 251,137	$ 226,267

XVII. Corporate Bonds Repayable

Domestic secured convertible corporate bonds

The merged company issues 3,000 units of secured convertible bonds denominated in New Taiwan Dollars bearing zero interest rate in December, 2016, the total principal amounted to NT$300,000,000.

Holder of each unit of corporate bond is entitled to convert into the common stock of the merged company at NT$49 per share. The conversion period lasts from January 16, 2017 to December 15, 2021. Since August 3, 2020, the conversion price was adjusted from NT$40.4 to NT$38.3. On August 4, 2021, the conversion price was adjusted to NT$ 35.6. As of December 15, 2021, the total amount has been converted.

Between January 16, 2017 and November 6, 2021, if the closing price for the common stock of the Company exceeds 30% of the conversion price of the convertible corporate bond at the time for 30 business days in a row, the merged company may recover the bonds in the following 30 business day. Alternatively, if the remaining amount of outstanding convertible corporate bonds is less than 10% of the total carrying amount on initial issuance, the merged company may recover the bonds at any time subsequently.

In case the bondholders sell the convertible bonds before the sell-back date between December 15, 2019 and December 15, 2020, the bondholders may require the merged company to redeem the convertible bond held at par value in cash, in 100% of the carrying amount of the bond for 4 years of maturity (actual earning 0%) or 100% of carrying amount of liability for 3 years of maturity (actual earning 0%).

Such convertible corporate bonds include liability and equity component, where equity component is recognized in capital reserve - stock option under equity. Liability components include debt instruments of primary contracts and options derivatives. The initial recognized effective annual interest rate is 1.433% for the primary contract while the option derivatives are measured at fair value through profit and loss. losses on changes in fair value of (NT$ 931) thousand were recognized for the years ended December 31, 2021.

	Amount
Issuance price (less transaction costs of NT$5,000)	$295,000
Option derivatives component (less transaction cost allocated to option of NT$15,000)	(855)
Equity component (less transaction cost allocated to equity of NT$250,000)	(14,750)
Liability component on the issuance date (less transaction cost allocated to liabilities of NT$4,735,000)	$279,395

Liability components as of January 1, 2021	$ 127,798
Interest calculated at effective interest rate 1.433%	762
Common stock converted from corporate bonds payable	(128,560)
Liability components as of December 31, 2021	$ -

XVIII. Bills payable and accounts payable

	December 31, 2022	December 31, 2021
Notes payable		
Arising from operations	$ 17,999	$ 16,807
Accounts payable		
Arising from operations	$ 53,049	$ 94,386

The domestic average depreciation period of the inventory purchase by the merged company is 30 to 60 days, payment shall be made according to letters of credit at sight.

XIX. Other Payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	$ 37,364	$ 42,082
Employees and Directors remuneration payable	16,120	19,577
Business tax payable	11,489	12,457
Leave benefits payable	9,487	10,946
Labour health insurance and pension payable	6,627	6,655
Freight payable	5,846	5,901
Advertising expenses payable	4,286	5,262
Equipment expenses payable	1,800	1,121
Others	14,812	13,566
	$ 107,831	$ 117,567

XX. Liabilities Provision - Non-current

	December 31, 2022	December 31, 2021
Decommissioning costs	$ 6,773	$ 6,825

Liability provision for decommissioning costs refers to the cost that the merged company expects to pay for decommissioning, restoration, or environmental restoration when the leased assets are returned to the lessor at the end of the lease period.

XXI. Post-employment Benefit Plan

Defined contribution plans

The pension system from "Labor Pension Act" applicable to Scan-D Corporation of the merged company is a defined contribution plan under government administration. The merged company contributes 6% of the employee's monthly salary to the personal account at Bureau of Labor Insurance.

The employees of the merged company's Singapore subsidiary are members of the Central Provident Fund (CPF) operated by the Singapore government. Such subsidiaries shall contribute a certain percentage of salaries to the CPF in order to contribute to the fund. Obligations of the merged company towards the government-operated pension plan are limited to its contributions of specific amounts.

Pension expense relating to defined contribution plans are recognized under the following items:

	2022	2021
Operating costs	$ 2,161	$ 2,116
Operating expenses	$ 19,498	$ 19,811

XXII. Equity

(I) Capital

Common stock

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	80,000	80,000
Authorized capital	$ 800,000	$ 800,000
Number of shares issued and fully paid (in thousands)	50,193	50,193
Issued capital	$ 501,930	$ 501,930

Common stocks are issued with par value of NT$10 per share and each common stock represents a right to vote and receive dividends. As of 2021, holders of the convertible corporate bonds have converted NT$34,619,000 (3,462,000 shares) of the Company's common stock, which has not been registered.

(II) Capital surplus

	December 31, 2022	December 31, 2021
Should be used to cover losses, cash distribution, or for capitalization (1)		
Share issuance premium	$ 58,676	$ 58,676
Corporate bond conversion premium	234,247	234,247
	$ 292,923	$ 292,923

1. This kind of capital surplus should be used to cover losses and for cash distribution or capitalization when the Company has no loss, but the capitalization is restricted to a certain ratio of paid-in capital every year.

(III) Retained earnings and dividend policy

The company passed a resolution to amend its articles of association at the shareholders' meeting on June 23, 2022. The amended articles authorize the board of directors, with the attendance of two-thirds of the directors and the approval of a majority of attending directors, to distribute all or part of the dividends and bonuses, legal reserve, and all or part of the capital surplus in accordance with the Company Law, in the form of cash payment, which will be reported at the shareholders' meeting.

According to the surplus distribution policy stipulated in the company's articles of association prior to the amendment, if any, to pay all taxes and offset accumulated losses before allocating 10% of which as statutory surplus reserves.

However, no additional statutory surplus reserve shall be provided once it reaches the Company's paid-in capital. Special surplus reserve shall then be provided or reversed from the balance pursuant to relevant laws and regulations. The Board of Directors shall prepare the proposal for the appropriation of earnings of the remaining balance, if any, combined with accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution on bonus to shareholders. For the policies on the appropriation of employees', directors' remuneration under the Company's Articles of Association, please refer to Employees' Remuneration and Directors' Remuneration in Note 24(7).

IThe Company's dividend policy, in line with the current and future development plans, considering the investment environment, capital requirements and domestic and foreign competition, and taking into account the interests of shareholders and other factors, shall allocate not less than 20% of the distributable surplus each year among shareholders. When distributing dividends to shareholders, they may be paid in cash or stock, with the cash dividends not less than 30% of the total dividends.

The statutory surplus reserve is supplemented until the balance equals the Company's total paid-in capital. The statutory surplus reserve should be used to cover losses. When the Company has no loss, the portion of the statutory surplus reserve that exceeds 25% of the total paid-in capital may be appropriated in cash in addition to being transferred to capital stock.

The Company held general shareholders meetings on June 23, 2022 and July 07, 2021, during which the 2021 and 2020 Earnings Appropriation Resolution were resolved as follows:

	2021	2020
Statutory surplus reserve	$ 27,006	$ 22,504
Special capital reserve	$ 7,732	$ 1,891
Cash Dividends	$220,849	$193,159
Cash dividends per share (NT$)	$ 4.40	$ 4.00

The 2022Earnings Appropriation Resolution to be resolved by the Board of Directors' meeting on March 30, 2023 is as follows:

	2022
Statutory surplus reserve	$ 21,585
Special capital reserve	($10,871)
Cash Dividends	$170,656
Cash dividends per share (NT$)	$ 3.4

The aforementioned cash dividend has been resolved and distributed by the board of directors, while the remaining is pending the resolution of the annual general meeting of shareholders scheduled for June 19, 2023.

(IV) Special capital reserve

	2022	2021
Balance at the beginning of the year	$ 3,139	$ 1,248
Provision for Special capital reserve		
Appropriation for deductions in other equity items	7,732	1,891
Balance at the end of the year	$ 10,871	$ 3,139

(V) Other Equity Items

Exchange differences on translation of financial statements of overseas operations

	2022	2021
Balance at the beginning of the year	($ 10,871)	($ 3,139)
Arising during the period		
Currency translation differences from overseas operations	27,282	(9,665)
Relevant income tax	(5,457)	1,933
Balance at the end of the year	$ 10,954	($ 10,871)

(VI) Non-Controlling Interests

	2022	2021
Balance at the beginning of the year	$ 2,904	$ 2,607
Net profit for the year	85	439
Other comprehensive income for the year		
Currency translation differences from overseas operations	348	(142)
Balance at the end of the year	$ 3,337	$ 2,904

XXIII. Revenue

	2022	2021
Revenue from contracts with customers		
Revenue from sales of commodity	$ 2,453,847	$ 2,375,147
Revenue from flooring	12,577	14,704
	$ 2,466,424	$ 2,389,851

(I) Explanation of the customer contract

1. Revenue from sales of commodity

Commodity sales income comes from the sales of furniture products. When the furniture is delivered to a customer's specific location, the customer has the right to use the product and bears the risk of the commodity, which should be recognized in income and accounts receivable by the merged company at the time.

2. Revenue from flooring

Primarily refers to the sales of flooring, which shall be recognized in income when the customer completed acceptance and the rights and risks have been transferred.

(II) Contracts Balance

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note 10)	$ 114,436	$ 141,964	$ 88,362
Contract liabilities - current			
Sales of commodity	$ 344,003	$ 355,806	$ 334,382

XXIV. Net Profit of Continuing Operations

(I) Interest income

	2022	2021
Bank deposit	$ 1,300	$ 1,265
Others	1,185	1,008
	$ 2,485	$ 2,273

(II) Other revenues

	2022	2021
Rental income	$ 6,586	$ 9,550
Dividend income	405	391
Government COVID-19 subsidy revenue (Note 34)	7,539	27,245
Others	25,987	22,537
	$ 40,517	$ 59,723

(III) Other Gain and (Loss)

	2022	2021
Net gains on foreign exchange	$ 1,449	$ 1,443
Gain on lease modification	2,574	3,528
Lease relief gain	88	8,730
loss on disposal of property, plant and equipment	(191)	(1,249)
Profit from financial liabilities at fair value through profit or gain (loss)	(294)	2,686
Others	(5,131)	(140)
	($ 1,505)	$ 14,998

(IV) Financial costs

	2022	2021
Interest on bank loans	$ 4,678	$ 4,107
Interest on convertible corporate bonds	-	762
Interest on lease liabilities	15,784	15,559
	$ 20,462	$ 20,428

(V) Depreciation and Amortization

	2022	2021
Depreciation expenses summarized by functions		
Operating costs	$ 22,275	$ 22,525
Operating expenses	283,557	275,157
	$305,832	$297,682
Amortization expenses summarized by functions		
Operating costs	$ 9	$ 10
Operating expenses	1,877	858
	$ 1,886	$ 868

(VI) Employee benefit expenses

	2022	2021
Short-term employee benefits	$446,106	$450,937
Benefits after retirement		
Defined distribution plan (Note 21)	21,659	21,927
	$467,765	$472,864

	2022	2021
Summarized by functions		
Operating costs	$ 69,473	$ 60,985
Operating expenses	398,292	411,879
	$467,765	$472,864

(VII) Employees' Remuneration and Directors' Remuneration

According to the Articles of Association, if the Company records a profit for the year, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' remuneration in accordance with the aforementioned amount. Employees' remuneration and directors' remuneration in 2022 and 2021 resolved in the Board of Directors' meetings on March 30, 2023 and March 30, 2022, respectively, were as follows:

Estimated ratio

	2022	2021
Employees' remuneration	4.2%	4.2%
Directors' Remuneration	1.4%	1.4%

Amount

	2022	2021
	Cash	Cash
Employees' remuneration	$ 12,090	$14,683
Directors' Remuneration	4,030	4,894

Changes made to the amount after the publication of the annual consolidated financial report are handled in accordance with accounting estimation changes and will be recognized in the financial statements of the following year.

The actual distribution of employees' remuneration and directors remuneration in 2021 and 2020 were consistent with amounts recognized in the consolidated financial statements 2021 and 2020.

Please refer to the "Market Observation Post System" for the employees' remuneration and directors' remuneration resolved at the 2021 and 2020 Company's Board meeting.

XXV. Income tax of continuing operations

(I) Main composition of income tax expenses recognized in profit or loss

	2022	2021
Current income tax		
Generated in the year	$ 57,919	$ 59,745
Surtax on unappropriated earnings	724	374
Adjustments of previous years	(2,459)	1,556
Deferred income tax		
Generated in the year	3,992	11,985
Income tax expenses recognized in profit or loss	$ 60,176	$ 73,660

The reconciliation of accounting profit and income tax expense was as follows:

	2022	2021
Profit before tax of continuing operations	$276,109	$344,162
Income tax expense of profit before tax calculated according to the statutory tax rate	$ 63,466	$ 88,245
Non-deductible expenses	4,420	1,977

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	2022	2021
Tax-exempted income	($ 5,975)	(18,552)
Unrecognized deductible temporary difference	724	374
Adjustments made in the year on the current income tax expenses of prior years	(2,459)	1,556
Income tax expenses recognized in profit or loss	$ 60,176	$ 73,660

The tax rates applicable for subsidiaries in Taiwan and Singapore were 20% and 17%, respectively.

(II) Income tax recognized in other comprehensive income

	December 31, 2022	December 31, 2021
Deferred income tax		
Incurred in the year		
- Exchange by foreign operating institutions	($ 5,457)	$ 1,933
Income tax recognized in other comprehensive income (Expenses) Benefit	($ 5,457)	$ 1,933

(III) Current income tax liabilities

	December 31, 2022	December 31, 2021
Current income tax liabilities		
Income tax payable	$ 35,260	$ 40,069

(IV) Deferred income tax assets

Changes in deferred income tax assets and liabilities were as follows:

2022

Net deferred income tax assets (liabilities)	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Temporary differences					
Loss on inventory write-down	$ 546	$ -	$ -	$ -	$ 546
Leave benefits payable	1,494	(161)	-	-	1,333
Unrealized exchange profit and loss	27	432	-	-	459
Amortization of assets on an annual basis	-	651	-	-	651
Currency Translation Difference from Overseas Operations	2,718	-	(2,718)	-	-
	$ 4,785	$ 922	($ 2,718)	$ -	$ 2,989

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Net deferred income tax assets (liabilities)	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Temporary differences					
Depreciation expenses	($ 959)	$ -	$ -	($ 113)	($ 1,072)
Unappropriated surplus of subsidiaries	(32,682)	(4,914)	-	-	(37,596)
Currency Translation Difference from Overseas Operations	-	-	(2,739)	-	(2,739)
	($ 33,641)	($ 4,914)	($ 2,739)	($ 113)	($ 41,407)

2021

Net deferred income tax assets (liabilities)	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Temporary differences					
Loss on inventory write-down	$ -	$ 546	$ -	$ -	$ 546
Leave benefits payable	-	1,494	-	-	1,494
Unrealized exchange profit and loss	-	27	-	-	27
Currency Translation Difference from Overseas Operations	-	-	2,718	-	2,718
	$ -	$ 2,067	$ 2,718	$ -	$ 4,785

Net deferred income tax assets (liabilities)	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Temporary differences					
Loss on inventory write-down	$ 546	($ 546)	$ -	$ -	$ -
Leave benefits payable	869	(869)	-	-	-
Depreciation expenses	(1,010)	-	-	51	(959)
Unrealized exchange profit and loss	66	(66)	-	-	-
Unappropriated surplus of subsidiaries	(20,100)	(12,571)	-	(11)	(32,682)
Currency Translation Difference from Overseas Operations	785	-	(785)	-	-
	($ 18,844)	($ 14,052)	($ 785)	$ 40	($ 33,641)

(V) Income Tax Assessment

The Company has filed the business income tax over the years which has been approved by the taxation agency until 2020. Other subsidiaries have filed income tax before the deadline required by the Singapore government.

XXVI. Earnings per Share

Unit: NT$/share

	2022	2021
Basic earnings per share	$ 4.30	$ 5.54
Diluted earnings per share	$ 4.27	$ 5.36

The earnings and weighted average number of common stocks used for the calculation of earnings per share were as follows:

Net profit for the year

	2022	2021
Net profit	$ 215,848	$ 270,063
Effect of dilutive potential common stocks:		
Interest after tax of convertible corporate bonds	-	610
Net profit used for the calculation of diluted earnings per share	$ 215,848	$ 270,673

Number of shares

Unit: Thousand shares

	2022	2021
Weighted average number of common stocks used for the calculation of basic earnings per share	50,193	48,739
Effect of dilutive potential common stocks:		
Employee remuneration	371	328
Convertible corporate bonds	-	1,454
Weighted average number of common stocks used for the calculation of diluted earnings per share	50,564	50,521

If the merged company elected to distribute employees' remuneration by way of shares or cash, the calculation of diluted earnings per share should assume that the remuneration is paid in the form of shares, the dilutive potential ordinary shares should also be included in the weighted average number of outstanding shares to calculate the diluted earnings per share. The dilutive effect of such potential common stocks shall continue to be considered when calculating the diluted earnings per share before resolving the number of shares to be distributed as employee remuneration in the following year.

XXVII. Non-Cash Transactions

The merged company conducted the following investment activities with only partial cash receipts and payments in 2022 and 2021:

(I) Property, Plant and Equipment

	2022	2021
Purchase of property, plant and equipment		
Increase in property, plant and equipment	$ 17,787	$ 20,506
Add: Equipment payable at the beginning of the period	1,121	917
Add: Decommissioning liabilities provision at the beginning of the period	6,825	7,170
Less: Equipment payable at the end of the period	(1,800)	(1,121)
Less: Decommissioning liabilities provision at the end of the period	(6,773)	(6,825)
Cash payments	$ 17,160	$ 20,647

(II) Lease Liabilities

	2022	2021
Lease liabilities		
Lease liabilities at the beginning of the period	$ 713,485	$ 765,200
Add: Increase in right-of-use assets	325,241	247,574
Interest expenses	15,784	15,559
Less: Lease liabilities at the end of the period	(772,660)	(713,485)
Derecognization	(22,521)	(53,833)
Effect of rent reduction from leases	(88)	(8,730)
Effect of refundable deposits	(1,343)	(1,480)
Effect of exchange rate	24,471	(7,322)
Cash payments	$ 282,369	$ 243,483

(III) Interest Received

	2022	2021
Interest Income	$ 2,485	$ 2,273
Add: Interest receivable at the beginning	181	56
Less: Interest on refundable deposits	(1,094)	(919)
Less: Interest receivable at the end of the period	(261)	(181)
Interest income received	$ 1,311	$ 1,229

(IV) Interest paid

	2022	2021
Interest expenses	$ 20,462	$ 20,428
Add: Interest payable at the beginning of the period	94	185
Less: Interest payable at the end of the period	(141)	(94)
Less: Interest on lease liabilities	(15,784)	(15,559)
Less: Interest on convertible corporate bonds	-	(762)
Interest expenses paid	$ 4,631	$ 4,198

XXVIII. Capital Risk Management

The merging company conducts capital management to ensure that it is able to maximize the benefit for its shareholders by optimizing debt and equity, provided that it is operating as a going concern.

The merged company's capital structure consists of its net debt (i.e. borrowings less cash and cash equivalent) and equity (i.e. equity, capital reserve, retained earnings and other equity items and non-controlling interests).

The merged company is not required to comply with other external capital requirements.

XXIX. Financial Instruments

(I) Information on Fair value - Financial Instruments not Measured at Fair Value

The management of the merged company considers that the carrying amount of financial assets and liabilities not measured at fair value exceeds the fair value.

(II) Information on Fair value - Financial Instruments Measured at Fair Value

1. Fair Value Measurement Hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Domestic TWSE/TPEx listed stocks	$ 7,313	$ -	$ -	$ 7,313

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Domestic TWSE/TPEx listed stocks	$ 9,737	$ -	$ -	$ 9,737

(III) Classification of Financial Instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit and loss	$ 7,313	$ 9,737
Financial assets at amortized cost (Note 1)	648,298	730,445
Financial liabilities		
Measured at cost after amortization (Note 2)	461,359	466,419

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, and refundable deposits, which are financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable, other payables, long-term loans due within one year, long-term loans, and deposits received, which are financial liabilities measured at amortized cost.

(IV) Objectives and Policies related to Financial Risk Management

The primary financial instruments of the merged company include Investments in equity, accounts receivable, accounts payable, corporate bonds payable, loans and lease liabilities. The finance management department of the merged company provides services to business units and coordinates operations in the domestic and overseas financial markets by supervising internal risk exposure reports and managing financial risks related to the operations of the merged company in accordance with the risk level and breadth analysis. Such risks include market risks (including exchange rate risks and interest rate risks), credit risks, and liquidity risks.

1. Market risks

(1) Exchange rate risks

For the carrying amount of currency monetary assets and currency monetary liabilities denominated in the non-functional currency of the merged company on the balance sheet date, please refer to Note 33.

<u>Sensitivity Analysis</u>

The merged company is mainly exposed to USD and SGD fluctuations.

The following table details the Company's sensitivity analysis to a 1% increase or decrease in NTD (functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when the Company reports foreign currency risk to the key management, It also represented the evaluation of the reasonable and potential range of changes in exchange rates deemed by the management. Sensitivity analysis only includes monetary items of outstanding foreign currencies. The exchange rate at the end of the year is adjusted by 1%. The positive amount in the table below indicates the amount that will increase the profit before tax when NTD appreciates by 1% against the relevant currencies; when NTD depreciates by 1% against the relevant foreign currency, its impact on the profit before tax or interests will be a negative number of the same amount.

	Impact of foreign currencies	
	2022	2021
Profit or loss	（$ 207）(i)	$ 276 (i)

(i) This was mainly attributable to the bank deposits, outstanding receivables and payables denominated in USD and NTD which were not hedged on the balance sheet date.

(2) Interest rate risk

The interest rate risks generated are mainly from the funds borrowed and deposits held by the merged company on fixed and floating interest rates simultaneously. The merged company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The nominal value of financial assets and financial liabilities of the merging company are exposed to the following interest rate risks on the balance sheet date:

	December 31, 2022	December 31, 2021
Interest rate risks with fair value		
- Financial assets	$102,328	$144,549
Interest rate risks with cash flow		
- Financial assets	315,779	379,791
- Financial liabilities	281,137	236,087

The sensitivity analysis below is based on the interest rate risks of non-derivative instruments at the end of the financial reporting period.

In 2022 and 2021, if the interest rate increases by 0.5%, if all other variables are kept constant, the merged company's profit before tax will increases by NT$173,000 and NT$719,000, respectively.

2. Credit risk

Credit risks refer to the risks causing financial loss to the Company due to the default of the counterparty in performing contractual obligations. As at the balance sheet date, the Company's maximum exposure to credit risk causing financial loss to the Company due to the default of the counterparty in performing contractual obligations is primarily arising from the carrying amount of the financial assets recognized in this balance sheet.

In addition, the merged company would review the recoverable amount of each receivables on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As such, the merged company's management concludes that the credit risk of the merged company has been significantly reduced.

Before engaging in significant transactions, approval procedures must be carried by the Board of Directors according to related regulations and the internal control system. In the course of implementing financial plans, the merged company shall comply with relevant financial operation procedures on the overall financial risk management and segregation of duties.

3. Liquidity risks

The merged company supports the Company's operation and reduces the impact brought by cash flow fluctuation by managing and maintaining sufficient cash and cash equivalents. The merged company's management supervises the utilization of bank financing and ensures compliance with the terms of loan contracts.

The Board of Directors bears the ultimate liability for the liquidity risk management of the merged company. The merged company has established an appropriate liquidity risk management framework to meet its management demand for short-term, mid-term and long-term funding and liquidity. The merged company manages liquidity risk by maintaining sufficient bank financing limits, borrowing commitments, continuously monitoring the expected and actual cash flows, and planning to repay liabilities with financial assets with similar maturity dates. As of December 31, 2022 and 2021, the unutilized bank facilities of the merged company amounted to NT$430,511,000 and NT$464,698,000, respectively.

Liquidity and table of interest rate risks of non-derivative financial liabilities

The contractual maturity analysis of balances for non-derivative financial liabilities is prepared based on the earliest date in which the merged company is required to repay the loans, based on the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Therefore, the following table presents the bank loans required to be repaid immediately by the merged company, regardless of the probability of exercising such rights by the bank. The analysis of the maturity of other non-derivative liabilities is prepared in accordance with the agreed repayment date.

The undiscounted interest relating to the cash flow for repaying interest at floating interest rates is estimated according to the yield curve on the balance sheet date.

December 31, 2022

	Less than 1 year	1 to 2 year(s)	2 to 5 years	More than 5 years
Floating interest rate instruments				
Short-term loans	$ 30,068	$ -	$ -	$ -
Long-term loans	64,252	47,540	51,937	117,311
Non-interest-bearing liabilities				
Notes payable	17,999	-	-	-
Accounts payable	53,049	-	-	-
Other payables	1,996			
Lease liabilities	256,673	211,203	227,016	77,768
Guarantee deposits	1,343	-	-	-
	$ 425,380	$ 258,743	$ 278,953	$ 195,079

December 31, 2021

	Less than 1 year	1 to 2 year(s)	2 to 5 years	More than 5 years
Floating interest rate instruments				
Short-term loans	$ 10,024	$ -	$ -	$ -
Long-term loans	38,882	33,917	46,855	128,889
Non-interest-bearing liabilities				
Notes payable	16,807	-	-	-
Accounts payable	94,386	-	-	-
Other payables	1,236	-	-	-
Lease liabilities	241,131	147,654	250,412	74,288
Guarantee deposits	1,572	-	-	-
	$ 404,038	$ 181,571	$ 297,267	$ 203,177

XXX. Related-Party Transactions

Transactions between the merged company and other related parties were as follows:

(I) Name and relationship of related parties

Name of related party	Relations with the Company
Hsueh, Hsiu-Chu	Key Management
Hawaii Furnishing Pte. Ltd.	Related party in substance
House of Teak (SINGAPORE) Pte. Ltd.	Related party in substance
Yihsin Inc.	Related party in substance
Mobler Japan	Related party in substance

(II) Operating revenue

Type/name of related party	2022	2021
Related party in substance		
Hawaii Furnishing Pte. Ltd.	$ -	8
House of Teak (SINGAPORE) Pte. Ltd.	186	781
Mobler Japan	2,604	5,419
	$ 2,790	$ 6,208

Sales to related parties were made at prices agreed between both parties, and the receipts were not materially different from the normal terms of sales

(III) Cost of Sales

Type/name of related party	2022	2021
Related party in substance		
Hawaii Furnishing Pte. Ltd.	$ 25,715	$ 25,987

The merged company signed a contract for the brand licensing and services of the "Scanteak" brand with Hawaii Furnishing Pte. Ltd. on April 1, 2010. 1%-3% of the monthly net profit shall be paid as the monthly licensing and service fees, which were recognized under cost of sales.

(IV) Lease agreement

Type/name of related party	2022	2021
Acquisition of right-of-use assets		
Key Management		
Hsueh, Hsiu-Chu	$ -	$ 5,796

Accounting subject	Type/name of related party	December 31, 2022	December 31, 2021
Lease liabilities - current	Key Management		
	Hsueh, Hsiu-Chu	$ 1,200	$ 1,200
	Related party in substance		
	Yihsin Inc.	2,448	2,448
		$ 3,648	$ 3,648
Lease liabilities - non-current	Key Management		
	Hsueh, Hsiu-Chu	$ 2,701	$ 3,835
	Related party in substance		
	Yihsin Inc.	1,962	4,306
		$ 4,663	$ 8,141

		2022	2021
Interest expenses	Key Management		
	Hsueh, Hsiu-Chu	$ 66	$ 48
	Related party in substance		
	Yihsin Inc.	103	146
		$ 169	$ 194

The aforementioned lease contracts with related parties are based on the agreement between both parties and the rent is paid on a monthly basis.

(V) Refundable deposits

Type/name of related party	December 31, 2022	December 31, 2021
Key Management/Hsueh, Hsiu-Chu	$ 105	$ 105
Related party in substance/Yihsin Inc.	390	390
	$ 495	$ 495

(VI) Receivable from related parties

Accounting subject	Type/name of related party	December 31, 2022	December 31, 2021
Accounts receivable	Related party in substance		
	House of Teak (SINGAPORE) Pte. Ltd.	$ -	$ 176
	Mobler Japan	327	1,527
		$ 327	$ 1,703

(VII) Prepayments

Type/name of related party	December 31, 2022	December 31, 2021
Related party in substance		
House of Teak (SINGAPORE) Pte. Ltd.	$ 2,426	$ 1,937

(VIII) Sales expenses - others

Type/name of related party	December 31, 2022	December 31, 2021
Related party in substance		
Hawaii Furnishing Pte. Ltd.	$ 3,150	$ 3,528

(IX) Remuneration of Key Management

	2022	2021
Short-term employee benefits	$ 23,742	$ 23,982
Benefits after retirement	1,017	1,209
	$ 24,759	$ 25,191

The remuneration of directors and other key management is determined by the remuneration committee based on personal performance and market trends.

XXXI. Pledge Assets

The following assets have been provided as collateral for card readers and collaterals for bank loans :

	December 31, 2022	December 31, 2021
Pledged time deposit (classified as financial assets at amortized cost)	$ 6,089	$ 5,442
Self-owned land	622,550	622,550
Building	142,524	155,635
	$ 771,163	$ 783,627

XXXII. Significant contingent liability and unrecognized contract commitments

Material commitment and contingency of the merged company on the balance sheet date are as follows:

Material commitment

(I) In order to provide guarantees as letters of credit, the merged company has issued the following guarantee notes to each of the loaning banks:

	December 31, 2022	December 31, 2021
Guarantee notes	$240,000	$240,000

(II) The number of unused letters of credit issued by the Company due to the purchase of raw materials is summarized as follows:

Unit: Thousand dollars in foreign currencies

	December 31, 2022	December 31, 2021
USD	$ 1,279	$ 3,449
SGD	197	514

(III) The merged company signed a contract for the brand licensing and services of the “Scanteak” brand with Hawaii Furnishing Pte. Ltd. 1%-3% of the monthly net profit shall be paid as the premium pursuant to the contract, which will be expired in 2040. The premium expenses (recognized in cost of sales) for 2022 and 2021 were NT$25,715,000 and NT$25,987,000, respectively.

XXXIII. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information was summarized by foreign currencies other than the functional currency of the merged company. The exchange rates disclosed were those used to translate the foreign currencies into the functional currency. Information on foreign currency assets and liabilities with significant impact is as follows:

Unit: Foreign currencies/NT$1,000

December 31, 2022

	Foreign currency	Exchange rates	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 794,167	30.71 (USD:NT$)	$ 24,389
SGD	51,801	22.88 (SGD:NT$)	1,185
Yen	13,201	0.23 (Yen:NT$)	3
HKD	9,622	3.94 (HKD:NT$)	38
RMB	18,542	4.41 (RMB:NT$)	82
USD	3,730	1.37 (USD:SGD)	117
			$ 25,814
Foreign currency liabilities			
Monetary items			
USD	144,375	30.47 (USD:NT$)	$ 4,400
SGD	22,031	22.66 (SGD:NT)	499
MYR	1,480,049	0.31 (MYR:SGD)	10,415
RMB	2,130,688	0.19 (RMB:SGD)	9,456
USD	18,154	1.36 (USD:SGD)	563
			$ 25,333

December 31, 2021

	Foreign currency	Exchange rates	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 2,721	27.68 (USD:NT$)	$ 75
SGD	57,595	20.46 (SGD:NT$)	1,179
Yen	13,201	0.24 (Yen:NT$)	3
HKD	9,611	3.55 (HKD:NT$)	34
RMB	18,505	4.35 (RMB:NT$)	80
USD	4,108	1.38 (USD:SGD)	116
			$ 1,487
Foreign currency liabilities			
Monetary items			
USD	945,873	27.90 (USD:NT$)	$ 26,388
SGD	119,369	20.40 (SGD:NT)	2,435
EUR	1,771	35.77 (EUR:NT$)	63
MYR	2,245,051	0.32 (MYR:SGD)	14,869
RMB	2,154,070	0.21 (RMB:SGD)	9,352
USD	310,890	1.35 (USD:SGD)	8,578
			$ 61,685

The merged company is primarily exposed to exchange rate risk in USD and SGD. The following information is aggregated in terms of the functional currency of the foreign currency held. The exchange rate disclosed is the exchange rate of the functional currency into the presentation currency. The following are significant influences on foreign exchange gain or loss (realized and unrealized):

	2022		2021	
Functional currency	Functional currency to presentation currency	Net Gain (Loss) on Foreign Currency Exchange	Functional currency to presentation currency	Net Gain (Loss) on Foreign Currency Exchange
NT$	1.000 (NT$:NT$)	$ 1,049	$1.000 (NT$:NT$)	$ 1,488
SGD	21.62 (SGD:NT$)	400	$20.85 (SGD:NT$)	(45)
		$ 1,449		$ 1,443

XXXIV. Other

Due to the outbreak of the pandemic, the Singapore government has adopted a series of preventive and control measures and financial subsidies to mitigate the impact of the pandemic. Nova Furnishing Holdings Pte., Ltd. and its subsidiaries are entitled to salary and tax deductions, etc. For the details of the amount of these subsidies, please refer to Note 24(二).

XXXV. Additional Note Disclosures

(I) Information on Material Transactions:

1. Funds provided to others: None.
2. Endorsements/guarantees provided to others: None.
3. Marketable securities held at the end of the period: Appendix I.
4. Accumulated purchase or disposal of the same marketable securities in excess of NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate at price in excess of NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate at price in excess of NT$300 million or 20% of the paid-in capital: None.
7. Purchases from or sales to related parties in excess of NT$100 million or 20% of the paid-in capital: None.
8. Receivable from related parties in excess of NT$100 million or 20% of its paid-in capital: None.
9. Engage in derivatives trading: Please refer to Note 7, 17 and 29(2).
10. Others: Business relations, material transactions and amounts between the parent company and subsidiaries: Appendix II.

(II) Information on Reinvestment: Appendix III.

(III) Information on investments in the Mainland: None.

(IV) Information on major shareholders: names, the amount and proportion of shares held of shareholders with a shareholding of over 5%: Appendix IV.

XXXVI. Segment Information

The information is provided to the main business decision-maker to allocate resources and assess the performance of each department and focus on the type of product or service delivered or provided. According to IFRS 8 "Operation Department," the merged company uses a single operation department to organize, manage and allocate resources. Moreover, it is primarily engaged in the sales of furniture, bedding, kitchen appliances, and furnishings. In addition, the merged company provided segment information reviewed by the business decision-makers. Its measurement basis is the same as that of the financial statements.

(I) Regional Financial Information

The merged company mainly operates in two regions - Taiwan and Singapore. The merged company revenues made by continuing operations from external customers classified by the location of the business and the non-current assets are as follows:

	Revenue from external customers	
Region	2022	2021
Taiwan	$ 1,623,862	$ 1,598,424
Singapore	842,562	791,427
	$ 2,466,424	$ 2,389,851

	Segment profit (loss)	
Region	2022	2021
Taiwan	$ 247,169	$ 268,834
Singapore	28,940	75,328
	$ 276,109	$ 344,162

(II) Total segment assets and liabilities

	December 31, 2022	December 31, 2021
Segment assets		
Taiwan	$ 2,331,536	$ 2,435,466
Singapore	719,627	553,087
Total consolidated assets	$ 3,051,163	$ 2,988,553
Segment liabilities		
Taiwan	$ 1,217,536	$ 1,286,438
Singapore	445,927	331,672
Total consolidated liabilities	$ 1,663,463	$ 1,618,110

The information is provided to the main business decision-maker to allocate resources and assess the performance of each department and focus on the type of product or service delivered or provided. the company's business is concentrated in the sales of furniture, bedding, kitchen appliances, and furnishings, and there are no corresponding operating departments to report.

Marketable securities held at the end of the period

December 31, 2022

Appendix I

Unit: NT$'000/Foreign currency dollar

Companies held	Type and name of marketable securities (Note 1)	Relationship with the issuer of the securities	Financial Statement Account	End of the Period				Remark
				Shares or units	Carrying amount	Share holding %	Fair value	
Nova Furnishing Holdings Pte. Ltd	Shares - Listed in overseas (Counter)							
	Hafary Holdings Ltd.	None	Financial assets at fair value through profit and loss	979,300	$ 4,481 SGD195,860	0.23%	$ 4,481 SGD195,860	
	OKH Global Ltd.	None	Financial assets at fair value through profit and loss	4,950,000	2,832 SGD123,750	0.44%	2,832 SGD123,750	

Note 1: For information on investment subsidiaries, affiliated companies and joint venture interests, please refer to Appendix IV.

Scan-D Corporation and its Subsidiaries

Business relationships, material transactions, and amount between the parent company and its subsidiaries

January 1 to December 31, 2022

Appendix II

Unit: NT$'000/Foreign currency dollar

No. (Note 1)	Company name	Counter-party	Relationship with counterparty (Note 2)	Transaction details			
				Account	Amount	Terms	Percentage of total consolidated revenue or total assets (Note 3)
1	Nova Furnishing Centre Pte. Ltd.	Rozel Furnishing Pte. Ltd.	3	Sales revenue	38,743	There is no significant difference from ordinary transactions.	1.57%
1	Nova Furnishing Centre Pte. Ltd.	Mega Home Furnishing Pte Ltd.	3	Sales revenue	20,487	There is no significant difference from ordinary transactions.	0.83%

Note 1: The business relationship between the parent company and its subsidiaries shall be indicated in the number field, which shall be filled in as follows:

(1) The parent company is numbered "0".

(2) The subsidiaries are numbered by company from Arabic number 1 in order.

Note 2: Relationships are categorized into the following three types. Please specify the type (The same transaction between the parent company and its subsidiaries is not required to be disclosed repeatedly. For example, for transactions between the parent company and its subsidiaries, if the parent company has disclosed the information, the subsidiaries are exempted from disclosing repeatedly. The same applies to transactions between subsidiaries where only one subsidiary needs to disclose the same transaction):

(1) Parent company to subsidiaries.

(2) Subsidiaries to parent company.

(3) Subsidiaries to subsidiaries.

Note 3: Regarding the calculation of the ratio of the transaction amount to total consolidated revenue or total assets, it is calculated based on the ratio of the ending balance to total consolidated assets for balance sheet items; and based on the ratio of interim accumulated amount to total consolidated revenue for profit or loss items.

Note 4: Whether to list the important transactions in this appendix shall be decided by the Company according to the major principles

Scan-D Corporation and its Subsidiaries

Information on Investees, regions, etc

January 1 to December 31, 2022

Appendix III

Unit: NT$'000/Foreign currency dollar

Name of investment company	Investee company name	Place of Registration	Main businesses	Original Investment Amount		Shares held as at the end of the period			Current profit or loss of investee company	Investment profit or loss recognized for the period	Remark
				End of the current period	End of the prior year	Number of Shares	Ratio	Carrying Amount			
Scan-D Corporation	Nova Furnishing Holdings Pte. Ltd.	Singapore	Investment business	$ 227,600	$ 227,600	2,000,000	100.00	$ 429,276	24,571 SGD1,136,674	24,571 SGD1,136,674	
Nova Furnishing Holdings Pte. Ltd.	Nova Furnishing Centre Pte. Ltd.	Singapore	Furniture industry	3,417	3,417	150,000	100.00	29,062 SGD1,270,196	9,271 SGD428,888	9,271 SGD428,888	
Nova Furnishing Holdings Pte. Ltd.	Rozel Furnishing Pte. Ltd.	Singapore	Furniture industry	11,390	11,390	500,000	100.00	26,033 SGD1,137,804	5,882 SGD272,087	5,882 SGD272,087	
Nova Furnishing Holdings Pte. Ltd.	X'Clusive Home Pte. Ltd.	Singapore	Furniture industry	7,973	7,973	350,000	100.00	17,560 SGD 767,481	2,951 SGD136,516	2,951 SGD136,516	
Nova Furnishing Holdings Pte. Ltd.	Sofaland Pte. Ltd.	Singapore	Furniture industry	5,695	5,695	250,000	100.00	5,589 SGD244,277	(131) (SGD6,040)	(131) (SGD6,040)	
Nova Furnishing Holdings Pte. Ltd.	Kawah Furnishing Pte. Ltd.	Singapore	Furniture industry	8,201	8,201	360,000	90.00	30,037 SGD1,312,800	846 SGD39,137	761 SGD35,224	
Nova Furnishing Holdings Pte. Ltd.	Mega Home Furnishing Pte. Ltd.	Singapore	Furniture industry	11,390	11,390	500,000	100.00	11,098 SGD485,059	(1,161) (SGD53,725)	(1,161) (SGD53,725)	
Nova Furnishing Holdings Pte. Ltd.	N Lighting Pte. Ltd.	Singapore	Furniture industry	2,278	2,278	100,000	100.00	1,159 SGD50,657	(694) (SGD32,105)	(694) (SGD32,105)	
Nova Furnishing Holdings Pte. Ltd.	Furnzone Creations Pte. Ltd.	Singapore	Transportation industry	13,668	13,668	600,000	100.00	17,079 SGD746,451	7,536 SGD348,622	7,536 SGD348,622	

Scan-D Corporation
Information on major shareholders
December 31, 2022

Appendix IV

Name	Shares	
	Number of shares held	Shareholding
Standard Chartered entrusted Noble Link Management Ltd.	15,049,125	29.98%
Investment Account	3,320,775	6.61%
YiCHia Investment	2,929,590	5.83%

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and special shares that are issued and delivered without physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation.

Share capital indicated in the Company's individual financial statements may differ from the actual number of shares that are issued and delivered without physical registration as a result of a different basis of preparation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

Stock Code: 6195

Scan-D Corporation

Individual Financial Statements and Independent Auditors' Report

2022 and 2021

Address: No. 69, Dinhu 1 St., Gueishan Dist., Taoyuan City

Tel: 03-3180555

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation as of December 31, 2022 and 2021, and the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to the Individual Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2022 and 2021.

In our opinion, the above individual financial statements present fairly, in all material respects, the individual financial position of Scan-D Corporation as of December 31, 2022 and 2021, and its individual financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Auditors' Comments

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

Key audit matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2022 of Scan-D Corporation. These matters were addressed in the context of our audit of the individual financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2022 individual financial statements of Scan-D Corporation are as followings:

Authenticity of the Sales Revenue Incurred

As Scan-D Corporation belongs to the furniture retail industry and sells products to non-specific consumers, There are significant audit risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, please refer to Note 4 (13) in the Parent Company Only Financial Statements.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.
3. We found no significant sales return and discount during the later stage of the period.

Responsibilities of the Management and Governance Bodies on the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the Scan-D Corporation's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Corporation or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Corporation are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the individual financial statements, they will be deemed as material.

Professional judgment and skepticism are to be applied when conducting audits per the Standards of Auditing. We have also performed the following tasks:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain a necessary understanding of the 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 Scan-D Corporation's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Corporation's ability to continue as a going concern. "If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 Scan-D Corporation to no longer have the capacity to function as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Scan-D Corporation to express opinions on the individual financial statements. We are responsible for the guidance, supervision, and implementation and forming audit opinions on Scan-D Corporation.

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 identified during our audit.

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us 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, including related protection measures.

We have determined the key audit matters to be audited in the individual financial statements for 2022 of Scan-D Corporation based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche
CPA Kuo, Nai-Hua

CPA Lee, Li-Huang

Financial Supervisory Commission
Approval Document No. Chin-Kuan-Cheng-Shen-Tzu No. 1070323246

Securities and Futures Commission Approval
Document No.
Tai-Cai-Zheng-6 No. 0930128050

March 30, 2023

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D Corporation
Individual Balance Sheet
December 12, 2022 and 2021

Unit: NT$'000

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	$ 132,933	5	$ 162,469	6
1136	Financial assets at amortized cost (Note 4, 7, and 8)	21,497	1	138,000	5
1170	Net accounts receivable (Note 4 and 9)	109,905	4	120,837	5
1180	Receivables from related parties (Note 4, 9, and 28)	327	-	1,527	-
130X	Inventories (Notes 4 and 10)	521,635	20	397,306	15
1470	Other non-current assets	12,532	1	24,245	1
11XX	Total current assets	798,829	31	844,384	32
	Non-current assets				
1550	Investment using equity method (Notes 4 and 11)	429,276	16	377,423	14
1600	Property, Plant & Equipment (Note 4, 12, and 29)	785,981	30	798,659	30
1755	Right-of-use assets (Note 4 and 13)	541,808	21	582,310	22
1801	Net computer software (Note 4)	765	-	520	-
1840	Deferred income tax assets (Note 4 and 23)	2,989	-	4,785	-
1915	Advance payment for equipment	3,016	-	6,159	-
1920	Refundable Deposits (Note 28)	39,235	2	39,737	2
15XX	Total Non-Current Assets	1,803,070	69	1,809,593	68
1XXX	Total Asset	$ 2,601,899	100	$ 2,653,977	100

Code	Liability and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term loans (Note 4, 14, and 29)	$ 30,000	1	$ -	-
2130	Contract liabilities - current (Note 21)	192,854	7	$ 236,191	9
2150	Notes receivable (Note 4 and 16)	17,999	1	16,807	-
2170	Accounts payable (Notes 4 and 16)	13,167	1	43,893	2
2200	Other payables (Note 17)	84,897	3	97,897	4
2230	Current income tax liabilities (Notes 4 and 23)	26,530	1	27,984	1
2280	Lease liabilities - current (notes 4, 13 and 28)	157,718	6	177,439	7
2300	Other current liabilities	2,000	-	1,865	-
2322	Long-term loans due within one year (Note 4, 14 and 29)	56,105	2	35,549	1
21XX	Total current liabilities	581,270	22	637,625	24
	Non-current liabilities				
2540	Long-term loans (Note 4, 14 and 29)	186,835	7	190,718	7
2550	Liability provision - non-current (Note 4 and 18)	5,400	-	5,700	-
2570	Deferred income tax liabilities (Notes 4 and 23)	40,335	2	32,682	1
2580	Lease liabilities - non-current (notes 4, 13 and 28)	402,359	16	418,146	16
2645	Guarantee deposited	1,337	-	1,567	-
25XX	Total non-current liabilities	636,266	25	648,813	24
2XXX	Total liabilities	1,217,536	47	1,286,438	48
	Equity (Note 20)				
3110	Capital stock - common stock	501,930	19	501,930	19
3200	Capital surplus	292,923	11	292,923	11
	Retained earnings				
3310	Statutory surplus reserve	242,600	9	215,594	8
3320	Special capital reserve	10,871	-	3,139	-
3350	Undistributed earnings	325,085	13	364,824	14
3300	Total retained earnings	578,556	22	583,557	22
3400	Other equity	10,954	1	(10,871)	-
3XXX	Total equity	1,384,363	53	1,367,539	52
	Total liabilities and equity	$ 2,601,899	100	$ 2,653,977	100

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

(Unit: NT$'000, NT$ for earnings per share)

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating income (Note 4 and 21)				
4110	Sales revenue	$ 1,623,271	100	$ 1,595,844	100
4170	Sales return	(11,836)	(1)	(12,004)	(1)
4190	Sales discount	(150)	-	(120)	-
4100	Net sales revenue	1,611,285	99	1,583,720	99
4800	Other operating revenue	12,577	1	14,704	1
4000	Total Operating Revenue	1,623,862	100	1,598,424	100
	Operating costs (notes 10, 22 and 28)				
5110	Cost of sales	(673,525)	(41)	(615,892)	(38)
5800	Other operating costs	(9,060)	(1)	(10,600)	(1)
5000	Total operating expenses	(682,585)	(42)	(626,492)	(39)
5900	Gross profit	941,277	58	971,932	61
	Operating expenses (Notes 22 and 28)				
6100	Selling expense	(634,289)	(39)	(641,791)	(40)
6200	Administrative expense	(74,631)	(5)	(82,626)	(5)
6000	Total operating expenses	(708,920)	(44)	(724,417)	(45)
6900	Operating profit	232,357	14	247,515	16
	Non-operating income and expenses (Note 22)				
7100	Interest income	1,667	-	1,868	-
7010	Other income	28,351	2	25,265	2
7020	Other gains and losses	(1,656)	-	9,272	-
7050	Finance costs	(13,550)	(1)	(15,087)	(1)
7070	Shares of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	24,571	2	61,182	4

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Code		2022 Amount	2022 %	2021 Amount	2021 %
7000	Total non-operating income and expenses	39,383	3	82,500	5
7900	Net income before tax	$ 271,740	17	330,015	21
7950	Income tax expense (Note 4 and 23)	(55,892)	(4)	(59,952)	(4)
8200	Net profit for the year	215,848	13	$ 270,063	17
	Other comprehensive gain or loss				
8360	Items that may be reclassified to profit or loss				
8361	Translation differences in financial statements from overseas operations (Note 20)	27,282	2	(9,665)	(1)
8399	Income tax relating to items that may be reclassified (Notes 20)	(5,457)	-	1,933	-
8300	Other comprehensive income for the year	21,825	2	(7,732)	(1)
8500	Total comprehensive income for the period	$ 237,673	15	$ 262,331	16
	Earnings per share (Note 24)				
	From continuing business				
9710	Basic	$ 4.30		$ 5.54	
9810	Diluted	$ 4.27		$ 5.36	

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NT$'000

Code		Capital: Number of Shares	Capital: Amount	Capital surplus	Retained earnings: Statutory surplus reserve	Retained earnings: Special capital reserve	Retained earnings: Undistributed earnings	Other equity items: Exchange differences on translation of financial statements of overseas operations	Total equity
A1	Balance as at January 1, 2021	46,731	$ 467,311	$ 198,612	$ 193,090	$ 1,248	$ 312,315	($ 3,139)	$ 1,169,437
	Appropriation and distribution of 2020 earnings								
B1	Statutory surplus reserve	-	-	-	22,504	-	(22,504)	-	-
B3	Special capital reserve	-	-	-	-	1,891	(1,891)	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(193,159)	-	(193,159)
D1	Net profit in 2021	-	-	-	-	-	270,063	-	270,063
D3	Other comprehensive income in 2021	-	-	-	-	-	-	(7,732)	(7,732)
D5	Total comprehensive income in 2021	-	-	-	-	-	270,063	(7,732)	262,331
I1	Conversion of corporate bonds to common stock	3,462	34,619	94,311	-	-	-	-)	128,930
Z1	Balance as at December 31, 2021	50,193	501,930	292,923	215,594	3,139	364,824	(10,871)	1,367,539
	Appropriation and distribution of 2021 earnings								
B1	Statutory surplus reserve	-	-	-	27,006	-	(27,006)	-	-
B3	Special capital reserve	-	-	-	-	7,732	(7,732)	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(220,849)	-	(220,849)
D1	Net profit in 2022	-	-	-	-	-	215,848	-	215,848
D3	Other comprehensive income in 2022	-	-	-	-	-	-	21,825	21,825
D5	Total comprehensive income in 2022	-	-	-	-	-	215,848	21,825	237,673
Z1	Balance as at December 31, 2022	50,193	$ 501,930	$ 292,923	$ 242,600	$ 10,871	$ 325,085	$ 10,954	$ 1,384,363

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NT$'000

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit Before Tax in this year	$ 271,740	$ 330,015
A20010	Income and expense items		
A20100	Depreciation expenses	198,609	206,756
A20200	Amortization expenses	618	664
A20400	Net profit from financial liabilities at fair value through profit or loss (gain)	-	931
A20900	Finance costs	13,550	15,087
A21200	Interest income	(1,667)	(1,868)
A22400	Shares of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(24,571)	(61,182)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	191	1,239
A29900	Gain on lease modification	(2,662)	(10,089)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	10,932	(45,176)
A31160	Receivables from related parties	1,200	(726)
A31200	Inventory	(124,329)	(36,005)
A31240	Total current assets	11,753	(13,950)
A32125	Contract liabilities	(43,337)	1,591
A32130	Notes payable	1,192	11,479
A32150	Accounts payable	(30,726)	25,872
A32180	Other Payables	(13,726)	14,807
A32230	Other current liabilities	135	(1,277)
A33000	Cash from operating activities	268,902	438,168
A33300	Interest paid	(3,953)	(3,477)
A33500	Income tax paid	(53,354)	(49,978)
AAAA	Net cash inflow from operating activities	211,595	384,713
	Cash flow from investment activities		

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Code		2022	2021
B00040	Acquisition of financial assets at amortized cost	$ -	($ 18,000)
B00050	Disposal of financial assets at amortized cost	116,503	-
B02700	Acquisition of property, plant and equipment	(11,376)	(5,826)
B03800	Decrease in refundable deposits	418	4,936
B04500	Acquisition of intangible assets	(863)	(200)
B07100	Increase in prepayment for equipment	-	(2,472)
B07200	Decrease in prepaid equipment	78	-
B07500	Interest received	996	1,083
BBBB	Net cash inflow from investing activities（outflow）	105,756	(20,479)
	Cash flow from financing activities		
C00100	Increase in short-term loans	30,000	-
C01600	Borrowing of long-term loan	120,000	130,000
C01700	Repayment of long-term loan	(103,327)	(164,927)
C03100	Decrease in guarantee deposits received	(230)	(230)
C04020	Repayment of lease principal	(172,481)	(174,191)
C04500	Cash dividend distributed	(220,849)	(193,159)
CCCC	Net cash outflow from financing activities	(346,887)	(402,507)
EEEE	Decrease in cash and cash equivalents, net	(29,536)	(38,273)
E00100	Cash and cash equivalents at beginning of the year	162,469	200,742
E00200	Cash and cash equivalents at the end of the year	$ 132,933	$ 162,469

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Notes to Individual Financial Statements
January 1 to December 31, 2022 and 2021
(Unless otherwise specified, the amounts are in NT'000)

I. Company History

Scan-D Corporation (hereinafter referred to as the "Company") was established under the approval from the Ministry of Economic Affairs on October 9, 1995. The Company was renamed "Scan-D Corporation" resolved by the Shareholders' Meeting held on June 25, 2010 and completed the registration on July 15, 2010. The Company is primarily engaged in the wholesale and retail business of furniture, bedding, kitchen equipment, and fixtures.

The Company's shares have been listed on Taipei Exchange for trading since October 21, 2002.

The individual financial report is denominated in NT$, the Company's functional currency.

II. Date and procedures of Approving the Financial Report

The individual financial report was approved by the Board of Directors on March30, 2023.

III. Application of Newly Issued and Revised Standards and Interpretations

(II) Initial application the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") recognized and issued into effect by the Financial Supervisory Commission (FSC)

With the exception of the following, the application of the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs recognized and issued into effect by the FSC should not result in major changes to the accounting policies of the Company:

3. Annual Improvements to IFRSs 2018-2020 Cycle

The Annual Improvements to IFRSs 2018-2020 Cycle amended certain standards. Among them, the amendments to IFRS 9 "Financial Instruments" apply to the exchange or modification of financial liabilities occurring in the company after January 1, 2022. This amendment stipulates the assessment of whether the exchange or modification of financial liabilities constitutes a material difference. For the amendments to IFRS 9 "Financial Instruments", in order to assess whether the exchange of financial liabilities or amendments to terms is significantly different, compare whether there is a 10% difference between the discounted cash flow of the new and old contract terms (including the net amount of fees paid or charged for entering into new contracts or amending contracts), the above fees charged only include fees paid or charged between such borrower and lender.

2. Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"

For the merged company, beginning January 1, 2022, this amendment applies to plants, real estate, and equipment that have reached the necessary locations and state of management's intended operation. The amendment regulates that any sale proceeds from items generated from the property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management shall not be a deduction of the cost of that asset. The aforementioned items should be measured in accordance with IAS 2 “Inventory”, and the sales price and cost should be recognized in profit and loss in accordance with the applicable standards.

3. Amendments to IFRS 16 "COVID-19-Related Rent Concessions after June 30, 2021"

The Company chooses to apply the revised practical expedients to deal with rent negotiations directly associated with the COVID-19 pandemic between it and the lessor. For the relevant accounting policies, please refer to Note 4. Before applying these amendments, the Company shall determine whether the aforementioned rent negotiations shall apply to the provisions of the lease amendment.

4. FSC-endorsed IFRSs that are applicable from 2023 onward

New, revised, amended standards and interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IFRS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2022 (Note 3)

Note 4. This amendment applies to the annual reporting periods beginning on or after January 1, 2023.

Note 5. These amendments are applied to the changes to accounting estimates and accounting policies for the annual reporting period beginning on or after January 1, 2023.

Note 6. Except for the recognition of deferred income tax on temporary differences between leases and decommissioning obligations on January 1, 2022, this amendment is applicable to transactions that occur after January 1, 2022.

3. Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments clarify that the Company should determine the disclosure of material information on accounting policies based on the definition of materiality. The information on accounting policies is considered material if it is reasonably expected to affect the decision made by key users of the general-purpose financial statements based on such financial statements. The amendments also clarify that:

• If the information on accounting policies related to immaterial transactions, other factors, or circumstances are considered immaterial, the Company is not required to disclose such information.

• The Company may, depending on the nature of the transaction, other factors, or circumstances, determine whether the relevant information on accounting policies are material, even if the amounts are immaterial.

• All information on accounting policies not relating to transactions, other factors, or circumstances is considered material.

In addition, the amendment provides an example of how the information on accounting policies may be material if it relates to material transactions, other factors, or circumstances and under the following circumstances:

(6) The Company changes its accounting policies during the reporting period that have resulted in material changes to the information in the financial statements;

(7) The Company selects applicable accounting policies from the options permitted by the standard;

(8) The accounting policies established by the Company in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" In the absence of requirements by specific standards;

(9) The Company disclosed the relevant accounting policies which require the use of significant judgments or assumptions; or

(10) Complicated accounting treatments and the users of the financial statements rely on such information to understand those material transactions, other factors, or circumstances.

4. Amendments to IFRS 8 "Definition of Accounting Estimates"

The amendments state that accounting estimates refer to the currency amounts in the financial statements that are subject to measurement uncertainties. In applying accounting policies, the Company may measure items in the financial statements with the currency amounts that are not directly observable and must be estimated. Therefore, the Company is required to make accounting estimates with measurement techniques and inputs. The effects of changes to measurement techniques or inputs on accounting estimates that are not considered changes to early errors are considered changes to accounting estimates.

3. Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The amendment clarifies that the transactions that give rise to the same amount of taxable and deductible temporary differences at the time of initial recognition are not subject to the exemptions from the initial recognition of IAS 12. On January 1, 2022, the Company recognizes deferred tax assets and liabilities for all deductible and taxable temporary differences associated with leases and decommissioning obligations (to the extent that it is probable that taxable temporary differences will be available for deductible temporary differences). The cumulative effect is recognized as the adjustment to the initial balance of retained earnings at that date. The amendment is deferred for transactions other than leases and ex-service obligations that occur after January 1, 2022.

Except for the aforementioned impact, as of the date of approval and issuance of the Consolidated Financial Statements, the Company continued to evaluate the impact of amendments to other standards and interpretations on financial condition and performance.

5. IFRSs issued by the IASB but not yet approved as effective by the FSC

New, revised, amended standards and interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendment to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024 (Note 2)
IFRS17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Amendment to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024

Note 3. Unless otherwise specified, the aforementioned New/revised/amended standards or interpretations shall be effective at the reporting period from the year of such dates.

Note 4. The seller-lessee shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

2. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendment stipulates that if the Company sells or invests assets to an affiliated enterprise (or joint venture), or the Company loses control of the subsidiary, but retains significant influence on the subsidiary (or joint control), if the aforementioned assets or former subsidiaries fulfill the definition of “Business” in “Business Combination” in IFRS 3, the Company recognizes all profits and losses arising from those transactions.

In addition, if the Company sells or invests assets to an affiliated company (or joint venture), or the Company loses control of the subsidiary in a transaction with the affiliated company (or joint venture), but retains significant influence on the subsidiary (or joint control), if the aforementioned assets or former subsidiaries do not fulfill the definition of “Business” in IFRS 3, the Company will only recognize the profit or loss arising from the transactions in the interest scope where the investor is not related to such affiliated companies (or joint ventures). In other words, the share of the Company on those profits or losses shall be eliminated.

3. Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current" (revised in 2020) and “Non-current liabilities with covenants” (amended in 2022)

The 2020 revision clarifies that, when determining whether a liability should be classified as non-current, evaluation shall be made on whether the Company has the right to defer the settlement period to at least 12 months at the end of the reporting period. If the Company has such rights at the end of the reporting period, the liability shall be classified as non-current regardless of whether the Company is expected to exercise the right. In addition.

The 2020 revision clarifies that if the right to defer the settlement of liabilities of the Company is subject to the compliance with specific conditions, the Company must have met certain conditions at the end of the reporting period, regardless of whether the lender has tested whether the Company has complied with such conditions at a later date. The 2022 amendment further clarifies that only contractual terms in effect up to the end of the reporting period will affect the classification of liabilities. Although contractual terms that must be followed within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable financial statement users to understand the risk that the merged company may not be able to comply with the contractual terms and may need to repay within 12 months after the reporting period.

The 2020 revision stipulates that for the purpose of classifying liabilities, the aforementioned settlement refers to the elimination of liabilities caused by the transfer of cash, other economic resources, or the equity instruments of the Company to the counterparty. However, if the terms of the liability may be based on the choice of the counterparty to transfer the equity instrument of the Company, which resulted in its settlement, and if the option is recognized separately in equity in accordance with IAS 32 “Financial Instruments: Expression,” the aforementioned terms will not affect the classification of liabilities.

Except for the aforementioned impact, as of the date of approval and issuance of the Consolidated Financial Statements, the Company continued to evaluate the impact of amendments to other standards and interpretations on financial condition and performance. Such impacts will be disclosed upon completion of the evaluation.

IV. Summarized Explanation on Significant Accounting Policies

(I) Statement of Compliance

The individual financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs recognized and announced as effective by the FSC.

(II) Basis of Preparation

In addition to the financial instruments measured at fair value, the individual financial report was prepared based on historical costs.

Fair value measurements are categorized into Level 1 to Level 3 based on the degree to which the inputs are observable and the significance of the inputs:

1. Level 1 input: Refers to the quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

In preparation of the individual financial statements, the Company adopted the equity method for investments in subsidiaries, associates or joint ventures. To keep the profit or loss, other comprehensive income, and equity as stated in this individual financial statements for the year consistent with those attributable to owners of the Company, the differences between accounting treatments under individual basis and consolidated basis are reconciled by adjusting "investment accounted for using the equity method," "credit balance of investment accounted for using the equity method," "share of profit or loss in subsidiaries, associates, and joint ventures accounted for using the equity method," "share of other comprehensive income in subsidiaries, associates, and joint ventures accounted for using the equity method," and related equity items.

(III) Classification Standard of Current and Non-Current Assets and Liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or a cash equivalent (excluding assets restricted to be utilized for the exchange or settlement of liabilities for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred till at least 12 months after the balance sheet date.

Current assets or current liabilities that are not specified above are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

In preparing financial reports, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are converted into the entity's functional currency using the exchange rate on the date of transaction.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value is determined. The resulting exchange difference is recognized in the profit or loss of the period. However, for changes in fair value recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

In preparing the individual financial statements, assets and liabilities of a foreign operation (including subsidiaries, associates, or joint ventures, of which the country of domicile or currency is different from the Company) are translated into NT$ by using the exchange rates on each balance sheet date. Income and expenses are translated at the average exchange rate of the period. The resulting exchange differences are recognized in other comprehensive income.

(V) Cash and Cash Equivalents

Cash and cash equivalents shall refer to cash on hand and demand deposits. Bank deposits are short-term, highly liquid time investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Reserve accounts that do not meet the foregoing definitions are recognized in financial assets at amortized cost.

(VI) Inventories

Inventory comprises goods and in-transit inventory. The value of inventory shall be determined based on the cost and net realizable value (NRV), whichever is lower. With the exception of inventory of the same category, individual items shall be assessed when comparing the cost and NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to complete the sale. Cost of inventory is calculated using weighted-average method.

(VII) Investments in Subsidiaries

The Company has adopted the equity method to account for investments in subsidiaries.

Subsidiaries refer to individuals (including structural individuals) that the Company has control over.

Under the equity method, investments are initially recognized at cost. The carrying amount after the acquisition is adjusted according to the Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiary. In addition, changes in other equity of the subsidiary attributable to the Company shall be recognized in accordance with the shareholding percentage.

When a change in the Company's ownership interests in a subsidiary does not cause it to lose control of the subsidiary, it shall be accounted for as equity transaction. The difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in such subsidiary (including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company shall continue to recognize losses based on the shareholding percentage.

The excess of the cost of acquisition over the net fair value of the identifiable assets and liabilities of the subsidiaries owned by the Company at the date of acquisition is recognized as goodwill. The goodwill is included in the carrying amount of the investment and cannot be amortized. The excess of the net fair value of the identifiable assets and liabilities of the subsidiaries owned by the Company at the date of acquisition over the cost of acquisition is recognized as revenue.

Impairment assessment shall be made on the basis of cash-generating units in the financial statement and by comparing the recoverable amount and the carrying amount of cash-generating units. If the recoverable amount of the asset increases thereafter, the reversal of the impairment loss shall be recognized as profits, but the carrying amount of the asset after reversal of impairment loss shall not exceed the carrying amount of the asset before recognizing the impairment loss, net of amortization. Impairment loss attributable to goodwill shall not be reversed in subsequent periods.

In the event of the Company losing control of a subsidiary, the Company shall recognize the difference between the remaining investment in the subsidiary calculated through fair value on the date of the loss of control, the fair value of the remaining investment, and any disposal prices and fees, and the carrying amount of the investment on the date of the loss of control in profit or loss of the period. In addition, all amounts related to the subsidiary recognized in other comprehensive income shall be the same with that of the Company for direct disposal of related assets or liabilities.

The unrealized profit or loss in downstream transactions between the Company and its subsidiaries shall be written-off in the individual financial statements. Only profit or loss from upstream transactions between the Company and its subsidiaries or between its subsidiaries will be recognized in the individual financial report where the Company is not related to the interests of its subsidiaries.

(VIII) Property, Plant, and Equipment

Real estate, plants, and equipment are recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Construction-in-progress of real estate, plants, and equipment is recognized at cost less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization criteria. Such assets are measured at the lower of cost and net realizable value until they are ready for intended use, with the sales proceeds and costs recognized in profit or loss. Upon completion and reaching their intended use, such assets are classified into the appropriate category of real estate, plants, and equipment, and depreciation begins to be taken.

Except for the depreciation of self-owned land, the remaining property, plant and equipment are depreciated separately for each major part on a straight-line basis over the service life. The Company has to review the estimated useful life, residual value, and depreciation methods at the end of each year at least annually, and deduce the effect of the changes in accounting estimates.

When derecognizing property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(IX) Intangible Assets

1. Separate Acquisition

   The intangible assets with limited useful life acquired separately are measured at cost, and subsequently at cost less accumulated amortization and impairment loss. Intangible assets will be amortized using the straight-line method within the useful life. The merged company has to review the estimated useful life, residual value, and depreciation methods at the end of each year at least annually, and deduce the effect of the changes in accounting estimates. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment losses.

2. Derecognition

   When derecognizing intangible assets, the difference between net disposal proceeds and the carrying value of the assets is recognized in profit and loss of the period.

(X) Impairment of property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill), and contract costs

The Company assesses whether there is an indication that the property, plant and equipment, right-of-use assets, intangible assets (excluding goodwill) may be impaired on each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount for an individual asset, the Company estimates the recoverable amount of the CPUs to which asset belongs.

Intangible assets with indefinite useful lives and not available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of individual asset or CPU is lower than its carrying amount, the carrying amount of the asset or the CPU shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

The impairment of the inventory, property, plant, and equipment, and intangible assets recognized in the customer's contract are recognized based on the inventory impairment regulations and the aforementioned regulations. Subsequently, the carrying amount of the contract cost-related assets that exceed the expected remaining consideration receivable for the provision of related products or labor services shall be deducted by directly related costs and recognized in an impairment loss. The carrying amount of the contract cost-related assets is subsequently included in the CPU for impairment assessment.

When the impairment loss is subsequently reversed, the carrying amount of the asset, CPU, or contract cost-related asset shall be increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (minus amortization or depreciation) of the asset, CPU, or contract cost-related asset that was not recognized in an impaired loss in the previous years. Reversal of impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities shall be recognized in the individual balance sheet when the Company becomes a party of the financial instrument contract.

Upon initial recognition of financial assets and financial liabilities, if they are not measured at fair value through profit or loss, it is measured at value plus the transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss shall be immediately recognized in profit or loss.

1. Financial Assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement Types

The type of asset the company holds is financial asset at amortized cost.

<u>Financial Assets at Amortized Cost</u>

Investments in financial assets of the Company that satisfy the following two conditions are classified as financial assets at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost (Including cash and cash equivalents and accounts receivable at amortized cost), are measured at the gross carrying amount determined by the effective interest method less the amortized loss of any impairment loss, while all currency exchange gains or losses are recognized in profit or loss.

Except for the following two circumstances, interest income is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets:

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

b. For financial assets other than purchased or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Credit-impaired financial assets refer to that the issuer or debtor has experienced significant financial difficulties, defaults, the debtor is likely to enter bankruptcy or other financial restructuring, or the active market for financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid time deposits which can be converted into fixed cash at any time within 3 months from the date of acquisition and have little risk of value change, and are used to meet short-term cash commitments.

(2) Impairment of Financial Assets

The Company measures impairment losses on financial assets (including accounts receivable) measured at amortized cost on each balance sheet date at expected credit loss.

Loss allowances are recognized for accounts receivable at expected credit losses over the duration. Other financial assets are first evaluated to see whether the credit risk increases significantly after the initial recognition. If not, loss allowances are recognized based on 12-month expected credit losses. If it has increased significantly, loss allowances are recognized based on expected credit losses over the duration.

Expected credit loss is weighted-average credit loss based on the risk of default. The 12-month expected credit loss represents the expected credit loss that results from those possible default events on the financial instrument within 12 months after the reporting date, whereas the lifetime expected credit loss represents the expected credit loss that results from all possible default events over the life of the financial instrument.

For the purpose of internal credit risk management, provided that the collaterals held by the Company are not taken into account, the following circumstances are determined to represent the default of financial assets:

A. Internal or external information indicates that the debtor is unable to repay the debt.

B. Overdue for more than 90 days, unless there is reasonable evidence showing that the delayed default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account. However, the allowance for the investment in the debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and shall not reduce its carrying amount.

(3) Derecognition of Financial Assets

The Company derecognizes financial assets only when the contractual rights to the cash flow of the financial asset expire or when the financial assets have been transferred with substantially all the risks and rewards of ownership transferred to other enterprises.

On derecognition of an entire financial asset measured at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in a debt instrument at fair value through other comprehensive income in its entirety, the difference between its carrying amount and the sum of the consideration received and the accumulated gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in an equity instrument at fair value through other comprehensive income in its entirety, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity Instruments

The Company debts and equity instruments issued are classified as financial liabilities or equity in accordance with the contractual substance and the definition of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized based on the price obtained less direct issuance costs.

The recovery of the Company's self-owned equity instruments is recognized and derecognized in equity. The purchase, sale, issuance or cancellation of the Company's self-owned equity instruments is not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities are measured at amortized cost by the effective interest method.

(2) Derecognition of Financial Liabilities

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

(XII) Liability Provision

Liability provision recognized includes the obliged amount of contract to be maintained or restored for return to the lessor, which is specifically indicated in the lease period, taking into account the risk and uncertainty of obligation, to become the optimal estimates for expenses required for repaying the obligation on the balance sheet date. Liability provision is measured by the estimated discounted cash flow for the repayment obligation.

(XIII) Revenue Recognition

After the Company has identified the performance obligation in the client contract, the transaction price shall be distributed to each performance obligation and recognizes the revenue when the performance obligations are fulfilled.

1. Revenue from sales of commodity

Revenue from sales of commodity comes from the sales of furniture products. When the furniture is delivered to a customer’s specific location, the customer has the right to use the product and bears the risk of the commodity, which should be recognized inrevenue and accounts receivable by the Company at the time.

2. Revenue from flooring

Primarily refers to the sales of flooring, which shall be recognized in revenue when the customer completed acceptance and the rights and risks have been transferred.

(XIV) Leases

The Company evaluates whether the contract is (or involves) leases on the date entering into the contract.

1. The Company as the Lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

When the Company subleases the right-of-use asset, the classification of the sublease is determined by the right-of-use asset (instead of the underlying asset). However, if the main lease is a short-term lease where the recognition exemption is applicable to the Company, the sublease is classified as an operating lease.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term.

Rental changes in lease agreements that do not depend on indices or rates are recognized in income in the period in which they are incurred.

2. The Company as the Lessee

Except for lease payment for leases of low-value underlying assets and short-term leases where recognition exemptions are applicable that are recognized inexpenses on a straight-line basis over the leasing period, other leases recognize the right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the initial measurement amount of the lease liability, lease payments before the inception of the lease less lease incentives received, the initial direct cost, and the estimated cost of restoring the underlying asset), It shall be measured subsequently at cost less accumulated depreciation and impairment. The remeasurement of lease liabilities is also adjusted. Right-of-use assets are recognized separately in the individual balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the inception of the lease to the earlier of the maturity of the useful life or leasing period.

Lease liabilities were initially measured at the present value of lease payments (including fixed payments). If the implicit interest rate of the lease is easy to determine, the lease payment is discounted using such interest rate. If the interest rate is not easily determined, the lease payment is discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured on the amortized cost basis using the effective interest method, and interest expenses are apportioned over the lease term. If changes in future lease payments are caused by changes in the index or rate during the lease period, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. With regard to changes in leases that are not considered separate leases, the remeasurement of lease liabilities as a result of the decrease in the scope of the lease refers to the reduction in right-of-use assets, with the recognition of the gains or losses on partial or complete termination of the lease. The remeasurement of lease liabilities as a result of other amendments refers to the adjustment in right-of-use assets. Lease liabilities are recognized separately in the individual balance sheet.

The Company and the lessor conducted rent concessions directly associated with the COVID-19 pandemic, and adjusted the payable due before June 30, 2022, resulting in a decrease in the rent, and there is no substancial changes in other lending terms and conditions.The Company chooses to adopt the practical expedient method to deal with rent concessions meeting the aforementioned conditions and does not assess whether is a lease modification, but recognizes the reduction in lease payment as profit and loss (classified as other gains) when the concession event or situation occurs, and reduces the lease liabilities relatively.

Changes in the lease agreement that do not depend on indice or rates are recognized in expenses in the period in which they are incurred.

(XV) Borrowing costs

The cost of loans directly attributable to the acquisition, construction, or production of assets that meet requirements is considered as part of the cost of the asset until almost all activities that such assets reach the expected stage of use or sale have been completed.

Special loans, such as investment income from temporary investments prior to capitalization, are deducted from the cost of loans eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit and loss in the period they are incurred.

(XVI) Employee benefits

1. Short-Term Employee Benefits

The liabilities connected with the short-term employee benefits are measured by non-discounted amounts expected to be paid in exchange for staff services.

2. Pension

Pensions under the defined contribution retirement plan are pensions contributable over the period for which employees render their services, and are recognized in expense.

(XVII) Income Tax

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current Income tax

The Company determines the amount of income (loss) and calculated the payable (recoverable) income tax in accordance with the laws and regulations prescribed by the income tax reporting jurisdiction.

Additional income tax on the unappropriated earnings pursuant to the Income Tax Act, for the year of resolution of the shareholders' meeting.

Adjustments to income tax payable in previous years are recognized in the current income tax.

2. Deferred Income Tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred tax liabilities are generally recognized for all temporary differences in taxable income, while deferred tax assets are recognized when they are likely to be taxable and to reduce income tax generated by the temporary differences.

Taxable temporary differences related to investment subsidiaries, affiliates, and joint agreements are recognized under deferred tax liabilities, except when the merged company is able to control the reversal of the temporary difference which is not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investments are recognized in deferred income tax assets only to the extent that it is likely that the taxable income is sufficient to be used to achieve the temporary difference and is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. Assets not recognized in deferred income tax assets are re-examined on each balance sheet date and the carrying amount is increased for assets likely to generate sufficient taxable income to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred income tax liabilities and assets reflects the tax consequences generated by the expected manner of recovery or repayment of the carrying amount of the assets and liabilities on the balance sheet date.

3. Current and Deferred Income Tax

Current and deferred income taxes are recognized in gain or loss. However, current and deferred income taxes related to items recognized in other comprehensive income or directly recognized in equity are recognized in other comprehensive income or are directly recognized in equity.

V. Significant Accounting Judgments and Assumptions, and Major Sources of Estimation Uncertainty

When the Company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from original estimates.

The Company has taken into consideration the recent development of the COVID-19 pandemic in Taiwan and its possible impact on the economic environment, and has taken into account the significant accounting estimates related to cash flow estimates, growth rates, discount rates, profitability, etc. The management shall continue to review the estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the current period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the current year and future periods.

Major sources of uncertainty in estimates and assumptions

Valuation of inventory

As inventory is valued at the lower of cost or net realizable value, the company must use estimates to determine the net realizable value of inventory at the end of the reporting period.

The company evaluates the amount of inventory at the end of the reporting period that is impaired due to normal wear and tear, obsolescence, or lack of market demand and reduces the inventory cost to its net realizable value. This inventory valuation is primarily based on estimates of future product demand within a specific period, so significant changes may occur.

VI. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 274	$ 1,099
Bank check and current deposit	132,659	161,370
	$ 132,933	$ 162,469

VII. Financial assets at amortized cost

	December 31, 2022	December 31, 2021
Current		
Domestic investment		
Fixed deposit with an original maturity date of over 3 months (I)	$ 21,497	$ 138,000

(IV) As of December 31, 2022and2021, The interest rates range for time deposits with original maturities exceeding three months is the per annum interest rates 3.00% and 0.560% ~ 0.815%.

(V) Please refer to Note 8 for the credit risk management and impairment assessment related to financial assets at amortized cost.

VIII. Credit risk management for investments in debt instruments

Debt instruments invested by the Company are recognized as financial assets at amortized cost:

	December 31, 2022	December 31, 2021
Gross carrying amount	$ 21,497	$ 138,000
Allowance Loss	-	-
Amortized cost	$ 21,497	$ 138,000

The policy adopted by the Company is to invest only in debt instruments with low credit risks according to the impairment assessment. The Company takes into account the historical default loss rate and the expected prospect of the industry in which its business operates in the measurement of 12-month expected credit loss or expected lifetime credit loss of debt instruments. As of December 31, 2022and2021, due to the low credit risk of debtors and sufficient cash flow for contract settlement, provision of expected credit loss has not been made for financial assets at amortized cost.

IX. Accounts Receivable

	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 110,384	$ 121,316
Less: Allowance for loss	(479)	(479)
	109,905	120,837
Gross carrying amount - related parties	327	1,527
	$ 110,232	$ 122,364

The Company usually adopts cash payment (or credit card) from customers. Except for some accounts receivables with department stores and superstores, the credit period is mainly negotiated between both parties, with a monthly balance between 30-60 days. The

Company considers any changes to the credit quality of accounts receivable from the original credit date to the balance sheet date when determining the recoverability of accounts receivable.

To lower credit risk, management of the Company has appointed a specific team to handle decisions on credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions are taken to recover overdue accounts receivable. In addition, the Company reviews the recoverable amount of each receivable on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As such, the Company's management concludes that the credit risk of the Company has been significantly reduced. As historical experience shows that the counterparty has no record of default, no allowance for bad debt is provided.

The Company recognizes allowance loss for accounts receivable according to the lifetime expected credit loss. Lifetime expected credit loss is calculated taking into account the customer's past default records, economic conditions of the industry, GDP forecasts and the outlook of the industry. As the Company's historical experience of credit loss indicates no significant difference in the loss patterns between the different customer groups, the Company does not classify customers into different groups but determines the expected credit loss rate solely based on the overdue days of accounts receivable.

The Company's loss allowance for accounts receivable based on the provision matrix are as follows:

December 31, 2022

	Not past due	Past due 1 - 30 days	Past due 31 - 215 days	Past due more than 215 days	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 110,711	$ -	$ -	$ -	$ 110,711
Loss allowance (lifetime expected credit loss)	(479)	-	-	-	(479)
Amortized cost	$ 110,232	$ -	$ -	$ -	$ 110,232

December 31, 2021

	Not past due	Past due 1 - 30 days	Past due 31 - 215 days	Past due more than 215 days	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 122,843	$ -	$ -	$ -	$ 122,843
Loss allowance (lifetime expected credit loss)	(479)	-	-	(-)	(479)
Amortized cost	$ 122,364	$ -	$ -	$ -	$ 122,364

Information on changes in allowance for accounts receivables is as follows:

	2022	2021
Balance at the beginning of the year	$ 479	$ 479
Add: Impairment loss recognized for the year	-	-
Balance at the end of the year	$ 479	$ 479

X. Inventories

	December 31, 2022	December 31, 2021
Commodity	$ 507,736	$ 358,377
In-transit inventory	13,899	38,929
	$ 521,635	$ 397,306

In 2022 and 2021, the cost of sales related to inventory amounted to NT$673,525,000 and NT$615,892,000, respectively.

XI. Investment using equity method

Investee	December 31, 2022	December 31, 2021
Nova Furnishing Holdings Pte. Ltd.	$ 429,276	$ 377,423

	Ownership interest and percentage of voting rights	
Name of Subsidiary	December 31, 2022	December 31, 2021
Nova Furnishing Holdings Pte. Ltd.	100%	100%

For details of the investees held indirectly by the Company, please refer to Appendix IV in Note 32（Appendix II）.

XII. Property, plant, and equipment

	December 31, 2022	December 31, 2021
For own use	$ 785,981	$ 798,659

	Self-owned land	Building	Communication and transportation equipment	Furniture, fixtures and office equipment	Leasehold improvements	Other equipment	Total
Costs							
Balance as at January 1, 2022	$ 622,550	$ 234,323	$ 6,842	$ 4,855	$ 229,278	$ 25,707	$1,123,555
Addition	-	-	-	1,012	7,186	3,557	11,755
Reclassification	-	-	-	-	3,065	-	3,065
Disposal	-	-	-	-	(12,420)	(904)	(13,324)
Balance as at December 31, 2022	$ 622,550	$ 234,323	$ 6,842	$ 5,867	$ 227,109	$ 28,360	$1,125,051
Accumulated depreciation							
Balance as at January 1, 2022	$ -	($ 78,688)	($ 6,022)	($ 4,617)	($ 215,633)	($ 19,936)	($ 324,896)
Depreciation expenses	-	(13,111)	(487)	(109)	(10,363)	(3,237)	(27,307)
Disposal	-	-	-	-	12,229	904	13,133
Balance as at December 31, 2022	$ -	($ 91,799)	($ 6,509)	($ 4,726)	($ 213,767)	($ 22,269)	($ 339,070)
Net amount as at December 31, 2022	$ 622,550	$ 142,524	$ 333	$ 1,141	$ 13,342	$ 6,091	$ 785,981

	Self-owned land	Building	Communication and transportation equipment	Furniture, fixtures and office equipment	Leasehold improvements	Other equipment	Total
Costs							
Balance as at January 1, 2021	$ 622,550	$ 234,147	$ 6,480	$ 4,606	$ 244,502	$ 25,093	$1,137,378
Addition	-	176	362	249	3,850	893	5,530
Reclassification	-	-	-	-	3,096	-	3,096
Disposal	-	-	-	-	(22,170)	(279)	(22,449)
Balance as at December 31, 2021	$ 622,550	$ 234,323	$ 6,842	$ 4,855	$ 229,278	$ 25,707	$1,123,555
Accumulated depreciation							
Balance as at January 1, 2021	$ -	($ 65,598)	($ 5,388)	($ 4,606)	($ 221,368)	($ 16,967)	($ 313,927)
Depreciation expenses	-	(13,090)	(634)	(11)	(15,196)	(3,248)	(32,179)
Disposal	-	-	-	-	20,931	279	21,210
Balance as at December 31, 2021	$ -	($ 78,688)	($ 6,022)	($ 4,617)	($ 215,633)	($ 19,936)	($ 324,896)
Net amount as at December 31, 2021	$ 622,550	$ 155,635	$ 820	$ 238	$ 13,645	$ 5,771	$ 798,659

No indication of impairment was identified in 2022 and 2021 after evaluation, Impairment losses not recognized or reversed.

Depreciation expense is calculated on a straight-line basis according to the following useful years:

Building	
Main building of plants	15 to 40 years
Freight elevator and air-conditioning system	8 to 15 years
Communication and transportation equipment	1 to 6 year(s)
Furniture, fixtures and office equipment	3 to 4 years
Leasehold improvements	1 to 14 year(s)
Other equipment	4 to 5 years

Please refer to Note 29 for the amount of property, plant and equipment pledged as a guarantee of loans.

XIII. Lease Agreement

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Building	$ 541,766	$ 581,763
Transportation equipment	42	547
	$ 541,808	$ 582,310

	2022	2021
Addition of right-of-use assets	$ 150,837	$ 166,042
Depreciation expense of right-of-use assets		
Building	$ 170,797	$ 173,744
Transportation equipment	505	833
	$ 171,302	$ 174,577
Right-to-use asset sublease income (recognized in other income)	($ 2,563)	($ 2,487)

Other than the above increase and recognition of depreciation expenses, the Company's right-of-use assets did not undergo significant sublease or impairment for the years ended December 31, 2022 and 2021

(II) Lease Liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 157,718	$ 177,439
Non-current	$ 402,359	$ 418,146

The discount rate ranges for lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Building	1.47%～1.85%	1.47%
Transportation equipment	1.82%	1.82%

(III) Material leasing activities and terms

The Company had no significant new lease contracts in 2022 and 2021. In 2022 and 2021, the Company entered into lease concessions with lessors due to the significant impact on the market and economy arising from the COVID-19 epidemic.In 2022 and 2021, the Company adopted the practical expedient for lease concessions with lessors to recognize the effect of the aforesaid rental reduction amounting to $88 thousand and $6,561 thousand respectively (classified as other gains).

(IV) Sublease

The Company has conducted the following sublease transactions. The total minimum future payable amounts for subleases of operating leases are as follows:

	December 31, 2022	December 31, 2021
First year	$ 2,166	$ 2,166
Second year	1,519	1,872
Third year	80	1,519

Fourth year	-	80
	$ 3,765	$ 5,637

(V) Other Lease Information

	2022	2021
Short-term lease expense	$ 34,338	$ 39,614
Low-value assets lease expense	$ 135	$ 133
Changes in lease payments not included in the measurement of lease liability	$ 54,001	$ 41,532
Total cash (outflow) from lease	($ 260,955)	($ 255,470)

The Company elected to apply the recognition exemption for business stores that fulfill the definition of short-term leases and leases that fulfill the definition of low-value assets, and does not recognize the related right-of-use assets and lease liabilities for these leases.

XIV. Loans

(III) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured Loans（Note29）		
Bank Loans	$ 10,000	$ -
Unsecured loans		
Credit limit loans	20,000	-
Credit limit loans	$ 30,000	$ -

The interest rate of bank revolving loans both 1.675%～1.725% as of December 31, 2022.

(IV) Long-Term Loans

	December 31, 2022	December 31, 2021
Guaranteed loans		
Bank loans	$ 242,940	$ 226,267
Less: part recognized in maturity within one year	(56,105)	(35,549)
Long-term loans	$ 186,835	$ 190,718

The bank loan was pledged by the Company's self-owned land and building (see Note 29). As of December 31, 2022 and 2021, the effective annual interest rates were 1.73% to 2.095% and 1.20% to 1.47%, respectively.

The long-term loans of the Company are:

Borrowing bank	Original borrowing amount	December 31, 2022	December 31, 2021
Taiwan Business Bank	Total borrowings: NT$150,000,000 Borrowing period: October 23, 2019- October 23, 2034 Interest rate range: 2.075% (floating rate) Repayment method: The first 12 months is the grace period for the principal repayment. The interest is	$126,786	$137,500

Borrowing bank	Original borrowing amount	December 31, 2022	December 31, 2021
	paid on a monthly basis. From the 13th month, the repayment period is 1 month. Repayment is made on the 23th of each month, for a total of 168 installments.		
Taiwan Business Bank	Total borrowing: NT$52,250,000 Borrowing period: August 19, 2020- August 19, 2040 Interest rate range: 2.095% (floating rate) Repayment method: The interest is paid on a monthly basis, the repayment period is 1 month. Repayment is made on the 19th of each month, for a total of 240 installments.	46,154	48,767
Hua Nan Bank	Total borrowing: NT$130,000,000 Borrowing period: August 16, 2021- August 16, 2023 Interest rate range: 1.20% (floating rate) Repayment method: The first 6 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 7th month, the repayment period is 1 month. Repayment is made on the 16th of each month, for a total of 24 installments. The long-term loans have been paid in full in January 2022.	$ -	$ 40,000
Hua Nan Bank	Total borrowing: NT$120,000,000 Borrowing period: July 26, 2022- July 26, 2024 Interest rate range: 1.73% (floating rate) Repayment method: The first 6 months is the grace period for the principal repayment. The interest is paid on a monthly basis. From the 7th month, the repayment period is 1 month. Repayment is made on the 26th of each month, for a total of 24 installments.	$ 70,000	-
		$ 242,940	$ 226,267

XV. Corporate Bonds Repayable

Domestic secured convertible corporate bonds

The Company issues 3,000 units of secured convertible bonds denominated in New Taiwan Dollars bearing zero interest rate in December, 2016, the total principal amounted to NT$300,000,000.

Holder of each unit of corporate bond is entitled to convert into the common stock of the Company at NT$49 per share. The conversion period lasts from January 16, 2017 to December 15, 2021. Since August 3, 2020, the conversion price was adjusted from NT$40.4 to NT$38.3, On August 4, 2021, the conversion price was adjusted to NT$ 35.6. As of December 15, 2021, the total amount has been converted.

Between January 16, 2017 and November 6, 2021, if the closing price for the common stock of the Company exceeds 30% of the conversion price of the convertible corporate bond at the time for 30 business days in a row, the merged company may recover the bonds in the following 30 business day. Alternatively, if the remaining amount of outstanding convertible corporate bonds is less than 10% of the total carrying amount on initial issuance, the Company may recover the bonds at any time subsequently.

In case the bondholders sell the convertible bonds before the sell-back date between December 15, 2019 and December 15, 2020, the bondholders may require the merged company to redeem the convertible bond held at par value in cash, in 100% of the carrying amount of the bond for 4 years of maturity (actual earning 0%) or 100% of carrying amount of liability for 3 years of maturity (actual earning 0%).

Such convertible corporate bonds include liability and equity component, where equity component is recognized in capital reserve - stock option under equity. Liability components include debt instruments of primary contracts and options derivatives. The initial recognized effective annual interest rate is 1.433% for the primary contract while the option derivatives are measured at fair value through profit and loss. losses on changes in fair value of NT$ 931 thousand were recognized for the years ended December 31, 2021 .

	Amount
Issuance price (less transaction costs of NT$5,000)	$ 295,000
Option derivatives component (less transaction cost allocated to option of NT$15,000)	(855)
Equity component (less transaction cost allocated to equity of NT$250,000)	(14,750)
Liability component on the issuance date (less transaction cost allocated to liabilities of NT$4,735,000)	$ 279,395
Liability components as of January 1, 2021	$ 127,798
Interest calculated at effective interest rate 1.433%	762
Common stock converted from corporate bonds payable	(128,560)
Liability components as of December 31, 2021	$ -

XVI. Bills payable and accounts payable

	December 31, 2022	December 31, 2021
Notes payable		
Arising from operations	$ 17,999	$ 16,807
Accounts payable		
Arising from operations	$ 13,167	$ 43,893

The domestic average depreciation period of the inventory purchase by the Company is 30 to 60 days, payment shall be made according to letters of credit at sight.

XVII. Other Payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	$ 31,948	$ 37,573
Employees and Directors remuneration payable	16,120	19,577
Leave benefits payable	6,664	7,472
Labour health insurance payable	6,627	6,655
Business tax payable	3,719	5,799
Freight payable	5,846	5,901
Advertising expenses payable	4,286	5,262
Equipment expenses payable	1,800	1,121
Others	7,887	8,537
	$ 84,897	$ 97,897

XVIII. Liabilities Provision - Non-current

	December 31, 2022	December 31, 2021
Decommissioning costs	$ 5,400	$ 5,700

Liability provision for decommissioning costs refers to the cost that the Company expects to pay for decommissioning, restoration, or environmental restoration when the leased assets are returned to the lessor at the end of the lease period.

XIX. Post-employment Benefit Plan

Defined contribution plans

The pension system from "Labor Pension Act" applicable to Scan-D Corporation of the merged company is a defined contribution plan under government administration. The merged company contributes 6% of the employee's monthly salary to the personal account at Bureau of Labor Insurance.

Pension expense relating to defined contribution plans are recognized under the following items:

	2022	2021
Operating costs	$ 1,236	$ 1,251
Operating expenses	$ 10,408	$ 10,643

XX. Equity

(I) Capital

Common stock

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	80,000	80,000
Authorized capital	$ 800,000	$ 800,000
Number of shares issued and fully paid (in thousands)	50,193	50,193
Issued capital	$ 501,930	$ 501,930

Common stocks are issued with par value of NT$10 per share and each common stock represents a right to vote and receive dividends. As of 2021, holders of the convertible corporate bonds have converted NT$34,619,000 (3,462,000 shares) of the Company's common stock, which has not been registered.

(II) Capital surplus

	December 31, 2022	December 31, 2021
Should be used to cover losses, cash distribution, or for capitalization (1)		
Share issuance premium	$ 58,676	$ 58,676
Corporate bond conversion premium	234,247	234,247
	$ 292,923	$ 292,923

1. The capital surplus from stock issuance premium may be used to cover loss and may also be used to issue cash or capital when the Company has no loss, but the capital replenishment is restricted to a certain ratio of paid-in capital every year.

(III) Retained earnings and dividend policy

The company passed a resolution to amend its articles of association at the shareholders' meeting on June 23, 2022. The amended articles authorize the board of directors, with the attendance of two-thirds of the directors and the approval of a majority of attending directors, to distribute all or part of the dividends and bonuses, legal reserve, and all or part of the capital surplus in accordance with the Company Law, in the form of cash payment, which will be reported at the shareholders' meeting.

According to the surplus distribution policy stipulated in the company's articles of association prior to the amendment, if any, to pay all taxes and offset accumulated losses before allocating 10% of which as statutory surplus reserves. However, no additional statutory surplus reserve shall be provided once it reaches the Company's paid-in capital. Special surplus reserve shall then be provided or reversed from the balance pursuant to relevant laws and regulations. The Board of Directors shall prepare the proposal for the appropriation of earnings of the remaining balance, if any, combined with accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution on bonus to shareholders. For the policies on the appropriation of employees', directors' remuneration under the Company's Articles of Association, please refer to Employees' Remuneration and Directors' Remuneration in Note 22(7).

The Company's dividend policy, in line with the current and future development plans, considering the investment environment, capital requirements and domestic and foreign competition, and taking into account the interests of shareholders and other factors, shall allocate not less than 20% of the distributable surplus each year among shareholders. When distributing dividends to shareholders, they may be paid in cash or stock, with the cash dividends not less than 30% of the total dividends.

The statutory surplus reserve is supplemented until the balance equals the Company's total paid-in capital. The statutory surplus reserve should be used to cover losses. When the Company has no loss, the portion of the statutory surplus reserve that exceeds 25% of the total paid-in capital may be appropriated in cash in addition to being transferred to capital stock.

The Company held general shareholders meetings on June July 23, 2022 and July 7, 2021, during which the 2021 and 2020 Earnings Appropriation Resolution were resolved as follows:

	2021	2020
Statutory surplus reserve	$ 27,006	$ 22,504
Special capital reserve	$ 7,732	$ 1,891
Cash Dividends	$ 220,849	$ 193,159
Cash dividends per share (NT$)	$ 4.40	$ 4.00

The 2022Earnings Appropriation Resolution to be resolved by the Board of Directors' meeting on March 30, 2023 is as follows:

	2022
Statutory surplus reserve	$ 21,585
Special capital reserve	($ 10,871)
Cash Dividends	$ 170,656
Cash dividends per share (NT$)	$ 3.4

The aforementioned cash dividend has been resolved and distributed by the board of directors, while the remaining is pending the resolution of the annual general meeting of shareholders scheduled for June 19, 2023.

(IV) Special capital reserve

	2022	2021
Balance at the beginning of the year	$ 3,139	$ 1,248
Provision for Special capital reserve		
Appropriation for deductions in other equity items	7,732	1,891
Balance at the end of the year	$ 10,871	$ 3,139

(V) Other Equity Items

Exchange differences on translation of financial statements of overseas operations

	2022	2021
Balance at the beginning of the year	($ 10,871)	($ 3,139)
Arising during the period		
Currency translation differences from overseas operations	27,282	(9,665)
Relevant income tax	(5,457)	1,933
Balance at the end of the year	$ 10,954	($ 10,871)

XXI. Revenue

	2022	2021
Revenue from contracts with customers		
Revenue from sales of commodity	$ 1,611,285	$ 1,583,720
Revenue from flooring	12,577	14,704
	$ 1,623,862	$ 1,598,424

(I) Explanation of the customer contract

1. Revenue from sales of commodity

   Revenue from sales of commodity comes from the sales of furniture products. When the furniture is delivered to a customer's specific location, the customer has the right to use the product and bears the risk of the commodity, which should be recognized inrevenue and accounts receivable by the Company at the time.

2. Revenue from flooring

   Primarily refers to the sales of flooring, which shall be recognized in revenue when the customer completed acceptance and the rights and risks have been transferred.

(II) Contracts Balance

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note 10)	$ 110,232	$ 122,364	$ 73,462
Contract liabilities - current			
Sales of commodity	$ 192,854	$ 236,191	$ 234,660

XXII. Net Profit of Continuing Operations

(I) Interest income

	2022	2021
Bank deposit	$ 945	$ 1,118
Others	722	750
	$ 1,667	$ 1,868

(II) Other revenues

	2022	2021
Rental income	$ 6,586	$ 6,453
Bonus for achieving the sales target	3,344	4,820
Others	18,421	13,992
	$ 28,351	$ 25,265

(III) Other Gain and (Loss)

	2022	2021
Net gains on foreign exchange	$ 1,049	$ 1,488
Gain on lease modification	2,574	3,528
Lease relief gain	88	6,561
Loss on disposal of property, plants and equipment	(191)	(1,239)
Profit from financial liabilities at fair value through Loss	-	(931)
Others	(5,176)	(135)
	($ 1,656)	$ 9,272

(IV) Financial costs

	2022	2021
Interest on bank loans	$ 4,000	$ 3,458
Interest on convertible corporate bonds	-	762
Interest of lease liabilities	9,550	10,867
	$ 13,550	$ 15,087

(V) Depreciation and Amortization

	2022	2021
Depreciation expenses summarized by functions		
Operating costs	$ 22,275	$ 22,525
Operating expenses	176,334	184,231
	$ 198,609	$ 206,756
Amortization expenses summarized by functions		
Operating costs	$ 9	$ 10
Operating expenses	609	654
	$ 618	$ 664

(VI) Employee benefit expenses

	2022	2021
Short-term employee benefits	$ 270,701	$ 290,857
Benefits after retirement		
Defined distribution plan (Note 19)	11,644	11,894
	$ 282,345	$ 302,751
Summarized by functions		
Operating costs	$ 30,470	$ 29,902
Operating expenses	251,875	272,849
	$ 282,345	$ 302,751

(VII) Employees' Remuneration and Directors' Remuneration

According to the Articles of Association, if the Company records a profit for the year, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' remuneration in accordance with the aforementioned amount. Employees' remuneration and directors' remuneration in 2022 and 2021 resolved in the Board of Directors' meetings on March 30, 2023 and March 30, 2022, respectively, were as follows:

Estimated ratio

	2022	2021
Employees' remuneration	4.2%	4.2%
Directors' Remuneration	1.4%	1.4%

Amount

	2022	2021
	Cash	Cash
Employees' remuneration	$ 12,090	$ 14,683
Directors' Remuneration	4,030	4,894

Changes made to the amount after the publication of the annual individual financial report are handled in accordance with accounting estimation changes and will be recognized in the individual financial report of the following year.

The actual distributed amount of the employees' remuneration and directors' remuneration in 2021 and 2020 were consistent with amounts recognized in the individual financial report in 2021 and 2020.

Please refer to the "Market Observation Post System" for the employees' remuneration and directors' remuneration resolved at the Company's Board meeting

XXIII. Income tax on continuing operations

(I) Main composition of income tax expenses recognized in profit or loss

	2022	2021
Current income tax		
Generated in the year	$ 50,282	$ 47,927
Surtax on unappropriated earnings	724	374
Adjustments of previous years	894	1
Deferred income tax		
Generated in the year	3,992	11,650
Income tax expenses recognized in profit or loss	$ 55,892	$ 59,952

The reconciliation of accounting profit and income tax expense was as follows:

	2022	2021
Profit before tax of continuing operations	$ 271,740	$ 330,015
Income tax expense of profit before tax calculated according to the statutory tax rate	$ 54,348	$ 66,003
Non-deductible expenses	46	422
Tax-exempted income	(120)	(6,848)
Surtax on unappropriated earnings	724	374
Adjustments made in the year on the current income tax expenses of prior years	894	1
Income tax expenses recognized in profit or loss	$ 55,892	$ 59,952

The tax rate applicable in Taiwan is 20%.

(II) Income tax recognized in other comprehensive income

	December 31, 2022	December 31, 2021
Deferred income tax		
Incurred in the year		
- Exchange by foreign operating institutions	($ 5,457)	$ 1,933
Income tax recognized in other comprehensive income (Expenses) Benefit	($ 5,457)	$ 1,933

(III) Current income tax liabilities

	December 31, 2022	December 31, 2021
Current income tax liabilities		
Income tax payable	$ 26,530	$ 27,984

(IV) Deferred income tax assets (liabilities)

Changes in deferred income tax assets and liabilities were as follows:

2022

Net deferred income tax assets	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Balance at the end of the year
Temporary differences				
Loss on inventory write-down	$ 546	$ -	$ -	$ 546
Leave benefits payable	1,494	(161)	-	1,333
Unrealized exchange profit and loss	27	432	-	459
Amortization of assets on an annual basis	-	651	-	651
Currency Translation Difference from Overseas Operations	2,718	-	(2,718)	-
	$ 4,785	$ 922	($ 2,718)	$ 2,989

Net deferred income tax liabilities	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Balance at the end of the year
Temporary differences				
Unappropriated surplus of subsidiaries	($ 32,682)	($ 4,914)	$ -	($ 37,596)
Currency Translation Difference from Overseas Operations	-	-	(2,739)	(2,739)
	($ 32,682)	($ 4,914)	($ 2,739)	($ 40,335)

2021

Net deferred income tax assets	Balance at the beginning of the year	Recognized in profit and loss	Recognized in other comprehensive income	Balance at the end of the year
Temporary differences				
Loss on inventory write-down	$ -	$ 546	$ -	$ 546
Leave benefits payable	-	1,494	-	1,494
Unrealized exchange profit and loss	-	27	-	27
Currency Translation Difference from Overseas Operations	-	-	2,718	2,718
	$ -	$ 2,067	$ 2,718	$ 4,785

(Continued)

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Net deferred income tax liabilities				
Temporary differences				
Loss on inventory write-down	$ 546	($ 546)	$ -	$ -
Leave benefits payable	869	(869)	-	-
Unrealized exchange profit and loss	66	(66)	-	-
Unappropriated surplus of subsidiaries	(20,446)	(12,236)	-	($ 32,682)
Currency Translation Difference from Overseas Operations	785	-	(785)	-
	($ 18,180)	($ 13,717)	($ 785)	($ 32,682)

(V) Income Tax Assessment

The business income tax filed by the Company as of 2020 has been approved by the taxation agency.

XXIV. Earnings per share

Unit: NT$/share

	2022	2021
Basic earnings per share	$ 4.30	$ 5.54
Diluted earnings per share	$ 4.27	$ 5.36

The earnings and weighted average number of common stocks used for the calculation of earnings per share were as follows:

Net profit for the year

	2022	2021
Net profit	$ 215,848	$ 270,063
Effect of dilutive potential common stocks:		
Interest after tax of convertible corporate bonds	-	610
Net profit used for the calculation of diluted earnings per share	$ 215,848	$ 270,673

Number of Shares

Unit: Thousand shares

	2022	2021
Weighted average number of common stocks used for the calculation of basic earnings per share	50,193	48,739
Effect of dilutive potential common stocks:		
Employee remuneration	371	328
Convertible corporate bonds	-	1,454
Weighted average number of common stocks used for the calculation of diluted earnings per share	50,564	50,521

If the Company elected to distribute employees' remuneration by way of shares or cash, the calculation of diluted earnings per share should assume that the remuneration is paid in the form of shares, the dilutive potential ordinary shares should also be included in the weighted average number of outstanding shares to calculate the diluted earnings per share. The dilutive effect of such potential common stocks shall continue to be considered when calculating the diluted earnings per share before resolving the number of shares to be distributed as employee remuneration in the following year.

XXV. Non-Cash Transactions

The Company conducted the following investment activities with only partial cash receipts and payments in 2022 and 2021:

(I) Purchase of Property, Plant and Equipment

	2022	2021
Purchase of property, plant and equipment		
Increase in property, plant and equipment	$ 11,755	$ 5,530
Add: Equipment payable at the beginning of the period	1,121	917
Add: Decommissioning liabilities provision at the beginning of the period	5,700	6,200
Less: Equipment payable at the end of the period	(1,800)	(1,121)
Less: Decommissioning liabilities provision at the end of the period	(5,400)	(5,700)
Cash payments	$ 11,376	$ 5,826

(II) Lease Liabilities

	2022	2021
Lease liabilities		
Lease liabilities at the beginning of the period	$ 595,585	$ 653,746
Increase in right-of-use assets	150,837	166,042
Interest expenses	9,550	10,867
Less: Lease liabilities at the end of the period	(560,077)	(595,585)
Derecognization	(22,520)	(53,833)
Effect of rent reduction from leases	(88)	(6,561)
Effect of refundable deposits	(806)	(485)
Cash payments	$ 172,481	$ 174,191

(III) Interest Received

	2022	2021
Interest Income	$ 1,667	$ 1,868
Add: Interest receivable at the beginning	181	56
Less: Interest on refundable deposits	(631)	(660)
Less: Interest receivable at the end of the period	(221)	(181)
Interest income received	$ 996	$ 1,083

(IV) Interest paid

	2022	2021
Interest expense	$ 13,550	$ 15,087
Add: Interest payable at the beginning of the period	94	113
Less: Interest payable at the end of the period	(141)	(94)
Less: Interest on lease liabilities	(9,550)	(10,867)
Less: Interest on convertible corporate bonds	-	(762)
Interest expenses paid	$ 3,953	$ 3,477

XXVI. Capital Risk Management

The Company conducts capital management to ensure that it is able to maximize the benefit for its shareholders by optimizing debt and equity, provided that it is operating as a going concern.

The Company's capital structure consists of its net debt (i.e. borrowings less cash and cash equivalent) and equity (i.e. equity, capital reserve, retained earnings and other

equity items and non-controlling interests).
The Company is not required to comply with other external capital requirements.

XXVII. Financial instruments

(I) Information on Fair value - Financial Instruments not Measured at Fair Value

The management of the Company considers that the carrying amount of financial assets and liabilities not measured at fair value exceeds the fair value.

(II) Classification of Financial Instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortized cost (Note 1)	$ 304,122	468,740
Financial liabilities		
Measured at cost after amortization (Note 2)	390,340	386,431

Note 1. The balance includes cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, and refundable deposits, which are financial assets measured at amortized cost.

Note 2. The balance includes short-term borrowings, notes payable, accounts payable, other payables, long-term loans due within one year, long-term loans, and deposits received, which are financial liabilities measured at amortized cost.

(III) Objectives and Policies related to Financial Risk Management

The primary financial instruments of the Company include cash and equivalent cash, accounts receivable, accounts payable, loans and lease liabilities. The finance management department of the Company provides services to business units and coordinates operations in the domestic and overseas financial markets by supervising internal risk exposure reports and managing financial risks related to the operations of the Company in accordance with the risk level and breadth analyses. Such risks include market risks (including exchange rate risks and interest rate risks), credit risks, and liquidity risks.

1. Market risks

(1) Exchange rate risks

For the carrying amount of currency monetary assets and currency monetary liabilities denominated in the non-functional currency of the Company on the balance sheet date, please refer to Note 31.

Sensitivity Analysis

The Company is mainly exposed to USD and SGD fluctuations.

The following table details the Company's sensitivity analysis to a 1% increase or decrease in NTD (functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when the Company reports foreign currency risk to the key management, It also represented the evaluation of the reasonable and potential range of changes in exchange rates deemed by the management. Sensitivity analysis only includes monetary items of outstanding foreign currencies. The exchange rate at the end of the year is adjusted by 1%. The positive amount in the table below indicates the amount that will increase the profit before tax when NTD appreciates by 1% against the relevant currencies; when NTD depreciates by 1% against the relevant foreign currency, its impact on the profit before tax or interests will be a negative number of the same amount.

	Impact of foreign currencies	
	2022	2021
Profit or loss	($ 207) (i)	($ 276) (i)

(ii) This was mainly attributable to the bank deposits, outstanding receivables and payables denominated in USD and NTD which were not hedged on the balance sheet date.

(2) Interest rate risk

The interest rate risks generated are mainly from the funds borrowed and deposits held by the Company on fixed and floating interest rates simultaneously. The Company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The nominal value of financial assets and financial liabilities of the Company is exposed to the following interest rate risks on the balance sheet date:

	December 31, 2022	December 31, 2021
Interest rate risks with fair value		
- Financial assets	$ 21,771	$ 139,099
Interest rate risks with cash flow		
- Financial assets	132,659	161,370
- Financial liabilities	272,940	226,267

The sensitivity analysis below is based on the interest rate risks of non-derivative instruments at the end of the financial reporting period.

In 2022 and 2021, if the interest rate increases by 0.5%, if all other variables are kept constant, the Company's profit before tax will decrease by NT$$701,000 and NT$324,000, respectively.

2. Credit risk

Credit risks refer to the risks causing financial loss to the Company due to the default of the counterparty in performing contractual obligations. As at the balance sheet date, the Company’s maximum exposure to credit risk causing financial loss to the Company due to the default of the counterparty in performing contractual obligations is primarily arising from the carrying amount of the financial assets recognized in this balance sheet.

In addition, the Company would review the recoverable amount of each receivable on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As such, the Company's management concludes that the credit risk of the merged company has been significantly reduced.

Before engaging in significant transactions, approval procedures must be carried by the Board of Directors according to related regulations and the internal control system. In the course of implementing financial plans, the Company shall comply with relevant financial operation procedures on the overall financial risk management and segregation of duties.

3. Liquidity risk

The Company supports the its operation and reduces the impact brought by cash flow fluctuation by managing and maintaining sufficient cash and cash equivalents. The Company's management supervises the utilization of bank financing and ensures compliance with the terms of loan contracts.

The Board of Directors bears the ultimate liability for the liquidity risk management of the Company. The Company has established an appropriate liquidity risk management framework to meet its management demand for short-term, mid-term and long-term funding and liquidity. The Company manages liquidity risk by maintaining sufficient bank financing limits, borrowing commitments, continuously monitoring the expected and actual cash flows, and planning to repay liabilities with financial assets with similar maturity dates. As of December 31, 2022 and 2021, the unutilized bank facilities of the Company amounted to NT$396,191,000 and NT$434,008,000, respectively.

Liquidity and table of interest rate risks of non-derivative financial liabilities

The contractual maturity analysis of balances for non-derivative financial liabilities is prepared based on the earliest date in which the Company is required to repay the loans, based on the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Therefore, the following table presents the bank loans required to be repaid immediately by the Company, regardless of the probability of exercising such rights by the bank. The analysis of the maturity of other non-derivative liabilities is prepared in accordance with the agreed repayment date.

The undiscounted interest relating to the cash flow for repaying interest at floating interest rates is estimated according to the yield curve on the balance sheet date.

December 31, 2022

	Within 1 year	1 to 2 year(s)	2 to 5 Years	More than 5 years
Floating interest rate instruments				
Short-term loans	$ 30,068	$ -	$ -	$ -
Long-term loans	61,273	44,561	49,456	117,311
Non-interest-bearing liabilities				
Notes payable	17,999	-	-	-
Accounts payable	13,167	-	-	-
Other payables	1,966	-	-	-
Lease liabilities	157,718	134,196	190,395	77,768
Guarantee deposits	1,337	-	-	-
	$ 283,528	$ 178,757	$ 239,851	$ 195,079

December 31, 2021

	Within 1 year	1 to 2 year(s)	2 to 5 Years	More than 5 years
Floating interest rate instruments				
Long-term loans	$ 38,882	$ 33,917	$ 46,855	$ 128,889
Non-interest-bearing liabilities				
Notes payable	16,807	-	-	-
Accounts payable	43,893	-	-	-
Other payables	1,236	-	-	-
Lease liabilities	177,439	119,058	224,800	74,288
Guarantee deposits	1,567	-	-	-
	$ 279,824	$ 152,975	$ 271,655	$ 203,177

XXVIII. Related-party transactions

Transactions between the Company and other related parties were as follows:

(I) Name and relationship of related parties

Name of related party	Relations with the Company
Hsueh, Hsiu-Chu	Key Management
Hawaii Furnishing Pte. Ltd.	Related party in substance
House of Teak（SINGAPORE）Pte. Ltd.	Related party in substance
Yihsin Inc.	Related party in substance
Mobler Japan	Related party in substance

(II) Operating revenue

Type/name of related party	2022	2021	
Related party in substance			
House of Teak（SINGAPORE）Pte. Ltd.	$ -	557	1,2
Mobler Japan	2,604	5,419	1,8
	$ 2,604	$ 5,976	$ 3,

Sales to related parties were made at prices agreed between both parties, and the receipts were not materially different from the normal terms of sales.

(III) Cost of Sales

Type/name of related party	2022	2021
Related party in substance		
Hawaii Furnishing Pte. Ltd.	$ 25,715	$ 25,987

The Company signed a contract for the brand licensing and services of the "Scanteak" brand with Hawaii Furnishing Pte. Ltd. on April 1, 2010. 1%-3% of the monthly net profit shall be paid as the monthly licensing and service fees, which were recognized under cost of sales.

(IV) Lease agreement

Type/name of related party	2022	2021
Acquisition of right-of-use assets		
Key Management		
Hsueh, Hsiu-Chu	$ -	$ 5,796

Accounting subject	Type/name of related party	December 31, 2022	December 31, 2021
Lease liabilities - current	Key Management		
	Hsueh, Hsiu-Chu	$ 1,200	$ 1,200
	Related party in substance		
	Yihsin Inc.	2,448	2,448
		$ 3,648	$ 3,648
Lease liabilities - non-current	Key Management		
	Hsueh, Hsiu-Chu	$ 2,701	$ 3,835
	Related party in substance		
	Yihsin Inc.	1,962	4,306
		$ 4,663	$ 8,141

Accounting subject	pe/name of related party	2022	2021
Interest expense	Key Management		
	Hsueh, Hsiu-Chu	$ 66	$ 48
	Related party in substance		
	Yihsin Inc.	103	146
		$ 169	$ 194

The aforementioned lease contracts with related parties are based on the agreement between both parties and the rent is paid on a monthly basis.

(V) Refundable deposits

Type/name of related party	December 31, 2022	December 31, 2021
Key Management/Hsueh, Hsiu-Chu	$ 105	$ 105
Related party in substance/Yihsin Inc.	390	390
	$ 495	$ 495

(VI) Receivable from related parties

Type/name of related party	December 31, 2022	December 31, 2021
Related party in substance		
Mobler Japan	$ 327	$ 1,527

(VII) Prepayments

Type/name of related party	December 31, 2022	December 31, 2021
Related party in substance		
House of Teak (SINGAPORE) Pte. Ltd.	$ 2,426	$ 1,937

(VIII) Sales expenses - others

Type/name of related party	December 31, 2022	December 31, 2021
Related party in substance		
House of Teak (SINGAPORE) Pte. Ltd.	$ 3,150	$ 3,528

(IX) Remuneration of Key Management

	2022	2021
Short-term employee benefits	$ 14,795	$ 14,919
Benefits after retirement	108	108
	$ 14,903	$ 15,027

The remuneration of directors and other key management is determined by the remuneration committee based on personal performance and market trends.

XXIX. Pledged Assets

Assets below are provided as collaterals for bank loans:

	December 31, 2022	December 31, 2021
Self-owned land	$ 622,550	$ 622,550
Building	142,524	155,635
	$ 765,074	$ 778,185

XXX. Significant contingent liability and unrecognized contract commitments

Material commitment and contingency of the Company on the balance sheet date are as follows:

Material commitment

(I) In order to provide guarantees as letters of credit, the Company has issued the following guarantee notes to each of the loaning banks:

	December 31, 2022	December 31, 2021
Guarantee notes	$ 240,000	$ 240,000

(II) The number of unused letters of credit issued by the Company due to the purchase of raw materials is summarized as follows:

Unit: Thousand dollars in foreign currency

	December 31, 2022	December 31, 2021
USD	$ 1,279	$ 3,449
SGD	197	514

(III) The Company signed a contract for the brand licensing and services of the "Scanteak" brand with Hawaii Furnishing Pte. Ltd. 1%-3% of the monthly net profit shall be paid as the premium pursuant to the contract, which will be expired in 2040. The premium expenses (recognized in cost of sales) for 2022 and 2021 were NT$ NT$25,715,000 and NT$25,987,000, respectively.

XXXI. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information was summarized by foreign currencies other than the functional currency of the merged company. The exchange rates disclosed were those used to translate the foreign currencies into the functional currency. Information on foreign currency assets and liabilities with significant impact is as follows:

Unit: Foreign currencies/NT$'000

December 31, 2022

	Foreign currency	Exchange rates	Carrying Amount
Foreign-currency assets			
Monetary items			
USD	$ 794,167	30.71 (USD:NT$)	$ 24,389
SGD	51,801	22.88 (SGD:NT$)	1,185
Yen	13,201	0.23 (Yen:NT$)	3
HKD	9,622	3.94 (HKD:NT$)	38
RMB	18,542	4.41 (RMB:NT$)	82
			$ 25,697
Non-monetary items			
Subsidiaries, associates, and joint ventures accounted for using the equity method			
SGD	11,816,545	22.88 (SGD:NT$)	$ 429,276
Foreign currency liabilities			
Monetary items			
USD	144,375	30.47 (USD:NT$)	$ 4,400
SGD	22,031	22.66(SGD:NT$)	499
			$ 4,899

December 31, 2021

	Foreign currency	Exchange rates	Carrying Amount
Foreign-currency assets			
Monetary items			
USD	$ 2,721	27.68 (USD:NT$)	$ 75
SGD	57,595	20.46 (SGD:NT$)	1,179
Yen	13,201	0.24 (Yen:NT$)	3
HKD	9,611	3.55 (HKD:NT$)	34
RMB	18,505	4.35 (RMB:NT$)	80
			$ 1,371
Non-monetary items			
Subsidiaries, associates, and joint ventures accounted for using the equity method			
SGD	10,679,871	20.46 (SGD:NT$)	$ 377,423
Foreign currency liabilities			
Monetary items			
USD	945,873	27.90 (USD:NT$)	$ 26,388
SGD	119,369	20.40(SGD:NT$)	2,435
EUR	1,771	35.77 (EUR:NT$)	63
			$ 28,886

The Company is primarily exposed to exchange rate risk in USD and SGD. The following information is aggregated in terms of the functional currency of the foreign currency held. The exchange rate disclosed is the exchange rate of the functional currency into the presentation currency. The following are significant influences on foreign exchange gain or loss (realized and unrealized):

	2022		2021		
Functional currency	Functional currency and presentation currency	Net Gain (Loss) on Foreign Currency Exchange		Functional currency and presentation currency	Net Gain (Loss) on Foreign Currency Exchange
NTD	1.000 (NT$:NT$)	$ 1,049	$	1.000 (NT$:NT$)	$ 1,488

XXXIV. Additional Note Disclosures

(I) Information on Material Transactions:

1. Funds provided to others: None.
2. Endorsements/guarantees provided to others: None.
3. Marketable securities held at the end of the period: Appendix I.
4. Accumulated purchase or disposal of the same marketable securities in excess of NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate at price in excess of NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate at price in excess of NT$300 million or 20% of the paid-in capital: None.
7. Purchases from or sales to related parties in excess of NT$100 million or 20% of the paid-in capital: None.
8. Receivable from related parties in excess of NT$100 million or 20% of its paid-in capital: None.
9. Engage in derivatives trading: Please refer to Note 15.

(II) Information on Reinvestment: Appendix II.
(III) Information on investments in the Mainland: None.
(IV) Information on major shareholders: names, the amount and proportion of shares held of shareholders with a shareholding of over 5%: Appendix III.

XXXV. Segment Information

The Company has disclosed operating segment information in the 2022 consolidated financial statements according to regulations.

Scan-D Corporation
Marketable securities held at the end of the period
December 31, 2022

Appendix I

Unit: NT$'000/Foreign currency dollar

Companies held	Type and name of marketable securities (Note 1)	Relationship with the issuer of the securities	Financial Statement Account	End of the Period				Remark
				Shares or Units	Carrying Amount	Share Holding %	Fair value	
Nova Furnishing Holdings Pte. Ltd.	Shares - Listed in overseas (Counter) Hafary Holdings Ltd.	None	Financial assets at fair value through profit and loss	979,300	$ 4,481 SGD195,860	0.23%	$ 4,481 SGD195,860	
	OKH Global Ltd.	None	Financial assets at fair value through profit and loss	4,950,000	2,832 SGD123,750	0.44%	2,832 SGD123,750	

Note 1. For information on investment subsidiaries, affiliated companies and joint venture interests, please refer to Appendix III.

Scan-D Corporation
Information on Investees, regions, etc
January 1 to December 31, 2022

Appendix II

Unit: NT$'000/Foreign currency dollar

Name of investment company	Investee company name	Place of Registration	Main businesses	Original Investment Amount		Shares held as at the end of the period			Current profit or loss of investee company	Investment profit or loss recognized for the period	Remark
				End of the current period	End of the prior year	Number of Shares	Ratio	Carrying Amount			
Scan-D Corporation	Nova Furnishing Holdings Pte. Ltd.	Singapore	Investment business	$ 227,600	$ 227,600	2,000,000	100.00	$ 429,276	24,571 SGD1,136,674	24,571 SGD1,136,674	
Nova Furnishing Holdings Pte. Ltd.	Nova Furnishing Centre Pte. Ltd.	Singapore	Furniture industry	3,417	3,417	150,000	100.00	29,062 SGD1,270,196	9,271 SGD428,888	9,271 SGD428,888	
Nova Furnishing Holdings Pte. Ltd.	Rozel Furnishing Pte. Ltd.	Singapore	Furniture industry	11,390	11,390	500,000	100.00	26,033 SGD1,137,804	5,882 SGD272,087	5,882 SGD272,087	
Nova Furnishing Holdings Pte. Ltd.	X'Clusive Home Pte. Ltd.	Singapore	Furniture industry	7,973	7,973	350,000	100.00	17,560 SGD 767,481	2,951 SGD136,516	2,951 SGD136,516	
Nova Furnishing Holdings Pte. Ltd.	Sofaland Pte. Ltd.	Singapore	Furniture industry	5,695	5,695	250,000	100.00	5,589 SGD244,277	(131) (SGD6,040)	(131) (SGD6,040)	
Nova Furnishing Holdings Pte. Ltd.	Kawah Furnishing Pte. Ltd.	Singapore	Furniture industry	8,201	8,201	360,000	90.00	30,037 SGD1,312,800	846 SGD39,137	761 SGD35,224	
Nova Furnishing Holdings Pte. Ltd.	Mega Home Furnishing Pte. Ltd.	Singapore	Furniture industry	11,390	11,390	500,000	100.00	11,098 SGD485,059	(1,161) (SGD53,725)	(1,161) (SGD53,725)	
Nova Furnishing Holdings Pte. Ltd.	N Lighting Pte. Ltd.	Singapore	Furniture industry	2,278	2,278	100,000	100.00	1,159 SGD50,657	(694) (SGD32,105)	(694) (SGD32,105)	
Nova Furnishing Holdings Pte. Ltd.	Furnzone Creations Pte. Ltd.	Singapore	Transportation industry	13,668	13,668	600,000	100.00	17,079 SGD746,451	7,536 SGD348,622	7,536 SGD348,622	

Scan-D Corporation
Information on major shareholders
December 31, 2022

Appendix III

Name	Shares	
	Number of shares held	Shareholding
NOBLE LINK MANAGEMENT LTD.	15,049,125	29.98%
Standard Chartered entrusted Noble Link Management Ltd. Investment Account	3,320,775	6.61%
YiCHia Investment	2,929,590	5.83%

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and special shares that are issued and delivered without physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation.

Share capital indicated in the Company's individual financial statements may differ from the actual number of shares that are issued and delivered without physical registration as a result of a different basis of preparation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

Address and EL of Headquarters, Branches and Plant

NO.	Name	Address	TEL
1	Headquater	No.69, Dinghu 1st St., Guishan Dist., Taoyuan City	(03)318-0555
2	Mingshen Br.	No.52, Mingshen E. Rd., Sec.5, Songshan Dist., Taipei City	0963-567003
3	Wenchan Br.	No.276, Wenchan St., Daan Dist., Taipei City	0963-567029
4	Beihsin Br.	1F, No.47, Beixin Rd., Sec.2, Xindian Dist., New Taipei City	0963-567026
5	Neihutidin Br.	No.103, Jiotsun Rd., Sec.2, Neihu Dist., Taipei City	0963-567001
6	Fuxin S. Br.	1F, No.116, Fuxin S. Rd., Sec.2, Daan Dist., Taipei City	0963-567019
7	Guting Br.	No.3, Roosevelt Rd., Sec.2, Zhongzheng Dist., Taipei City	0963-567006
8	Banqiao Br.	No.141, Wenhua Rd., Sec.2, Banqiao Dist., New Taipei City	0963-567027
9	Xinhu Br.	Cabinet Ｅ,2F, No.23, Xinhu 3 Rd., Neihu Dist., Taipei City	0963-567031
10	Yuanshan Br.	2F, No.46, Zhongshan N. Rd., Sec.5, Shihlin Dist., Taipei City	0963-567010
11	XInshen S. Br.	1F, No142-1, Xinshen S. Rd., Sec.1, Zhongzheng Dist., Taipei City	0963-567005
12	Linko Br.	No.36, Wenhua 1 Rd., Sec.1, Linko Dist., New Taipei City	0963-567032
13	Huanzhong Br.	No.915&917, Huanzhon E. Rd., Zhongli Dist., Taoyuan City	0963-567056
14	Nankan Br.	No.1, Zhongzheng Rd., Luchu Dist., Taoyuan City	0963-567052
15	Guanmin Br.	No.33, Tzuchiang 5. Rd., Chubei City, Hsinchu County.	0963-567059
16	Tzuchiang Br.	No.190, Tzuchiang S. Rd., Chubei City, Hsinchu County.	0963-567060
17	Tofen Br.	1F, No.1347, Zhonghua Rd., Tofen Town, Miaoli County	0963-567061
18	Jinkuo Br.	No.141, Jinkuo Rd., Sec.1, Hsinchu City	0963-567062
19	Wuquan Br.	No.87Wuquan W. Rd., Sec.2, Nantun Dist., Taichung City	0963-567078
20	Chanhua Br.	No.701, Jinma Rd., Sec.3, Chanhua City	0963-567077
21	Beitun Br.	No.401, Beitun Rd., Beitun Dist., Taichung City	0963-567081
22	Wenxin 1 Br.	No.548, Wenxin Rd., Sec.3, Xitun Dist., Taichung City	0963-567079
23	Wenxin Br.	No.461, Wenxin Rd., Sec.1, Nantun Dist., Taichung City	0963-567080
24	Huande Br.	No.1006, Huanzhong Rd., Sec.1, Beitun Dist., Taichung City	0963-567069
25	Fuya Br.	No.918, Taiwan Ave. Sec.4, Xitun Dist., Taichnung City	0963-567070
26	Damin Br.	No.451, Damin Rd., Dali Dist., Taichung City	0963-567071
27	Dali Br.	No.1236, Wenhsin S. Rd. Dali Dist., Taichung City	0963-567085
28	Ximen Br.	No.739, Ximen Rd., Sec.1, ZHoongxi Dist., Tainan City	0963-567091
29	Zhonghua E. Br.	No.148, Zhonghua E., Rd., Sec.2, East Dist., Tainan City	0963-567092
30	Zhongzheng N. Br.	No.271, Zhonhzheng N. Rd., Yongkan Dist., Tainan City	0963-567090
31	Dream Era Br.	B2, No.789, ZHonghua 5 Rd., Qienzheng Dist., Kaohsiung City	0963-567099
NO.	Name	Address	TEL
32	Niaoson Br.	No.142-5, Zhongzheng Rd., Niaoson Dist., Kaohsiung City	0963-567109
33	Minzu Br.	No.500, Minzu 1 Rd., Sanmin Dist., Kaohsiung City	0963-567098
34	Qinnien Br.	No.213, Qinnien 1 Rd., Lingya Dist., Kaohsiung City	0963-567105

35	Pingke Br.	No.315, Jienkuo Rd., Pingtung City	0963-567110
36	Yonghe Br.	No.100, Yonghe Rd., Sec.1, Yonghe Dist., New Taipei City	0963-567035
37	Jienkuo Br.	No.401, Jienkuo Rd., Sec.3, Fengshan Dist., Kaohsiung City	0963-567101
38	Zhongzheng Br.	2F, No.186&186-1, Zhongzheng Rd., Luodon Town, Yilan County	0963-567037
39	Zhongshan Br.	No.121, Zhongshan Rd., Sec.1, Banqiao Dist., New Taipei City	0963-567022
40	Menrer Br.-Living	B2, No.789, Chunghua 5 Rd., Qienchen Dist., Kaohsiung City	0963-567102
41	Tzouying Br.	No.948, Minzu 1 Rd., Tsoyin Dist., Kaohsiung City	0963-567108
42	Zhongchin Br.	No.1502, Zhongchin Rd., Sec.2, Xitun Dist., Taichung City	0963-567083
43	Sanhsia-HOLA Br.	B1, Building C No.85, Dachen Rd., Shulin Dist., New Taipei City	0963-567028
44	Zhonghsiao Br.	No.688, Zhonghsiao Rd., East Dist., Chiayi City	0963-567075
45	Xinye Br.	No.223, Xinye W., West Dist., Chiayi City	0963-567073
46	HOLA Br.	2F, No.291, Zhongshan Rd., Sec.2, Zhonghe Dist., New Taipei City	0963-567008
47	Xinhu Br.-Living	Cabinet L 2F, No.23, Xinhu 3 Rd., Neihu Dist., Taipei City	0963-567007
48	Rende Br.	B1, No.777, Zhongshan Rd., Rende Dist., Tainan City	0963-567093
49	Nankan Br.-Living	2F, No.1, Zhongzheng Rd., Nanron Vil., Luchu Town, Taoyuan County	0963-870810
50	HOLA Br.-Living	3F, No.291, Zhongshan Rd., Sec.2, Zhonghe Dist., New Taipei City	0963-567011
51	Tzuoyin HOLA Br.	1F,No.948, Minzu 1 Rd., Tsoyin Dist., Kaohsiung City	0963-796001
52	Miaoli HOLA Br.	4F., No.105, Zhongyan Rd., Tofen Town, Miaoli County	0963-567066
53	Miaoli HOLA Br.-Living	4F., No.105, Zhongyan Rd., Tofen Town, Miaoli County	0963-567012
54	Zhongyan Br.	No.320、322, Zhongyan Rd., Sec.4, Hualien City, Hualien County	0963-567038
55	Mato Br.	No.16-5&16-6, Majia Rd., Sec.1, Mado Dist., Tainan City	0963-711030
56	Xitun Hola Br.	2F, No.528, Taiwan Ave. Sec.4, Xitun Dist., Taichung City	0905-029202
57	Jiotson Br.	No.43, Ln.150, Jiotsun Rd., Sec.1, Neihu Dist., Taipei City	0963-567016
58	Xinwu Br.	No.97, Xintai 5 Rd., Sec.1, Xizhi Dist., New Taipei City	0963-567018
59	Xinwu Br.-Living	No.97, Xintai 5 Rd., Sec.1, Xizhi Dist., New Taipei City	0963-567017
60	Jinkuo Br.	No.112, Jinkuo Rd., Taoyuan Dist., Taoyuan City	0955-133122
61	Zhonghua Br.	No.701, Zhonghua Rd., Sec.1, Zhongli Dist., Taoyuan City	0966-650815
62	Wugon Br.	No.93, Wugon Rd., Xinzhuan Dist., New Taipei City	0966-709265
63	Hola Shihlin Br	1F, No.258, Jihe Rd., Shihlin Dist., Taipei City	0966-590581
64	Hola Shihlin Br.-Living	1F, No.258, Jihe Rd., Shihlin Dist., Taipei City	0966-590582
65	Wenchan Br.-Living	No.261, Wenchen St., Daan Dist., Taipei City	0905-059765
66	Nankan Br.-Sleep	No.1, Zhongzheng Rd., Luchu Dist., Taoyuan City	0905-878796
NO.	Name	Address	TEL
67	Riyueguan Br.-Living	B4, No.13, Ln.751, Kanning St., Xizhi Dist., New Taipei City	0905-191175
68	Xinying Br.	No.371, Fuxin Rd., Xinying Dist., Tainan City	0963-567097
69	Humei 1 Br.	No.432, Zhonghua W. Rd. , Sec.2, ZHongxi Dist., Tainan City	0905-931967
70	Zhongshan 1 Br.	No.143, Zhongshan Rd., Sec. 5, Yilan City	0963-567096

71	Mingshen Br.-Living	No.56, Mingshen E. Rd., Sec.5, Songshan Dist., Taipei City	0963-567107
72	Mingchen Br.	No.255、253, Chunghua 1 Rd., Gushan Dist., Kaohsiung City	0905-033172
73	Pingzhen Br.	No.99, Minzu Rd., Sec. 2, Pingzhen Dist., Taoyuan City	0963-567057
74	Wenxin Br.-Living	No.48, Wenxin Rd., Sec. 1, Nantun Dist., Taichung City	0963-567082
75	Scan Living, Wenxin 1 Br.	No. 548, Wenxin Rd., Sec.3, Xitun Dist., Taichung City 40753	0963-567079
76	Scan Living, Tainan Xinying Br.	No. 367, Fuxing Rd., Xinying Dist., Tainan City 73052	0928-279365
77	Sleep Gallery, Nanjing Breeze Br.	B1/F, No. 337, Nanjing E. Rd., Sec.3, Songshan Dist., Taipei City 10550	0905-027535
78	Taipei Dajiotsun Br.	No. 2, Jiotsun Rd., Sec.1, Neihu Dist., Taipei City 11494	0933-086071
79	Yuanlin Br.	No. 2, Sec. 1, Yuanlin Blvd., Yuanlin City, Changhua County	0963-567106
80	Bade Carrefour Br.	B2/F, No. 728, Sec. 1, Jieshou Rd., Bade Dist., Taoyuan City	0963-567013
81	Beigang Br.	No. 317, Beigang Rd., West Dist., Chiayi City	0975-806593
82	Neili Carrefour Br.	No. 450, Sec. 1, Zhonghua Rd., Zhongli Dist., Taoyuan City	0905-775057
83	Fengyuan Carrefour Br.	2F., No. 500, Chenggong Rd., Fengyuan Dist., Taichung City	0905-606785
84	Yilan Carrefour Br.	B2/F, No. 2, Ln. 38, Sec. 2, Minquan Rd., Yilan City, Yilan County	0905-836903
85	Tamsui Carrefour Br.	1F., No. 383, Sec. 2, Zhongshan N. Rd., Tamsui Dist., New Taipei City	0963-567072
86	Douliu Carrefour Br.	2F., No. 297, Sec. 2, Yunlin Rd., Douliu City, Yunlin County	0963-597133
87	Taichung Qingshui Zhongshan Br.	No. 29-2, Zhongshan Rd., Qingshui Dist., Taichung City	0963-567095
88	Taipei Nangang Br.	B1F No. 5, Ln. 50, Sec. 2, Nangang Rd., Nangang Dist., Taipei City	0915-613507
89	Taoyuan A19 Universal Br.	Cabinet 207, 2F., No. 352, Sec. 2, Gaotie S. Rd., Zhongli Dist., Taoyuan City	0905-697930
90	HOLA Xinzhuang	No. 620, Zhongzheng Rd., Xinzhuang Dist., New Taipei City	0963-567023
91	Lovego Plaza Br.	Cabinet L203 L204, No. 2, Ln. 1, Jie'an Rd., Gangshan Dist., Kaohsiung City	0928-873530
92	Hsinchu Nanya 1 Br.	No. 97, Nanya St., North Dist., Hsinchu City	0963-931033
93	Hsinchuang Hsinwu Br.	No. 108-8, Sec. 1, Xin 5th Rd., Taishan Dist., New Taipei City	0963-567036
94	Yilan Erben Br.	No. 159, Sec. 1, Yixing Rd., Yilan City, Yilan County	0963-567025

◎ Thanks for your participation ◎

We are looking forward to your opinion.

SCAN-D ORPORATION

Chairperson Lim, Pok-Chin


SCANTEAK
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