



Stock Code: 2373

Aurora Corporation

2022

Annual Report
(Translation)

April 21, 2023

This Annual Report is available at: <http://mops.twse.com.tw/>

<http://www.aurora.com.tw/>

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1. Report to Shareholders

Dear shareholders, ladies and gentlemen,

In 2022, the Russia-Ukraine war has led to a shortage of supplies such as natural gas and crude oil, resulting in an increase in global energy prices as well as price increases in other nations and the emergence of inflation. In an effort to contain price increases, the central banks of various nations have gradually tightened monetary policy, resulting in an increase in interest rates across the globe, which has affected the macroeconomy and financial markets as a whole. Additionally, during the second quarter, the local COVID-19 pandemic in Shanghai got worse, the extensive lockdown measures had an impact on the normal operations of the mainland market and the market boom showed a significant decline, which had an effect on the company's business in mainland China. Despite this, the company is still working to differentiate itself, reduce the effect of external factors and close the profit gap in order to take advantage of the business opportunities provided by digital transformation and ESG sustainability in 2022. The business results for 2022 and the plan for 2023 are summarized below:

I. 2022 Business Results

(I) Business Results

For the fiscal year of 2022, the consolidated net revenue was NT\$12,576,325 thousand and the net profit after tax attributed to the parent company was NT\$1,309,368 thousand. The earnings per share after tax was NT\$5.82. The comparison of profit or loss for the two fiscal years is as follows:

(In Thousands of New Taiwan Dollars)

Item/Year		2022	2021	Increase (Decrease)	Growth Rate
Operating Revenue	Consolidated	12,576,325	13,577,257	(1,000,932)	-7%
	Parent company only	3,322,549	3,285,129	37,420	1%
Net Profit after Tax (Attributable to Owners of the Parent)		1,309,368	1,391,539	(82,171)	-6%
Earnings per Share after Tax (NT\$)		5.82	6.19	(0.37)	-

In terms of the consolidated financial structure, the current ratio was 183% and the liability ratio (as a proportion of assets) was 51%. Both ratios were financially sound.

(II) Review of Operating Performance

Aurora's main operation performance in 2022 included:

- To strengthen the ESG sustainability framework, the Sustainability Committee and the Integrity Management Committee have been established.
- Taiwan's OA and furniture businesses continue to maintain steady growth.
- Taiwan Aurora Cloud has obtained ISO 27001 certification, providing customers with a more secure cloud platform for storing information.
- The OA business in mainland China acknowledges the SOHO office trend by increasing the market share of A4 machines and the total number of machines.
- In spite of the COVID-19 pandemic, the furniture business in mainland china continues to focus on its core market. In addition to the increase in sales of trending new commodities, the economies of scale of primary commodities are becoming more apparent.

II. Overview of the 2023 Business Plan and Future Development Strategies

(I) Prediction of Impact from External Competition and Overall Business Environment and Countermeasures

The Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. (Taiwan) and other significant organizations predict that in 2023, the macroeconomy will continue to grow slightly. On the international front, even though the majority of countries coexist with the COVID-19 pandemic and positive factors such as the effectiveness of major European and American nations' plans to control inflation and boost economic growth are beginning to emerge, they are still overshadowed by negative factors such as the ongoing Russia-Ukraine war, geopolitical tensions and weak demand. As a result, the global economy remains fraught with uncertainty and is anticipated to decelerate significantly.

Despite ongoing economic uncertainties, the company will continue to strengthen its internal operations and respond to a range of internal and external challenges. The low-carbon transformation fostered by the ESG wave and the digital transformation in response to the COVID-19 pandemic have both gradually produced results in recent years. Moving forward, we will continue to concentrate on our office market, integrate the ESG sustainability concept into our operating processes and business model and increase our use of digital technologies such as big data, AI and IoT. We will assist clients in transforming themselves into digital businesses and create an office space that is eco-friendly, health-focused, intelligent and efficient, thereby differentiating the company from its competitors and enhancing its overall competitiveness.

(II) Development Strategies for Each Segment

1. OA: By offering clients an intelligent, effective, energy-saving, carbon-reducing and an innovative office environment, we are dedicated to becoming the market leader for comprehensive office solutions.
 - (1) Combine printing equipment (A3/A4/PP machines, etc.) with efficient office solutions to create an efficient office setting.
 - (2) Make use of technological platforms such as the Internet of Things (IoT), the cloud and remote services to enhance service capabilities.
 - (3) Create smart conference rooms by incorporating a smart screen, cloud video, conference control system, etc.
 - (4) Using the ESG service model, help businesses create a sustainable platform for energy conservation and carbon reduction.
2. Furniture: In keeping with our mission statement, " Better work, better life" we work to dominate the market for premium office space solutions.
 - (1) Concentrate on marketing, production and services while implementing ESG principles to get the most out of our resources.
 - (2) Seek change while solidifying the foundation, stabilize direct sales growth, expand the distribution market, increase designer channel cooperation, bolster drainage tools and raise the output value of business services.
 - (3) From product design and development to manufacturing, distribution and assembly, implement smart and environmentally friendly processes and procedures. Implement industrial ESG to collaborate on the creation of an industrial green ecological chain.

III. Conclusion

Despite the unfavorable environment created by the COVID-19 pandemic's intensification in 2022, we were able to minimize the negative effects on our profits and lay a strong foundation for future reverse growth thanks to the support of our shareholders and the dedication of our employees.. Customer satisfaction, employee contentness, social responsibility and the pursuit of sustainable operations comprise Aurora's business philosophy. The Aurora ESG makes its debut in 2022 as well. The company will maintain its business philosophy as the standard, perform well in ESG forward-looking planning, integrate ESG into its business models and operating management, increase value for our shareholders, clients, employees and society, adhere to its socially responsible business practices, exert a positive influence, and adhere to Aurora's business philosophy and ESG sustainability in 2023.

2. Company Profile

a. Date of Establishment:

The Company was founded in October 1965 and its main business is the sale of office equipment and furniture. In addition to providing the sales and services of various famous branded products, it also has its own branded "Aurora" products to meet the customer needs, increase the opportunity to renew products, establish brand loyalty, and lay the foundation for the enterprise's pursuit of sustainable business.

b. Company History

- 1965. Aurora Corporation was Founded
- 1970.
 - First introduction of electronic photocopiers
 - Officially activate the Enterprise Identification System
- 1971 Issued the Aurora Monthly
- 1975. Implemented the Profit Center System branch-wide
- 1985. On the 20th anniversary of the establishment, the corporate logo symbolizing sustainable management was launched, and a new corporate identification system (CIS) was established.
- 1990 Established Office Furniture Division and its own brand "AURORA" won the National Excellent Brand Award
- 1991 the Company's stock was listed
- 1995 Established the "Aurora Office Parks" in Jiading, Shanghai
- 1997 Established Aurora Communication Chain Store to expand the distribution channels
- 1999 Changed the classification of securities trading from department stores to electronics
- 2000 Reinvested Aurora Office Furniture Co., Ltd. Shanghai (Aurora Furniture) from Aurora Office Equipment Co., Ltd. Shanghai
- 2003 Reinvested to establish Aurora Office Automation Sales Co., Ltd. Shanghai
- 2006
 - Reinvested and established Aurora Telecom Co., Ltd.
 - In October, the trademark "Aurora" was awarded the "China Famous Trademark" in Mainland China.
- 2009 Merged Aurora System Co., Ltd. and Heng Rong Industry Co., Ltd.
- 2010 Participated in the Shanghai World Expo and became the first Taiwanese company to build its own pavilion in the World Expo in 160 years
- 2011 Was the first furniture brand to be entitled the "High-tech Enterprises" in China
- 2012
 - Aurora Museum preview, and "Bvlgari 125 Year Italian Classic Design Art Exhibition" tour exhibition in four major cities around the world
 - Joint venture with Fursys Group of Korea to establish Sidiz Furniture Co., Ltd.
- 2013
 - Collaborated with the Industrial Technology Research Institute to publish the proprietary brand "Aurora 3D Printing Machine" and officially entered the Taiwan 3D printing market, becoming the only industry with 2D and 3D marketing channels; Mainland China cooperated with Stratasys, the leading 3D printing brand, to take inspiration from the series of China's general agency rights
 - Aurora was selected as the "8th Asian Branding Ceremony" Three Awards: China's Top 10 Most Investment Value Brands, China's Top 10 Innovative Brands and Asian

- Brand Management Excellence
- Shanghai Aurora OA won the "8th Best Customer Service in China" three awards: China Best After-sales Service Award, China Best Service Management Award and China Best Customer Service Center Award
- 2014
- Established the Cloud Service Division and officially launched the "Aurora Cloud Office Cloud" to create a new field
- In October, the Company took the share in the General Integration Technology Co., Ltd., and began to attack the 3D printing market both in Mainland China and Taiwan. Aurora 3D printer - F1, Aurora office furniture - Yuzhijia executive desk and PLANE won the 23rd Taiwan Excellence Award
- Aurora 3D printer F1 won the "Top 100 Innovative Product Award" in the Information Technology Month
 - Aurora won three awards from Jiading New Town, Shanghai: Best Contribution Award, Best Charity Award, Best Innovation Award
 - Aurora furniture won the 7th Shanghai Science and Technology Enterprise Innovation Award
 - Aurora won the 9th China Best Customer Service Award: China Best Customer Service Award, China Best Service Management Award, China Best After-sales Service Award, China Best Customer Service Center Award
 - Won the 2013 China Top 30 Shanghai Employers of the Year
 - Aurora's digital multi-functional machine was awarded a well-known trademark in China again, becoming a "Double-Power" enterprise with both furniture and OA categories
 - Aurora Furniture has once again passed the qualification certification of "High-tech Enterprise"
- 2015
- Aurora Group set up the "Good Faith Award" in 2015 to recognize the outstanding social institutions and provide long-term stable resources
 - The 3D printer F1 is stationed in the "Taiwan Boutique Hall", and also is stationed in the exhibition areas at various high-speed railway stations and airports
 - Aurora Group won the first "Cross-Straits Excellence in Service Enterprise Award"
- 2016
- Aurora Group established the Cross-Straits 3D medical platform with China Medical University (Taiwan) and Shanghai Jiao Tong University
 - Established Aurora Cloud Printing Co., Ltd. in Shanghai to build an enterprise business-level printing service experts
 - The Aurora Group won the 2016 "Cross-Straits Excellence Award"
 - Established "Ever Young BioDimension Corporation" with the China Medical University (Taiwan) system to provide 3D digital medical services
 - Joined hands with Japan's Konica Minolta Co., Ltd. to establish "KM Developing Solutions co., ltd." to attack the high-end printing market
 - Aurora OA of Mainland China won the 2016 "Design Service Special Contribution Award", "Annual Product Award", "Technology Video Annual Ceremony Maker's Choice Award"
- 2017
- Established "Aurora Cloud Technology Co., Ltd" in Shanghai, entered the Internet industry depending on the "Aurora Cloud Business Internet" platform

- Aurora OA of Mainland China won the "National Brand Cultivation Demonstration Enterprise", "After-sales Service Certificate Five Stars", "National Office Furniture Top Brands Top10", "Quality Workplace Evaluation Growth Winning Award of China Business News"
 - Aurora OA of Mainland China won the "Enterprise Credit AAA Certificate"
 - Cooperated with Hon Hai Technology Group (Foxconn ®) to create a communication "O2O Composite Channel"
 - Aurora Office Automation Corporation and Aurora Corporation of Aurora Group won the "Business Operator Introduction Electronic Invoice" award
 - "Ever Young BioDimension Corporation" signed a contract with the international giant "Materialise" to introduce the world's advanced Mimics 3D medical design solutions and course certification, becoming the only service model in Taiwan that provides course training, professional certification, and software and hardware by 3-IN-ONE mode
- 2018
- AURORA x ESTEL Dual-brand flagship showroom opens
 - Signed strategic cooperation with 3D brand Nano Dimension & Mcor to develop 3D printing application market
 - Aurora OA of Mainland China won the 2018 "Five-star After-sales Service Certification"
 - Aurora Furniture "UP! Lifting Table" won the Outstanding Work Award and "Inpower" won the Red Star Award
 - All products of Aurora furniture have passed the GREENGUARD world authoritative indoor air quality certification test
- 2019
- Aurora Health Care medical furniture was launched to create a comfortable medical environment
 - Opening of the Shanghai "Aurora Office Life Flagship Exhibition Hall" to create an efficient, humane, intelligent and environmentally friendly office life solution for customers
 - Aurora Furniture was awarded the title of "China National Furniture Industry Leading Enterprise" by the China National Furniture Association
 - Aurora Furniture was invited to participate the 2019 World Industrial Design Conference and won the "Innovative Enterprises TIA Top 10" and "Innovative Design Awards TIA Top 10"
 - Aurora Group won three awards in the "9th National After-sales Service Evaluation, "National After-sales Service Enterprises Top -10", "National After-sales Service Industry Enterprises Top -10", and "National Brands for Customer Satisfaction Top -10"
 - Aurora Furniture "UP! Lifting Table" won the 28th Taiwan Excellence Award
 - Aurora 3D teamed up with Nano Dimension to set up "Aurora 3D Experience Center" in the Science and Technology Park "Wisdom Bay" in Mainland China
 - The Aurora OA "Mobile Customer Service" APP was launched to provide the intelligent and efficient services and create the value for customers
- 2020
- Issued the 13th edition of the "Aurora Business Philosophy", adhere to the service belief of "Customer First", create the value for customers and satisfy the customers.

- "Aurora Cloud Technology Co., Ltd" cooperated with the Human Resources Department of the National Central University to cultivate the digital human resources professionals for future through teaching and introduction of the human resources cloud system, so that students can experience the application of human resources digital technology in advance.
 - The Aurora Jiangsu Smart Industrial Park started construction, moving towards smart manufacturing, providing customers with a full range of smart office space solutions.
 - Aurora Children's Furniture - Won the "2019 Ergonomic Industry Outstanding Contribution Award".
 - Aurora Furniture won the title of "The 8th China Hospital Furniture Suppliers for Hospital Construction Top 10".
 - The "CoLink" collaborative series of furniture won the China Design and Intelligent Manufacturing Award.
 - Aurora Furniture won the honors of Leading Brands of China Office Furniture "Top Ten", "Green Furniture Brands "Top Ten in China" and "Comprehensive Strengths of China Furniture Suppliers Top 100 " in 2019-2020.
- 2021
- Expanded the scope of services, "Aurora Office Furniture" was renamed as "Aurora Furniture"
 - Aurora Furniture's "Mobile Customer Service" APP was launched, Opened Zero Contact Service for epidemic prevention, and enhanced user experience
 - "Aurora Cloud Technology Co., Ltd" and National Taiwan Normal University have jointly established the "Aurora Cloud AI Human Resources Laboratory" to assist enterprises in finding the talents accurately
 - Aurora Furniture Puffy won the “The Magnolia Award”, Shanghai Design Innovation Product Excellence Award
 - Aurora Furniture won the "Brand Communication Contribution Award" and "Love and Dedication to Public Welfare Award"
 - The “Activa lab” mobile office laboratory for furniture was opened
 - Aurora home furnishing brand was officially established, Aurora began to enter the field of children's home furnishing
- 2022
- Aurora Furniture awarded the 2021 Leading Enterprise in China’s Furniture Industry.
 - Aurora Furniture awarded the 2021–2022 China Office Furniture Demonstration Brand Enterprises, China Top 100 Light Industry Technology Enterprises.
 - Promote Aurora’s Green for Earth beach cleaning actions around the island to jointly respond to SDGs 14 Life Below Water.
 - Aurora Group’s Aurora Corp. and Aurora Office Automation awarded the 2022 Taipei City Outstanding Businesses by the National Taxation Bureau of Taipei, Ministry of Finance.
 - Aurora Furniture’s head office and exhibition center in Taipei officially passed the WELL HSR rating.
 - Aurora participated in the “Leasing Instead of Buying for Circular Economy” press conference held by the Environmental Protection Administration to jointly advocate sustainable consumption actions.
 - Aurora’s “Future Office” exhibition center was established, providing three major solutions, “Smart and efficient. Energy conservation and carbon reduction. Eco-friendly and sustainability.” Launched eco-friendly “Work-As-One Machine”

- initiative, which adopted the circular economy model to refurbish and reuse secondhand machines and work with customers to show love to the Earth.
- Aurora Group's Aurora Corp. and Aurora Office Automation awarded the eco-friendly label by the Environmental Protection Administration for 20 consecutive years.

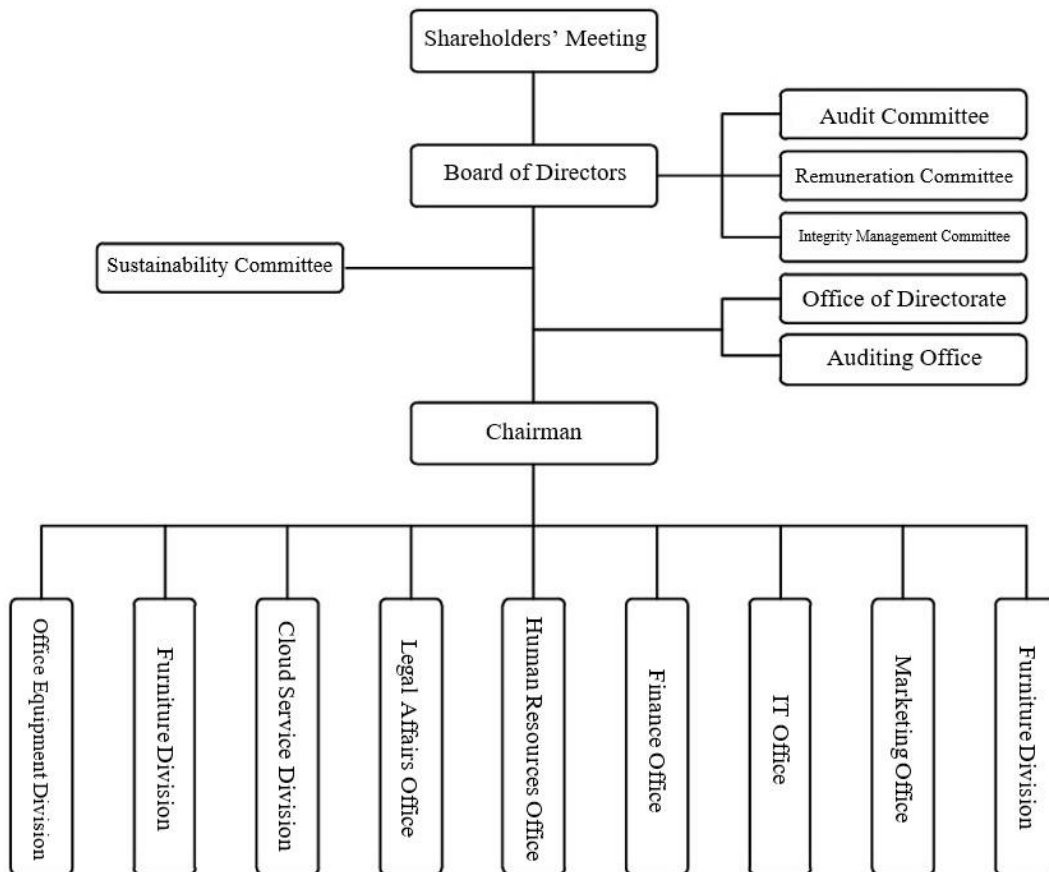
3. Corporate Governance Report

a. Organizational System:

Organizational System of Aurora Corporation

1) Organizational Structure

Effective Date: January 1, 2023



2) Operations by Major Departments

Divisions	Functions
Office of Directorate	Responsible for arranging meetings, handling important matters, and receiving guests.
Auditing Office	Responsible for implementing the internal audit system.
Office Equipment Division	Responsible for selling, leasing, and maintaining office equipment. Software + Hardware Integration Solutions, 3D Integration Solutions Services.
Furniture Division	Responsible for researching and developing and selling office furniture and offering integrated planning and service.
Cloud Service Division	Responsible for selling cloud systems and offering consulting service.
Legal Affairs Office	Responsible for preventing and managing corporate governance risks and

Divisions	Functions
	maintaining company interests.
Human Resources Office	Responsible for establishing and implementing human resources development policies and employee development plans.
Finance Office	Responsible Financial system establishment and control, fiscal operations, business analysis, fund management, share operations and Investor Relations and other services.
IT Office	Responsible for drawing up information policies, maintaining information systems, and ensuring information security.
Marketing Office	Responsible The Group's brand image, official website, digital marketing strategy planning and execution, and public service.
Administration Office	Responsible Management of the Group's administrative management, procurement, real estate, logistics and warehousing.

b. Directors, General Managers, Heads of Departments and Branch Organizations Information:

1) Directors

Directors' Data (I)

April 21, 2023

Title	Nationality/ Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in Others' Names		Education and Work Experience	Positions Concurrently Held in the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Job Title	Name	Relationship	
Chairman	R.O.C.	Yuan Hui-Hua	Female 51~60	2022.6.09	3 years	2010.06.25	1,184,000	0.50	1,198,000	0.51	21,834,000	9.24	0	0.00	Director of Aurora Telecom Co., Ltd. Director of KM Developing Solutions co., Ltd. Director of Ever Young Biodimension Corporation Director of General Integration Technology Co., Ltd. Director of Aurora International Co., Ltd. Chairman of the Board of Aurora (Bermuda) Investment Ltd. Chairman of Aurora (China) Investment Co., Ltd. Chairman of Aurora (China) Co., Ltd. Chairman, Aurora Office Equipment Co., Ltd. Shanghai Chairman, Aurora Office Automation Sales Co., Ltd. Shanghai Chairman of Aurora International Building (Shanghai) Co., Ltd. Chairman of Aurora Building Management (Shanghai) Co., Ltd. Chairman of Aurora Museum (Shanghai) Co., Ltd. Director of Huxen (China) Co., Ltd. Director of Aurora Machinery Equipment (Shanghai) Co., Ltd. Chairman of Aurora (Shanghai) E-Commerce	Director	Chen Yung-tai	Spouse	-	

Title	Nationality/ Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in Others' Names		Education and Work Experience	Positions Concurrently Held in the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Job Title	Name	Relationship	
																Co., Ltd. Chairman of Aurora (Shanghai) Intelligent Equipment Co., Ltd. Director of Aurora Cloud (Shanghai) Technology Co., Ltd. Director of Sidiz Furniture Co., Ltd. Chairman of Aurora (Jiangsu) Enterprise Development Co., Ltd.				
Director	Republic of China	Chen Yung-tai	Male 81~90	2022.6.09	3 years	1989.12.15	21,269,000	9.00	21,834,000	9.24	1,198,000	0.51	0	0.00	Chairman of the Board of Directors of Aurora Corporation	Chairman of Aurora International Co., Ltd. Director of Aurora (Bermuda) Investment Ltd. Director of Aurora (China) Investment Co., Ltd. Director of Aurora (China) Co., Ltd. Director, Aurora Office Automation Sales Co., Ltd. Shanghai Director, Aurora Office Equipment Co., Ltd. Shanghai Director of Aurora International Building (Shanghai) Co., Ltd. Director of Aurora Building Management (Shanghai) Co., Ltd. Director of Aurora Museum (Shanghai) Co., Ltd.	Chairman	Yuan Hui-Hua	Spouse	-
Director	Republic of China	Aurora Holdings Incorporated	-	2022.6.09	3 years	1989.12.15	101,856,312	43.12	101,856,312	43.12	0	0.00	0	0.00	-	-				
	Republic of China	Representative: Rai Hau-Min	Male 81~90	2022.6.09	3 years	1989.12.15	185,816	0.08	185,816	0.08	182,921	0.08	0	0.00	Chief Justice and President of Judicial Yuan	Director of Aurora Corporation	-	-	-	-
Director	Republic of China	Ma Chih-Hsien	Male 51~60	2022.6.09	3 years	2014.08.06	3,000	0.00	3,000	0.00	0	0.00	0	0.00	Chairman of KM Developing Solutions co., ltd.	Corporate Governance officer, Aurora Corporation Huxen Corporation Head of corporate governance Chairman of KM Developing Solutions co., ltd.	-	-	-	-
Independent Director	Republic of China	Liao Kuo-Jung	Male 71~80	2022.6.09	3 years	2010.10.12	0	0.00	0	0.00	0	0.00	0	0.00	Chairman of TSEC Corporation	Chairman of TSEC Corporation	-	-	-	-

Title	Nationality/ Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in Others' Names		Education and Work Experience	Positions Concurrently Held in the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Job Title	Name	Relationship	
Independent Director	Republic of China	Hwa Yueh-Jiuan	Female 61~70	2022.6.09	3 years	2017.06.08	0	0.00	0	0.00	0	0.00	0	0.00	President, Waters Consulting Inc.	General Manager of Robert Walters Taiwan	-	-	-	-
Independent Director	Republic of China	Hsu Wen-Chung	Male 61~70	2022.6.09	3 years	2018.06.12	0	0.00	0	0.00	0	0.00	0	0.00	Chairman of Huxen Corporation	Independent director of Aurora Corporation	-	-	-	-

Note 1. Director Chen Yung-tai ceased serving as a director from November 28, 2000 to June 19, 2002.

Note 2. Director Lai Hao-min ceased serving as a director from November 9, 2009 to December 31, 2016.

Note 3. The Company set up the Audit Committee to replace the Supervisor on July 7, 2017.

Note 4. Director Ma Chih-Hsien ceased serving as a director from October 7 2016 to June 11 2019; became corporate Governance officer since November.10.2020.

Table 1: Major shareholders of institutional shareholders

April 21, 2023

Name of Institutional Shareholder	Major Shareholder of institutional shareholders	Percentage of Ownership
Aurora Holdings Incorporated	Chen Yung-tai	23%
	Y.T.Chen Sustainable Management Foundation	1.8%
	Y.T.Chen Cultural and Educational Foundation	5.2%
	Y.T.Chen Charitable Trust	35%
	Chen, Tu-Chiang Foundation	5%
	Yuan Hui-Hua	10%
	Nisheng Investment Management Co Ltd	20%

Table 2: The major shareholders in Table 1 are institutional shareholders and their major shareholders

April 21, 2023

Name of institutional shareholder	Major shareholders of institutional shareholder	Percentage of Ownership
Y.T.Chen Sustainable Management Foundation	N/A	Not applicable
Y.T.Chen Cultural and Educational Foundation	N/A	Not applicable
Y.T.Chen Charitable Trust	N/A	Not applicable
Chen, Tu-Chiang Foundation	N/A	Not applicable
Nisheng Investment Management Co Ltd	Yuan Hui-Hua	99.87%
	Yuan Tzu-Pin	0.13%

Directors' Information (II)

1. Disclosure of information on professional qualifications of directors and supervisors and independence of independent directors:

April 21, 2023

Qualifications Name	Professional Qualification and Work Experience	Independence Status	Concurrently serves as Independent Director for multiple other publicly-listed companies
Yuan Hui-Hua	<ul style="list-style-type: none"> • More than five years of work experience required for commercial, financial and corporate business • There is no situation related to Article 30 of the Company Law 		0
Chen Yung-tai	<ul style="list-style-type: none"> • More than five years of work experience required for commercial, financial and corporate business • There is no situation related to Article 30 of the Company Law 		0
Aurora Holdings Incorporated Representative: Rai Hau-Min	<ul style="list-style-type: none"> • More than five years of work experience required for legal and corporate business • Former Chairman of the Central Election Commission, Chief Justice and President of Judicial Yuan • There is no situation related to Article 30 of the Company Law 		0
Ma Chih-Hsien	<ul style="list-style-type: none"> • More than five years of work experience required for commercial, financial and corporate business • There is no situation related to Article 30 of the Company Law 		0
Liao Kuo-Jung	<ul style="list-style-type: none"> • More than five years of work experience required for commercial, financial and corporate business • Members of the board of the other listed companies • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Relatives, including the independent director himself, his spouse, the second degree of Kinship, etc., do not serve as directors, supervisors or employees of the company or its affiliated companies, and there is no independent director establishment of a public offering company and matters to be followed Article 3 Paragraph 1 The matters stipulated in this article are in line with independence. • The person himself, spouse and minor children hold 0 shares of the Company. 	0

Qualifications Name	Professional Qualification and Work Experience	Independence Status	Concurrently serves as Independent Director for multiple other publicly-listed companies
Hwa Yueh-Jiuan	<ul style="list-style-type: none"> • More than five years of work experience required by business and company • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Relatives, including the independent director herself, her spouse, the second degree of Kinship, etc., do not serve as directors, supervisors or employees of the company or its affiliated companies, and there is no independent director establishment of a public offering company and matters to be followed Article 3 Paragraph 1 The matters stipulated in this article are in line with independence. • The person herself, spouse and minor children hold 0 shares of the Company. 	0
Hsu Wen-Chung	<ul style="list-style-type: none"> • More than five years of work experience required by business and company • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Relatives, including the independent director himself, his spouse, the second degree of Kinship, etc., do not serve as directors, supervisors or employees of the company or its affiliated companies, and there is no independent director establishment of a public offering company and matters to be followed Article 3 Paragraph 1 The matters stipulated in this article are in line with independence. • The person himself, spouse and minor children hold 0 shares of the Company. 	0

2. Board Diversity and Independence:

● Board Diversity:

- (1) The directors of the Company have different expertise in various fields and are of some assistance to the development and operation of the Company. Please refer to the "Diversity of Board Members" in this Annual Report (Schedule 1, Page 43).
- (2) The current board of directors of the Company consists of seven directors, including four directors and three independent directors, two of whom are women and occupy approximately 29% of the total number of director seats. The ages of directors are, respectively, 2 under the age of 60, 3 between the ages of 60 and 80, and 2 over the age

of 80. The Company pays attention to the gender equality of the composition of the board of directors, and the ratio of female directors is targeted at more than 40%. It is expected that one female director will be added to the board of directors in the future to achieve the goal.

- (3) The Board of Directors discloses the proposed diversification of the membership policy on the Company's website and public information observatory.

● Board Independence:

- (1) The Company currently has 3 independent directors, accounting for about 43% of the total number of director seats. The independent directors are all serving for a term of 5 ~ 7 years.
- (2) None of the members of the board of directors have any kinship including spouses and the second degree of kinship, and are independent.

2) General Manager, Department and Branch Supervisor Information

April 21, 2023

Job Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Shares Held by Spouse and Minor Children		Shares Held in Others' Names		Education and Work Experience	Position Held with Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Job Title	Name	Relationship	
General Manager of Aurora Group	R.O.C.	Chou Ming-Chung	Male	2017.08.10	10,484	0.00	0	0.00	0	0.00	Division General Manager of Aurora Corp	None	—	—	—	—
General Manager, Furniture Division	R.O.C.	You Yan-Lin	Male	2017.08.10	19,000	0.01	2,000	0.00	0	0.00	Division General Manager of Aurora Corp	None	—	—	—	—
General Manager of Cloud Service Division	R.O.C.	Lin Chin-Pao	Male	2019.09.03	0	0.00	0	0.00	0	0.00	Division General Manager of Aurora Corp	None	—	—	—	—
Vice president, Office Equipment Division	R.O.C.	Chien Chih-Yuan	Male	2022.09.01	5,000	0.00	0	0.00	0	0.00	Vice president of Aurora Corp	None	—	—	—	—
Senior Manager of Finance Office	R.O.C.	Lin Ya-Ling	Female	2018.03.06	3,500	0.00	12,076	0.01	0	0.00	Senior Manager of Aurora Corp	None	—	—	—	—

Note: Vice president of the Office Equipment Division was newly appointed on September 1, 2022.

c. Remuneration of directors and general manager

1) Director

Remuneration of the General Directors and Independent Directors in 2022

Unit: NT\$ thousand

Job Title	Name	Remuneration Paid to Directors								Percentage of the total amount of A, B, C and D in the Net Profit After Tax (%)		Relevant Remuneration Received by Directors who Are Also Employees								Percentage of total amount of A, B, C, D, E, F and G in Net Income After Tax (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		Remuneration (A)		Retirement Pension (B)		Director's Remuneration (C)		Business Execution Fee (D)				Salary, bonus and special expenses, etc. (E)		Retirement Pension (F)		Employee compensation (G)						
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	Cash Amount (note 1:)	Stock	Cash Amount (note 1:)	Stock Amount	The Company	All Companies in Consolidated Financial Statements	
Chairman	Yuan Hui-Hua																					
Director	Chen Yung-tai																					
Director	Aurora Holdings Incorporated Representative: Rai Hau-Min	4,217	4,217	0	0	0	0	2,400	2,400	6,617	6,617	644	4,257	0	0	0	0	3,341	0	7,261	14,215/1.09	None
Director	Ma Chih-Hsien									/0.51	/0.51									/0.56		
Independent Director	Liao Kuo-Jung																					
Independent Director	Hwa Yueh-Jiuan	0	0	0	0	0	0	3,600	3,600	3,600	3,600	0	0	0	0	0	0	0	0	3,600	3,600	None
Independent Director	Hsu Wen-Chung									/0.27	/0.27									/0.27	/0.27	

1. Please clarify the remuneration payment policy, system, standards and structure of independent directors, and clarify the correlation between the amount of remuneration paid based on the responsibilities, risks, investment time and other factors:
According to the Articles of Incorporation, remuneration paid to the Chairman and directors shall be determined by the Board of Directors based on the degree of their participation in and contributions to the business operations of Aurora, as well as industry standards at home and abroad.

2. In addition to the disclosures in the above table, the remuneration received for services rendered by the directors of the Company in the most recent year (such as acting as an adviser to non-affiliated employees of the parent company/all companies/reinvestment undertakings in the Financial Report, etc.): None.

Note: Employee compensation for 2022 is allocated only to the Board of Directors through the proposed allocation.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total amount of the above four remunerations (A+B+C+D)		Total amount of the above seven remunerations (A + B + C + D + E + F + G)	
	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
Less than NT\$1,000,000	Chen Yung-tai, Ma Chih-Hsien, Aurora Holdings Incorporated	Chen Yung-tai, Ma Chih-Hsien, Aurora Holdings Incorporated	Chen Yung-tai, Ma Chih-Hsien, Aurora Holdings Incorporated	Chen Yung-tai, Aurora Holdings Incorporated
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Rai Hau-Min, Liao Kuo-Jung, Hwa Yueh-Jiuan, and Hsu Wen-Chung	Rai Hau-Min, Liao Kuo-Jung, Hwa Yueh-Jiuan, and Hsu Wen-Chung	Rai Hau-Min, Liao Kuo-Jung, Hwa Yueh-Jiuan, and Hsu Wen-Chung	Rai Hau-Min, Liao Kuo-Jung, Hwa Yueh-Jiuan, and Hsu Wen-Chung
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 exclusive)	—	—	—	Ma Chih-Hsien
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (exclusive)	—	—	—	—
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	Yuan Hui-Hua	Yuan Hui-Hua	Yuan Hui-Hua	—
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (exclusive)	—	—	—	Yuan Hui-Hua
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) ~ NT\$ 50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 NT\$ (inclusive) ~ NT\$100,000,000 (exclusive)	—	—	—	—
More than NT\$ 100,000,000	—	—	—	—
Total	8 in total	8 in total	8 in total	8 in total

2) President and Vice Presidents

2022 Remuneration Paid to President and Vice Presidents

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special expenses, etc. (C)		Employee Compensation Amount (D)				Percentage of the total amount of A, B, C and D in the net profit after tax (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Consolidated Financial Statements	The Company	All the companies mentioned in the Financial Report	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash amount (Note)	Stock	Cash amount (Note)	Stock			
General Manager	Chou Ming-Chung	4,328	6,142	0	0	0	0	5,606	0	10,001	0	9,934 /0.76	16,143 /1.23	None
General Manager	You Yan-Lin													
General Manager	Lin Chin-Pao													
Vice president	Chien Chih-Yuan													

Note: Employee compensation for 2022 is allocated only to the Board of Directors through the proposed allocation.

Range of Remuneration

Range of Remuneration Paid to the President and Vice Presidents	Name of General Manager	
	The Company	All Companies in Consolidated Financial Statements
Less than NT\$1,000,000	Chien Chih-Yuan, Lin Chin-Pao	Chien Chih-Yuan, Lin Chin-Pao
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Chou Ming-Chung	—
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (exclusive)	You Yan-Lin	You Yan-Lin
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	—	Chou Ming-Chung
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (exclusive)	—	—
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) ~ NT\$ 50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—
More than NT\$ 100,000,000	—	—
Total	4 in total	4 in total

3) Name of manager and allocation of employee remuneration

December 31, 2022

Unit: NT\$ thousand

	Job Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	General Manager	Chou Ming-Chung	0	10,293	10,293	0.79
	General Manager	You Yan-Lin				
	General Manager	Lin Chin-Pao				
	Vice president	Chien Chih-Yuan				
	Senior Manager	Lin Ya-Ling				

Note 1: Employee compensation for 2022 is allocated only to the Board of Directors through the proposed allocation.

Note 2: Vice President Chien Chih-Yuan was appointed on September 1, 2022.

4) Analysis of the ratio of the total remuneration paid to directors and general managers of the Company in the last two years to the net income after tax of Parent Company only financial statements of the Company and all companies in the consolidated statements, and explanation of the policies, standards and combinations for the payment of remuneration, the procedures for determining remuneration, and the Parent Company only with operating results and future risks:

- a) Analysis of the proportion of the total remuneration paid to the Directors and General Managers of the company in the last two years to the Net Profit After Tax of the Parent Company only Financial Report:

Year	Percentage of Total Remuneration Paid to Directors to Net Income After Tax		Percentage of Total Manager's Remuneration In Net Income After Tax	
	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
2021	0.78	1.23	0.66	0.85
2022	0.83	1.36	0.76	1.23

- b) The Company's Remuneration Policy:

The remuneration paid by the directors of the Company shall be handled in accordance with the relevant provisions of the Articles of Association. The remuneration paid by the general manager shall be approved in accordance with the principles of fairness and equity and the performance of each employee.

- c) The standard and combination of remuneration paid by the Company:

The payment standards and portfolios of the directors and General Manager of the Company are divided into fixed and variable parts. The fixed remuneration is approved according to the scope of authority and responsibility of the position and the operational objectives of the Company. The variable remuneration is based on the operational performance and contribution achieved. The operating results are shared.

d) Procedure for determining the remuneration of the Company:

At Aurora, remuneration is paid appropriately based on the overall operating performance and individual performances and upon approval according to the internal approval rules.

e) The correlation between the remuneration fixed by the Company and the operating performance:

Variable remuneration is paid to the directors and President based on the achieved operating performance to align individual performances with the overall operating performance.

d. Corporate Governance Operations:

1) The operation of the Board of Directors:

The Board of Directors held 7 meetings in the most recent year (2022), and the attendance of the Directors was as follows:

Job Title	Name	Actual Number of Attendance	Attendance by Proxy	Actual Ratio of Attendance	Remark
Chairman	Yuan Hui-Hua	7	0	100%	
Director	Chen Yung-tai	7	0	100%	
Corporate Director	Representative of Aurora Holdings Incorporated: Rai Hau-Min	7	0	100%	
Director	Ma Chih-Hsien	7	0	100%	
Independent Director	Liao Kuo-Jung	6	1	86%	
Independent Director	Hwa Yueh-Jiuan	7	0	100%	
Independent Director	Hsu Wen-Chung	7	0	100%	

Other mentionable items:

1. In the operation of the Board of Directors, should one of the below situations occur, the board meeting date, session, content of the resolution, opinions of all independent directors, and the Company's response to said opinions shall be recorded:
 - a. Matters listed in Article 14.3 of the Securities and Exchange Act:

Meeting of Board of Directors	Content of Motion and Follow-up	Article 14-3 , Securities and Exchange Act Items Listed	Independent directors have objections or reservations
The 15th Meeting of The 11th Session 2022.03.16	1.Amendment of the company's " Procedures of Acquisition or Disposal of Assets ".	✓	None
	2. The Appointment of the Company's Certified Public Accountant for 2022 and the assessment of independence .	✓	None
	Independent Directors' Opinion: None.		
	The Company's treatment of independent directors' opinions: None.		
	Resolution result: All the directors presented agreed to adopt.		
The 3rd Meeting of The 12th Session 2022.11.13	Amendment to the “Internal Control System” and the “Internal Audit Implementation Rules.”	✓	None
	Independent Directors' Opinion: None.		
	The Company's treatment of independent directors' opinions: None.		
	Resolution result: All the directors presented agreed to adopt.		

The 4th Meeting of The 12th Session 2023.03.13	The Appointment of the Company's Certified Public Accountant for 2022 and the assessment of independence .	✓	None
	Independent Directors' Opinion: None.		
	The Company's treatment of independent directors' opinions: None.		
	Resolution result: All the directors presented agreed to adopt.		
<p>b. In addition to the previously mentioned matters, other matters resolved by the board of directors with the objection or reservation of independent directors and with a record or written statement: No such circumstance.</p> <p>2. Directors' circumvention of the resolution of interests: no such circumstance.</p> <p>3. Assessment of self-assessment (or peer) by the Board of Directors: We have formulated the "Board Performance Appraisal Measures" and the relevant evaluation methods on November 8, 2019. At the end of 2022, we performed a performance appraisal for the current year. Please refer to page 29.</p> <p>4. The objectives of strengthening the functions of the Board of Directors for the current year and the most recent year (such as establishing the Audit Committee, improving the transparency of information, etc.) and the performance assessment: In order to strengthen the corporate governance, improve the operational effectiveness of the Board of Directors, improve the audit supervision function and strengthen the management function, the Company established the "Audit Committee" on July 7, 2017, the "Remuneration Audit Committee" on December 29, 2011, the "Ethics Committee" on June 20, 2022, and the "Corporate Governance Supervisor" on November 10, 2020, who is concurrently responsible for the corporate governance-related matters.</p>			

2) Performance of the Board of Directors' appraisal:

Evaluation Cycle (Note 1)	Period of Assessment (Note 2)	Scope of Assessment (Note 3)	Assessment Method (Note 4)	Content (Note 5)	Result of Assessment
Once a year	2022/1/1~2022/12/31	Board of Directors	Self-evaluation by the Board	Including participation in the operation of the company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.	The Board of Directors as a whole was in good operation, and external experts were engaged to provide continuing education for the directors on a regular basis, all of which were in compliance with the relevant rules and regulations of corporate governance.
		Board members	Self-evaluation by the directors	Including alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.	The performance assessment of the overall directors is in line with the standards. The directors have fully expressed and made suggestions for the company's various proposals, and the overall operation status Present Still Perfect ◦

Evaluation Cycle (Note 1)	Period of Assessment (Note 2)	Scope of Assessment (Note 3)	Assessment Method (Note 4)	Content (Note 5)	Result of Assessment
		Functional Committees	Self-evaluation by the Board	Including participation in the operation of the company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.	The Remuneration Committee has been in place to perform its duties independently. The Remuneration Committee as a whole was in good operation.

Note 1. Indicate the execution period of the Board's appraisal, for example, once a year.

Note 2. This is the period covered by the board assessment, for example, the performance of the Board of Directors from January 1, 2022 to December 31, 2022.

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

Note 4. The methods of assessment include internal self-assessment by the Board of Directors, self-assessment by board members, peer assessment, and performance assessment by appointing external professional bodies, experts or other appropriate means.

Note 5. Assessments include, at a minimum, the following items based on the scope of the assessment:

- (1) Performance evaluation of the board of directors: at a minimum, it includes the degree of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board of Directors, the selection and continuous training of directors, internal control, etc.
- (2) Performance Appraisal of Individual Directors and Members: at a minimum, it includes the mastery of the Company's objectives and tasks, recognition of the Directors' responsibilities, degree of participation in the Company's operations, internal relations management and communication, professional and continuous training of directors, internal control, etc.
- (3) Performance Evaluation of the functional committee: the degree of participation in the company's operations, the recognition of the responsibilities of the functional committee, the decision-making quality of the functional committee, the composition and appointment of the members of the functional committee, internal control, etc.

Note 6. The results of the Performance Evaluation of the Board of Directors were reported to the Board on 13 March 2023.

3) The operations of the Audit Committee:

The Audit Committee held 4 meetings in the most recent year (2022), with the participation of independent directors as follows:

Job Title	Name	Actual numbers of attendance	Numbers of attendance by proxy	Actual Attendance Ratios (%)	Remark
Convener	Liao Kuo-Jung	4	0	100%	
Committee Member	Hwa Yueh-Jiuan	4	0	100	
Committee Member	Hsu Wen-Chung	4	0	100	

Note: On July 7, 2017, the Audit Committee was established to replace the original supervisor system.

Other mentionable items:

1. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and Aurora's handling of such resolutions shall be specified:

a. Matters listed in Article 14-5 of the Securities and Exchange Act:

Meetings of Audit Committee	Content of Motion and Follow-up	Matters listed in § 14-5 of the Stock Exchange	Objections or Reservations by Independent Directors
The 11th Meeting of The 2nd Session 2022.03.16	1. Prepare the company's 2021 Annual Business Report and financial reports.	√	None
	2. The Company's 2021 Earnings Distribution Proposal.		None
	3. The Company intends to allocate cash through capital reserves.		None
	4. Internal Audit Execution Report.		None
	5. The Company's self-assessment report on the internal control system in 2021 and the issuance of the "Statement of Internal Control System".	√	None
	6. Amendments to the Company's "Procedures for Acquisition or Disposal of Assets"	√	
	7. The appointment of Certified Public Accountants and the Assessment Independence of in 2022.	√	None
	Audit resolution result: All present members agreed to adopt.		
The Company's handling of the auditors' opinions: None.			
The 12th Meeting of The 2nd Session 2022.05.11	1. Prepared the Q1 2022 consolidated financial report.		None
	2. Formulated the "Risk Management Operating Procedures."		None
	3. Internal Audit Execution Report.		None
	Audit resolution result: All present members agreed to adopt.		
The Company's handling of the auditors' opinions: None.			

The 1st Meeting of The 3rd Session 2022.08.11	1. Elected the convener and chairperson of the Audit Committee.		None
	2. Preparation of Q2 2022 consolidated financial report.	√	None
	3. Internal Audit Execution Report.		None
	Audit resolution result: All present members agreed to adopt.		
	The Company's handling of the auditors' opinions: None.		
The 2nd Meeting of The 3rd Session 2022.11.10	1. Preparation of Q3 2022 consolidated financial report.		None
	2. 2022 risk management implementation report.		None
	3. Amendment to the “Internal Control System” and the “Internal Audit Implementation Rules.”	√	None
	4. Internal Audit Execution Report.		
	5. Formulated the 2023 annual audit plan.		
	Audit resolution result: All present members agreed to adopt.		
	The Company's handling of the auditors' opinions: None.		
The 3rd Meeting of The 3rd Session 2023.03.13	1. Prepared the 2022 business report and financial reports.	√	None
	2. The 2022 annual profit distribution.		None
	3. 2022 earnings distribution in cash dividends.		None
	4. Internal Audit Execution Report.		None
	5. The Company’s 2022 internal control protocols self-evaluation report and prepared the Statement of Internal Control.	√	None
	6. 2023 appointment and assessment of independence of CPAs.	√	None
	Audit resolution result: All present members agreed to adopt.		
	The Company's handling of the auditors' opinions: None.		

- b. Except as previously set out, no other resolution has been approved by the Audit Committee and approved by more than two-thirds of all directors: no such circumstance.
2. The name of the independent director, the content of the proposal, the reason for avoidance of interest and the circumstances of participation in the vote shall be clarified by the independent director in the execution of the proposal of evasion of interest: there is no such circumstance.
3. Communication between directors and head of internal audit and CPA (including material issues, audit methods and results relating to the Company’s finances and business).
- a. Communication between the Independent Directors and Internal Audit Supervisor: The Independent Directors convene a meeting of the Audit Committee on a quarterly basis, after which the minutes of the meeting are prepared and the Directors and the top management of the Company are informed of the important discussions and resolutions. 5 relevant meetings were held in 2022 and the most recent year, at which the Head of Internal Audit attended to report on the implementation of the audit business and significant internal control internal audit matters, and communicated with the Independent Directors on the results of the Audit Report and the implementation of the tracking report.

- b. Communication between the Independent Directors and the Accountants: In 2022 and the most recent year, a total of five relevant meetings were held. Among them, the Company's Certified Public Accountants reported to the Independent Directors on the results of the review or audit of the Financial Statements of the Company and its domestic and overseas subsidiaries and on the internal control audit at the 2nd-11th, 2nd-12th, 3rd-1st, 3rd-2nd and 3rd-3rd Audit Committee meetings, respectively.

4) The operation of corporate governance and its differences from the Code of Practice on Corporate Governance of Listed Companies and the reasons therefor:

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
1. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has developed a Corporate Governance Code of Practice in accordance with the Code of Practice for Corporate Governance of Listed Companies and has disclosed it in the Public Information Observatory and on the Company's website.	None.
2. Shareholding structure & shareholders' rights				
a. Does the Company establish internal operating procedures for dealing with shareholder advice, doubts, disputes and litigation matters, and implement them in accordance with the procedures?	✓		a. The company has spokespersons, deputy spokespersons and stock affairs personnel to properly handle shareholders' suggestions, doubts, disputes and litigation matters.	(I) None.
b. Does the company have a list of the ultimate controllers of the major shareholders and major shareholders who actually control the company?	✓		b. The Company shall report the changes in the shareholding of the insiders on a monthly basis, obtain the shareholder register during the suspension period, and keep a list of the Company's major shareholders and the ultimate controllers of the major shareholders.	(II) None. (III) None.
c. Does the company establish and implement risk control and firewall mechanisms between affiliated companies?	✓		c. The Company has established the internal control system, internal audit implementation rules and subsidiary supervision and other related operations and measures to implement an effective risk control, and has established the Procedure for Lending Funds to Other Parties and or Guarantees, the "Procedures for Endorsement and Guarantee" and other specifications for business and financial transactions with related enterprises to properly manage the risks between the Company and related enterprises.	(IV) None.
d. Does the company have internal regulations that prohibit insiders from trading in marketable securities with undisclosed information?	✓		d. The Company has established the "Internal Significant Information Office and Preventive Insider Trading Management Procedures" to regulate insiders and insider	

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
			trading targets and deter insider trading.	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>a. Have diversification policies and specific management goals been formulated and implemented by the Board of Directors?</p>	✓	✓	<p>a. 1) The Company formulated the "Code of Practice on Corporate Governance" on December 24, 2014, and formulated a diversity policy in Chapter 3 "Strengthening the Functions of the Board of Directors". The nomination and selection of the members of the Board of Directors of the Company shall be in accordance with the Articles of Association of the Company, adopt a candidate nomination system, in addition to assessing the academic qualifications of each candidate, and with reference to the opinions of the stakeholders, comply with the Directors' Selection Methodology and the Code of Practice on Corporate Governance, in order to ensure the diversity and independence of the members of the Board of Directors.</p> <p>2) The directors of the Company have different expertise in various fields, which has certainly helped the development and operation of the Company. The Board of Directors focuses on operational judgment, operational management and crisis management ability. Please refer to the Annual Report "Diversity of Board Members" (Schedule 1, page 43).</p> <p>3) The current Board of Directors of the Company is composed of 7 directors, including 4 directors and 3 independent directors. The Company focuses on the gender equality in the composition of the board members. The number of female director seats is about 29% of all directors, and the number of independent</p>	(I) None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
b. In addition to the Salary and Remuneration Committee and the Audit committee set up in accordance with the law, does the company voluntarily set up other various functional committees?	✓		<p>directors seats is about 43% of all directors. The terms of independent directors are 5 ~ 7 years. The directors are 2 under 60 years old, 3 60 ~ 80 years old and 2 over 80 years old.</p> <p>4) The Company pays attention to the gender equality of the composition of the board of directors, and the ratio of female directors is targeted at more than 40%. It is expected that one female director will be added to the Board of Directors in the future to achieve the target.</p> <p>5) The Board of Directors discloses the proposed diversification of the membership on the Company's website and public information observatory.</p> <p>b. In addition to the Remuneration Committee and the Audit Committee which are required by law, the Company has established an ethics committee on June 20, 2022 to fulfill ethical management and strengthen the board function.</p>	b. None.
c. Does the Company define the method of performance evaluation of the Board and the manner in which it is evaluated, conduct performance evaluation annually and periodically, and submit the results of performance evaluation to the Board, and use them as a reference for the remuneration of individual directors and their nomination for renewal?	✓		<p>c. 1) We have formulated the “Board Performance Appraisal Measures” and the relevant evaluation methods on November 8, 2019. The Company’s directors conducted the 2022 self-evaluation of the five aspects, and the performance of the board as a whole was considered “Good,” and the results were presented to the board on March 13, 2023, sufficient to show the results of strengthening the board function. Please refer to page 29.</p> <p>2) On 29 December 2011, the Company established the Compensation and Remuneration Committee, whose main duties are to define and periodically review the performance objectives and policies, systems,</p>	c. None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof			
	Yes	No	Summary Description				
d. Does the company regularly assess the independence of Certified Public Accountants?			standards and structure of the remuneration of the directors and managers of the Company, periodically assess the achievement of the performance objectives of the directors and managers of the Company and determine their remuneration.	(IV) None.			
			d. The Company has developed an independent assessment form for accountants with reference to the Republic of China Certified Public Accountants' Code of Ethics Bulletin No. 10 "Integrity, Fairness, Objectivity and Independence" and has taken a statement of independence from the accounting firm issued by the Board of Directors annually assessing the independence of Certified Public Accountants. The 2023 Independent Assessment was completed and approved by the Board of Directors on 13 March 2023.				
					Assessments Results	Independence of the CPAs	
			1		No direct or indirect material financial interests with Aurora	Yes	Yes
			2		No financing or guarantee activities with Aurora or its directors	Yes	Yes
3	No close business relationship or potential employment relationship with Aurora	Yes	Yes				
4	The CPAs and members of the audit team serving as directors or managerial officers or holding	No	Yes				

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																				
	Yes	No	Summary Description																					
			<table border="1"> <tr> <td></td> <td>positions with significant influence on the audit work of Aurora at present or in the past 2 years</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td>No provision of non-audit services that may directly affect the audit work</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>6</td> <td>Not an intermediary of the shares or other securities issued by Aurora</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>7</td> <td>Not serving as a defense counsel of Aurora or representing Aurora in mediating conflicts with third parties</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>8</td> <td>Not a family member or relative of a director or managerial officer or person holding a position that has a significant impact on the audit work of Aurora</td> <td>Yes</td> <td>Yes</td> </tr> </table>		positions with significant influence on the audit work of Aurora at present or in the past 2 years			5	No provision of non-audit services that may directly affect the audit work	Yes	Yes	6	Not an intermediary of the shares or other securities issued by Aurora	Yes	Yes	7	Not serving as a defense counsel of Aurora or representing Aurora in mediating conflicts with third parties	Yes	Yes	8	Not a family member or relative of a director or managerial officer or person holding a position that has a significant impact on the audit work of Aurora	Yes	Yes	
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7	Not serving as a defense counsel of Aurora or representing Aurora in mediating conflicts with third parties	Yes	Yes																					
8	Not a family member or relative of a director or managerial officer or person holding a position that has a significant impact on the audit work of Aurora	Yes	Yes																					
4. Does the listed company have a suitable and appropriate number of corporate governance personnel and designate a head of corporate governance who is responsible for matters related to corporate governance (including, but not limited to, providing information necessary for the Directors, Supervisors to conduct the business, assisting the Directors, the Supervisors to comply	✓		The board resolution at the meeting held on 2020.11.10 approved the appointment of director Ma Chih-Hsien Maconcurrently serving the position of the head of corporate governance. He has more than three years of experience in financial management of publicly traded companies, and has completed 12 hours of professional continuing education courses every year in accordance with laws and regulations. Perform the corporate governance related matters as follows:	None.																				

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
with laws and regulations, handling matters related to meetings of the board of directors and the Shareholders' Meeting according to law, making minutes of meetings of the Board of Directors and the Shareholders' Meeting, etc.)?)			<ul style="list-style-type: none"> a. Provide directors required information for business execution and assist directors in following laws and regulations. b. Assist in meeting procedures and meeting minutes of the board, Audit Committee, Remuneration Committee, Ethics Committee and shareholder meetings, and the resolutions on regulatory compliance. c. Assist directors in assuming office and pursuing continuing education. 	
5. Has the company established the communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up stakeholder sections on the company's website, and responded appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		<ul style="list-style-type: none"> a. In addition to a stakeholder section on the company website, Aurora has a spokesperson and each department's contact information set up to maintain unimpeded communication with shareholders, employees, customers, suppliers, and other stakeholders and respond to material corporate social responsibility issues in a proper manner. b. Company Website Stakeholder Area: https://www.aurora.com.tw/contacts 	None.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints a specialized share agency, Yuan Da Securities (Shares) Co., Ltd., to act on behalf of the Company in various share affairs.	None.
7. Information Disclosure				
a. Does the company have a website to disclose the financial operations and corporate governance status?	✓		a. An investor relations section has been set up on the company website to disclose the financial operations and corporate governance status in accordance with relevant laws and regulations. URL: https://www.aurora.com.tw	a. None.
b. Does the company adopt other methods of information disclosure (such as setting up a website in English language, designating a person responsible for the collection and disclosure of company information, the spokesperson system, the corporate explanation meeting process to place the	✓		b. In addition to setting up Chinese and English websites, Aurora discloses investor presentations on the company website. Designated people are appointed to handle information collection and disclosure. A spokesperson system is also in place to answer inquiries about the business and financial operations of Aurora. For more	b. None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
<p>company's website, etc.)?)</p> <p>c. Does the company publicly announce and file the Annual Financial Reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?</p>		✓	<p>information, visit https://www.aurora.com.tw/aurora_en</p> <p>c. In accordance with the relevant regulations and within the prescribed period of time, the Company announced and reported the Annual Financial Report, the first, second and third quarter financial report and the operations of each month. For the disclosure of the above information, please refer to the Public Information Observatory.</p>	<p>c. Except for annual financial statements, the quarterly financial statements and monthly operations are announced and reported within the prescribed period.</p>
<p>8. Does the company have any other important information (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, Directors' and Supervisors' further training, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability insurance for directors and supervisors, etc.) that helps to understand the company's corporate governance operations?</p>	✓		<p>a. Employee rights and employee wellness The Company has always safeguarded the rights and interests of its colleagues. In addition to statutory safeguards, the Company has good welfare measures and open interactive channels and diversified appeal channels.</p> <ol style="list-style-type: none"> 1) Insurance: Group commercial insurance. 2) Salary: team bonus, business achievement bonus, year-end bonus, domestic and overseas rewards. 3) Welfare: wedding and funeral subsidies, children's education scholarships, travel subsidies, hospital condolences, hospital medical subsidies, tail teeth activities and uniforms. 4) Medical Examination Assistance: Regularly provide employees with health check subsidies and excellent medical institution preferred plans. Promote on-site health services, arrange nurses and physicians to conduct consultations, and regularly provide health information for employee care. 5) Travel Subsidy: Regularly subsidize domestic and foreign travel of colleagues and irregular outdoor and gathering activities. 	<p>a. None.</p>

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
			<p>6) Education and Training: Complete the education and training system (group training, business department training, professional license training), E-learning online learning platform, intranet platform training, external education and training fee subsidy, and encourage colleagues to pursue on-the-job training.</p> <p>b. Investor relations Information on finances and business operations is fully disclosed on the MOPS and the company website in accordance with the relevant laws and regulations. A spokesperson and contacts of business departments are also in place to maintain the rights of investors.</p> <p>c. Supplier relations Requisition and procurement are carried out in accordance with the “Procurement Management Rules” to establish equal and reciprocal partnership with suppliers.</p> <p>d. Rights of stakeholders 1) Responsibilities to Customers: Aurora attaches great importance to customers' feedback and after-sales services. To meet customer needs, immediate measures are taken to address customer complaints. 2) With regard to Shareholder Responsibilities: Aurora aims to maintain the rights and interests of shareholders. 3) Set up the stakeholder area and their contact windows to safeguard the rights of stakeholders.</p> <p>e. Directors' training records Please refer to “2022 Director’s Further Education</p>	<p>b. None.</p> <p>c. None.</p> <p>d. None.</p> <p>e. None.</p>

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary Description	
			<p>f. Status” (Schedule 2, page 44) in the Annual Report. Implementation of risk management policies and risk evaluation measures Please refer to VI. Cybersecurity Management under Chapter Five and VI. Analysis and Assessment of Risk Events in the Recent Year and to the Publication Date of the Annual Report under Chapter Seven of the annual report.</p> <p>g. Implementation of customer relations policies 1) The Company strictly complies with the contracts signed with customers and relevant agreements to ensure the interests of customers. 2) In addition to providing branch services throughout the province, the Company has set up the customer service centers and 0809 service hotline to protect the consumers' rights and interests.</p> <p>h. Purchase of liability insurance for directors and supervisors The Company insured the “Directors Supervisors and Managers Liability Insurance” with Fubon Property Insurance Co., Ltd for a total amount of NT\$ 3 million. The insurance period is from December 1, 2022 to December 1, 2023.</p>	<p>f. None.</p> <p>g. None.</p> <p>h. None .</p>
<p>9. Please describe the improvement situation in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose priority enhancement matters and measures for those who have not yet improved: The Company has improved the results of the 9th appraisal and expects to establish an interdepartmental project team and continue to follow up the improvement plans of the relevant business units to improve the level of corporate governance.</p>				

Schedule 1: Diversity of Board Members

Diversified Core Item Name of Director	Nationality	Gender	A Concurrent Employee of the Company	Age			Seniority of Independent Director	Business Administration	Decision-Making	Industry knowledge	Finance and Accounting	Law
				60 or less	61 to 80	81 +	5 to 7 years					
Yuan Hui-Hua	Republic of China	Female	✓	✓				✓	✓	✓	✓	
Chen Yung-tai	Republic of China	Male				✓		✓	✓	✓	✓	
Rai Hau-Min	Republic of China	Male				✓			✓	✓		✓
Ma Chih-Hsien	Republic of China	Male	✓	✓				✓	✓	✓	✓	
Liao Kuo-Jung	Republic of China	Male			✓		✓	✓	✓	✓	✓	
Hwa Yueh-Jiuan	Republic of China	Female			✓		✓	✓	✓	✓		
Hsu Wen-Chung	Republic of China	Male			✓		✓	✓	✓	✓		

Schedule 2: 2022 Director's Advanced Studies

Job Title	Name	Date	Training Institution	Name of course	Training Hours
Chairman	Yuan Hui-Hua	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Director	Chen Yung-tai	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Director	Rai Hau-Min	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Director	Ma Chih-Hsien	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Independent Director	Liao Kuo-Jung	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Independent Director	Hwa Yueh-Jiuan	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3
Independent Director	Hsu Wen-Chung	09/02	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3
		10/18	Taiwan Corporate Governance Association	Climate changes and TCFD	3

5) Remuneration Committee:

a) Information on the members of the Remuneration Committee

April 21, 2023

Qualifications		Professional Qualification and Work Experience	Independence Status	Number of concurrently serving as members of the compensation and remuneration committees of other public offering companies
Identity	Name			
Independent Director (Convener)	Hwa Yueh-Jiuan	<ul style="list-style-type: none"> • More than five years of work experience required by business and company • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Including the independent director herself, her spouse, her the second-degree relative of kinship and other relatives who do not serve as directors, supervisors or employees of the company or its affiliated companies. There is no independent director establishment in a public offering company and the provisions of Article 3, Paragraph 1 of the Regulations on Matters to be Observed. Affair, in line with independence. • The person herself spouse and minor children hold 0 shares of the Company. 	0
Independent Director	Liao Kuo-Jung	<ul style="list-style-type: none"> • More than five years of work experience required for commercial, financial and corporate business • Directors of other listed companies Members • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Including the independent director himself, his spouse, his the second-degree relative of kinship and other relatives who do not serve as directors, supervisors or employees of the company or its affiliated companies. There is no independent director establishment in a public offering company and the provisions of Article 3, Paragraph 1 of the Regulations on Matters to be Observed. Affair, in line with independence. • The person himself spouse and minor children hold 0 shares of the Company. 	0

Qualifications		Professional Qualification and Work Experience	Independence Status	Number of concurrently serving as members of the compensation and remuneration committees of other public offering companies
Identity	Name			
Independent Director	Hsu Wen-Chung	<ul style="list-style-type: none"> • More than five years of work experience required by business and company • There is no situation related to Article 30 of the Company Law 	<ul style="list-style-type: none"> • Including the independent director himself, his spouse, his the second-degree relative of kinship and other relatives who do not serve as directors, supervisors or employees of the company or its affiliated companies. There is no independent director establishment in a public offering company and the provisions of Article 3, Paragraph 1 of the Regulations on Matters to be Observed. Affair, in line with independence. • The person himself spouse and minor children hold 0 shares of the Company. 	0

b) Information on the operation of the Remuneration Committee

- i. There are three members of the remuneration committee of the company.
- ii. The term of office of the members of the Committee: June 9, 2022 to June 8, 2025. The most recent meeting of the Remuneration Committee (2022) was held twice (A). The qualifications and attendance of the members are as follows:

Job Title	Name	Attendance in Person Times (B)	Time of proxy attendance Times	Actual attendance Ratios (%) (B/A) (Note)	Remark
Convener	Hwa Yueh-Jiuan	2	0	100%	
Committee Member	Liao Kuo-Jung	2	0	100%	
Committee Member	Hsu Wen-Chung	2	0	100%	

Other mentionable items:

1. If the Board does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date of the Board, the period, the substance of the proposal, the result of the resolution of the Board and the Company's opinion on the Remuneration Committee (if the Board adopts the recommendation that the remuneration is better than that of the Remuneration Committee, it shall state the circumstances and reasons for the difference): there is no such circumstance

Meeting of Remuneration Committee	Content of Motion and Follow-up	Objections or Reservations by Remuneration Committee
The 1st Meeting of The 6th Session 2022.06.20	Elect the convener of the 6th session of the Remuneration Committee.	None
	Outcome of the resolution: all members of the Committee agreed to adopt.	
	Disposition of the Company's opinion on the Remuneration Committee: The proposal for the Board of Directors was approved by all the Directors present.	
The 2nd Meeting of The 6th Session 2022.11.04	Evaluation of the performance bonus standard for managerial officers.	None
	Outcome of the resolution: all members of the Committee agreed to adopt.	
	Disposition of the Company's opinion on the Remuneration Committee: The proposal for the Board of Directors was approved by all the Directors present.	
<p>2. The date, period, content of the proposal, all opinions of the members and treatment of the opinions of the members of the Remuneration Committee, if any, shall be specified in the matter of the resolution of the Remuneration Committee, if there is any objection or reservation on the part of the members and there is a record or written statement: no such circumstance.</p> <p>3. Duties of the Remuneration Committee: The Committee faithfully performs the following duties with the attention of good managers and submits its recommendations to the Board of Directors for discussion.</p> <p>a. Establish and periodically review policies, systems, standards and structures for the performance appraisal and remuneration of directors and managers.</p> <p>b. Periodically evaluate and fix the remuneration of directors and managers.</p>		

Note 1. Any member or officer of the Committee prior to the Closing Date shall be appointed on the date specified in the Notes, and actual attendance Ratios (%) shall be calculated on the basis of the number of times the Committee met and the number of times the Committee attended.

Note 2. Prior to the Closing Date, any person who is re-elected to the Remuneration Committee shall fill in the new and old Remuneration Committee members and note in the notes the date of appointment and re-election of such member. Actual attendance Ratios (%) is calculated based on the number of times the Remuneration and Compensation Committee has met during its term of office and the number of times it has actually attended.

6) Implementation of the Code of Practice for the Promotion of Sustainable Development and the Circumstances and Reasons for Differences from the Code of Practice for the Sustainable Development of Listed Companies

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
1. Does the Company have a governance structure for promoting sustainable developments and exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing sustainable development, and let the Board of Directors entrust the high-ranking management with the implementation and supervise the status?	✓		<p>1. We have established the Sustainability Committee in 2022 as the main decision-making and promotion unit for the Company's sustainable development. The chairman of the Company serves as the chairperson and the head of corporate governance serves as the executive secretary.</p> <p>The members of the Committee are the head of the Company's Department of Business and the head of advisory departments of each head office. A corporate sustainability implementation team is established under the Committee to promote and carry out tasks related to environmental sustainability, social welfare and corporate governance.</p> <p>The Committee shall focus on ensuring the promotion and implementation of the main decisions for corporate sustainability, and incorporate that into the Company's operating activities and development. The description of the authority is as follows:</p> <ol style="list-style-type: none"> a. Formulate corporate sustainability policies, objectives and management systems. b. Planning, implementation and review of work related to corporate sustainability. c. Track, review and revise the implementation and effectiveness of corporate sustainability. 	None

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
			d. Production and issuance of corporate sustainability reports. e. Regularly report to the board every year on the implementation results of the Committee and the plan for the new year's objectives.	
2. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		2. The board serves as the highest unit responsible for risk management, and has formulated the Company's "Risk Management Operating Procedures," "Corporate Governance Best-Practice Principles" and "Sustainable Development Best-Practice Principles" and relevant risk management strategies. It regularly conducts risk assessment of corporate governance issues of the economic, environmental and social aspects which may have significant impact on customers, investors and other stakeholders based on the principles of materiality, and formulates risk management strategies and plans.	2. None.
3. Environmental issues a. Does the company have an appropriate environmental management system based on its industry characteristics?	✓		3. Environmental issues a. 1) The furniture plant has continued to promote the use of energy management systems every year and obtain the ISO 50001 energy management system certification. 2) Furniture Factory 2022 Energy Performance Indicator (EnPI): Target plant-wide energy saving rate (actual consumption compared to energy baseline) reduced by 2%	a. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
b. Is the company committed to improving energy efficiency and using low-impact recycled materials?	✓		b. In 2022, the furniture factory continued to promote the improvement of the on-site operating environment to improve production efficiency and reduce process abnormalities and resource waste. Improve the utilization rate of equipment and increase the utilization rate of various resources.	b. None.
c. Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future, and take relevant response measures?	✓		c. The Company has assessed the risks of climate change to its business model, asset security, etc., and has appropriately diversified its customers and mitigated its risks through property insurance.	c. None.
d. Has the company counted greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management?	✓		d. 1) 2021 GHG emissions of 2,536 tonnes of CO ₂ e (Scope 1: 998 tonnes; Scope 2: 1,538 tonnes) 2022 GHG emissions of 2,534 tonnes of CO ₂ e (Scope 1: 1,052 tonnes; Scope 2: 1,482 tonnes) 2) 2021 water consumption of 38,446 tonnes; 2022 water consumption of 35,203 tonnes. 3) 2021 total weight of waste (hazardous + non-hazardous) of 0 tonnes; 2022 total weight of waste of 311 tonnes. 4) 2022 electricity use (actual electricity consumption relative to the baseline energy consumption) of the furniture plant decreased by 1.9%, saving 29,500 kWh of electricity. Reduced carbon emissions by 15	d. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
			metric tons. 5) Improvement to mold equipment and automated equipment in 2022 streamlined the production process, which increased the production efficiency by 68% and saved 1,290 kWh of electricity.	
4. Social issues a. Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		4. Social issues a. (I). In order to fulfill our corporate social responsibilities and safeguard the fundamental human rights of all our colleagues, customers and stakeholders, the Company recognizes and supports the United Nations Universal Declaration of Human Rights, the Global Compact and the Guiding Principles on Business and Human Rights, as well as the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, respects internationally recognized human rights standards, ensures that basic human rights are not infringed upon, and treats and respects all our colleagues, contract and temporary personnel, interns, etc. with dignity. The company also abides by the local labor-related laws and regulations, and has formulated "work rules". Its labor rights and obligations comply with labor laws and regulations, and have been verified by the labor bureau to protect the legitimate rights and interests of colleagues and promote labor-management harmony.	a. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
b. Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	✓		<p>b. 1) The company has established measures for remuneration, attendance and leave, performance appraisal, rewards and punishments, and employee benefits, and clearly regulates the standards of remuneration, vacation, rewards, and employee benefits, and implements the "responsibility center system" and "business results sharing" system", sharing the company's operating profits with colleagues</p> <p>2) Pay attention to the job value and performance of colleagues, and conduct performance appraisals twice a year to quickly recognize outstanding colleagues and mentor those who have fallen behind. Based on personal contributions, it is used as an evaluation basis for salary adjustments, bonuses, dividends and other rewards to motivate employees. Salary grows with the company.</p> <p>3) Article 29 of the company's articles of association stipulates that if the company has a profit in the year (the so-called profit refers to the profit before tax deducting the profit before the distribution of employee compensation), it should allocate 1% to 10% as employee compensation; However, if the company still has accumulated losses, it should make up for it. The employee remuneration referred to in the preceding</p>	b. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
			paragraph is paid to shareholders or cash recipients, including employees of subsidiaries who meet certain conditions.	
c. Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		c. The Company is committed to providing a safe and healthy working environment for its employees, setting up and perfecting fire protection systems in accordance with fire laws and regulations, and periodically inspecting and reporting in accordance with the law; colleagues regularly conduct fire drills, conduct emergency preparedness and response drills every year, and provide employee health inspections every 2 years. Held 1 hour of online occupational safety and health education course through the use of the digital learning platform in 2022.	c. None.
d. Does the company establish effective career development and training plans for its employees?	✓		d. 1) In addition to providing the education and training for the leadership management, general abilities, functional categories and professional abilities, the Company cultivates all-round talents through work rotation, project responsibility, job agency, expatriate training and other cultivation methods, so as to enable colleagues to be more willing to perform. 2) Through monthly or irregular business meetings, intranet announcements and the "Aurora Monthly", the company allows colleagues to fully understand the company's operating policies.	d. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
			3) Adopted diverse teaching methods for education and training courses in 2022. Offered 838 training sessions, the total attendance in the training was 16,800 person-times.	
e. Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and has it established relevant consumer or customer protection policies and grievance procedures?	✓		e. 1) The Company determines the "Customer Complaint Processing Operational Standard" and "Customer Feedback Process", establishes a customer-oriented quality system, and uses an objective method to comprehensively assess the satisfaction of customers with the products or services of the Company, in order to understand the gap between customer needs and expectations, as a basis for quality system improvement, to achieve the goal of enterprise pursuing sustainable operation. 2) The marketing and labeling of the Company's products and services are carried out in accordance with the relevant provisions of the Decree to protect the interests of consumers and customers.	e. None.
f. Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		f. We have formulated the "Supplier Management Measures" and "Supplier Management Operation Key Points," emphasizing that suppliers should protect the environment and pay attention to safety and health and labor rights, so as to collaborate with the Company in committing to environmental sustainability. Added the "Supplier Compliance Issues" in	f. None.

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
			2020 to require suppliers to jointly promote environmental sustainability. Used as the basic qualifications and requirements for selecting suppliers. We have 233 suppliers in Taiwan, and 100% of them have signed the “Anti-Corruption Commitment.” We regularly assess the classification of suppliers in transactions, as a basis for consultation, improvement and follow-up of suppliers.	
5. Does the company refer to the internationally accepted reporting standards or guidelines for the preparation of reports that disclose non-financial information of the company, such as continuing reports? Are the reports certified or assured by a third-party accreditation body?		✓	5. 1) The board has deliberated on the approval of the “Sustainability Committee Organizational Charter” and the “Sustainable Development Best-Practice Principles,” and disclosed them on the company website. 2) We have prepared the Sustainability Report based on the UN SDGs indicators, and we expect to obtain third-party assurance by the end of September 2023.	5. The Sustainability Report is under preparation.
6. If the Company has its own rules for sustainable development in accordance with the Code of Practice for the Sustainable Development of Listed Counter Companies, please clarify the difference between its operation and the rules: We have formulated the “Sustainability Committee Organizational Charter” and the “Sustainable Development Best-Practice Principles,” compiled with the established rules, which are promoted by various work groups. The operation is no different from the established rules.				
7. The other important information to help understand the implementation of promoting sustainable development: Every business is a member of society. It is incumbent on businesses to give back to society as good corporate citizens while staying competitive and profitable. "Giving Back To The Society" has always been the company's business philosophy, its concrete practice is to—create employment opportunities, cultivate talents for the society; make environmental protection, provide high-quality goods and services, improve living standards; give back to shareholders, enhance shareholders' willingness to invest, promote economic development; pay taxes in accordance with the law, make the government have financial resources, improve the welfare of the people; and actively participate in the public welfare, enhance the positive energy of the society.				

Promoted items	Implementation Status			Discrepancy with industry standards in sustainable development practices and reasons
	Yes	No	Summary Description	
<p>Continued participation in social welfare activities in 2022 is as follows:</p> <p>a. Aurora Monthly: Founded in 1971, the publication has been uninterrupted for 50 years. It is a cultural public publication with business management and artistic appreciation. It provides free social subscriptions to promote corporate and social communication and learning. About 70,000 copies are published on both sides of the Taiwan Strait every month, and an electronic monthly magazine is also issued in response to environmental protection.</p> <p>b. Through the "Office Supply Donation Project," Aurora has long been donating office supplies directly to disadvantaged groups and social welfare institutions to help make the best use of their office space and improve their work efficiency.</p> <ul style="list-style-type: none"> • In 2022, a total of 15 social service agencies and 49 volunteers donated 98 hours of assistance, and a total of 427 tables, cabinets, chairs, screens, workstations, sofas, and so on were donated. <p>c. At Aurora, employees are encouraged to take part in philanthropic activities. A social welfare platform has been set up for employees to participate in local communities. Since 2015, we have continued to hold "Warm Accompaniment" activities, mobilized colleagues to volunteer, participated in localized public welfare services, and helped social welfare institutions with financial or volunteer needs to pass on warmth and love. In total, we carried out 306 activities, 4,847 volunteers invested 16,778 hours, and 91,394 people were cared for.</p> <ul style="list-style-type: none"> • In 2022, a total of 35 social service organizations, 560 volunteers invested 156 hours, and a total of 8,690 people were in vulnerable situations. 				

8) Deviations of the Company's ethical corporate management from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation:

Evaluation Items	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary Description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>a. (I). Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?</p> <p>b. Has the company established a mechanism for assessing the risk of bad faith conduct, periodically analyzed and evaluated business activities with a high risk of bad faith conduct within the scope of business, and defined a plan for preventing bad faith conduct, and covered at least the preventive measures for the behaviors in Article 7 (2) of the Code of Business Conduct for Listed Counterparties?</p> <p>c. Has the company clearly defined operating procedures, behavior guidelines, punishment and complaint systems for violations in the plan for preventing dishonest behavior, and implement it, and regularly review and revise the plan before disclosure?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>a. The board has formulated the "Ethical Corporate Management Best-Practice Principles" and the "Code of Conduct" to specify business philosophy with which all employees, the board and senior executives shall comply; they are disclosed on the company website to fulfill ethical management.</p> <p>b. We have formulated the "Ethical Corporate Management Best-Practice Principles" and the "Code of Conduct" to specifically require all employees to fully understand the ethical management status of a counterparty when signing a contract, and include the compliance into the terms of the contract. If counterparties are found to be unethical, Aurora will cease the business dealings or transactions immediately and blacklist the counterparties.</p> <p>c. The Company has established the "Points for Safeguarding against Bad Faith" for directors, managers and employees. Through the internal control system and the Company's rules and regulations, the Company shall be audited by specialized units and report to the Board of Directors for the sake of good faith operation.</p>	<p>a. None.</p> <p>b. None.</p> <p>c. None.</p>

Evaluation Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary Description	
2. Fulfillment of ethical corporate management				
a. Does the company evaluate business partners’ ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		a. 1) For suppliers who intend to become the company, if necessary, they should first evaluate the legality of the object, the integrity management policy, and whether there has been a record of dishonest behavior to ensure that their business operations are fair and transparent, and will not require, provide or Accept bribes. 2) In line with the principles of good faith and integrity operation of the Company and the anti-corruption and integrity protection policy, the supplier must sign a written statement that it shall not have any improper relationship with the employees (including relatives) of the Company; the Company also has "good faith clauses" in its external procurement contracts. To implement the ethical corporate management policies to the full, suppliers violating the integrity clause are subject to a large amount of punitive liquidated damages and will be blacklisted by Aurora.	a. None.
b. Does the company set up a dedicated unit for promoting corporate integrity management under the board of directors, and report regularly (at least once a year) to the board of directors on its integrity management policy and plan to prevent dishonest behavior and supervise the implementation?	✓	✓	b. The Ethics Committee established on June 20, 2022 under the board implements the ethical management practices and strengthens the board functions, and regularly reports ethical management policies and programs on prevention of unethical conduct and the status of supervision to the board at least once a year.	b. None.
c. Does the company have a conflict of interest	✓			

Evaluation Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary Description	
<p>prevention policy, to provide appropriate representation channels, and implement it?</p> <p>d. Has the company established an effective accounting system and internal control system for the good faith operation, and the internal audit unit drafted the relevant audit plan based on the results of the assessment of the risk of bad faith behavior, and checked the compliance with the plan for preventing bad faith behavior, or entrusted an accountant to perform the audit?</p> <p>e. Does the company regularly hold internal and external training on ethical corporate management?</p>			<p>c. All business activities of the company are conducted in accordance with the law to prevent conflicts of interest. Designated people are responsible for compiling regular reports on conflicts of interest lodged through a variety of communication channels.</p> <p>d. The Company’s accounting system is established in accordance with relevant laws and regulations. We produce our audit plans every year, and the finance units and internal auditors conduct internal control management and report to the board of directors, and the CPAs issue the letter of Internal Control Recommendations.</p> <p>e. At Aurora, employees are required to follow "integrity, ethical conduct, and compliance" in course of performing duties and managing business activities. Through regular on-the-job training, E-learning platform courses, and external training, employees are imbued with an idea that “integrity” is the fundamental cause of success in interpersonal relationships and business operations.</p>	<p>c. None.</p> <p>d. None.</p> <p>e. None.</p>
<p>3. Operation of the whistle-blowing system</p> <p>a. Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</p>	✓		<p>a. We have formulated the “Measures Handling Reporting of Illegal and Unethical or Dishonest Behaviors” and the “Measures for Protection of Whistleblowers,” and established</p>	<p>a. None.</p>

Evaluation Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary Description	
<p>b. Has the company established standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?</p> <p>c. Does the Company take measures to protect whistleblowers from being improperly disposed of as a result of reporting?</p>	<p>✓</p> <p>✓</p>		<p>grievance channels which include reporting in person or by phone and correspondence, with a dedicated unit designated to handle the cases.</p> <p>b. We have established investigation procedures and follow-up measures to be taken after the completion of investigation for the reported cases, and we also keep the reported matters confidential.</p> <p>c. We keep the handling of the reported cases confidential, and the investigation is conducted through an independent channel to protect the identity of the whistleblower.; if the reporter is a colleague, the Company guarantees that the colleague will not be improperly disposed of due to the report.</p>	<p>b. None.</p> <p>c. None.</p>
<p>4. Enhanced disclosure of ethical corporate management information</p> <p>a. Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?</p>	<p>✓</p>		<p>Aurora has set up a website to disclose the company profile and business-related information. Website: http://www.aurora.com.tw</p>	<p>None.</p>
<p>5. 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: Aurora has established the "Ethical Corporate Management Best-practice Principles." No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies has been found.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).</p> <p>a. The Company established the Audit Committee on July 7, 2017 in conjunction with the amendment of the Part of the Code of Business Conduct on Integrity.</p> <p>b. The Company has a business philosophy and narrative to share the philosophy of integrity and decency in the pursuit of sustainable business.</p>				

9) Corporate Governance Code and Related Regulations Disclosure Inquiries:

The Disclosure section of the Company's website, with the Investor Area available for downloading the Corporate Governance Code of Practice and related regulations, is available at <http://www.aurora.com.tw/internal-policies>.

10) Other important information for more understanding of corporate governance operations:

In order to strengthen the Company's corporate governance, we have formulated the "Corporate Governance Best-Practice Principles"; "Rules of Procedure for Shareholders Meetings"; "Audit Committee Organizational Charter"; "Remuneration Committee Organizational Charter"; "Sustainability Committee Organizational Charter"; "Sustainable Development Best-Practice Principles"; "Ethics Committee Organizational Charter"; "Ethical Corporate Management Best-Practice Principles"; "Key Points to Preventing Unethical Behaviors"; "Risk Management Operating Procedures"; "Code of Ethics"; "Rules of Procedure for Board Meetings"; "Procedures for Election of Directors"; "Standard Operating Procedures for Board Requests"; "Rules for Performance Evaluation of Board of Directors"; "Rules for the Scope of Responsibilities of Independent Directors"; "Procedures for Handling Material Inside Information and Management Procedures for Preventing Insider Trading"; "Measures for Handling Grievances Filed Against Illegal, Immoral or Unethical Conducts"; "Measures for Protection of Whistleblowers," etc., as the standard with which the behaviors of the directors, managerial officers and employees should comply. These measures are also available for download from the Company's webpage.

11) Status of Implementation of Internal Control System

a) Statement of Internal Control:

Aurora Corporation
Statement on Internal Control

Date: March 13, 2023

Aurora makes the following statement according to the self-evaluation conducted of the internal control system in 2022:

1. Aurora acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and Aurora takes immediate remedial actions in response to any identified deficiencies.
3. Aurora evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
4. Aurora has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
5. In accordance with the aforementioned evaluation, Aurora has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2022, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.
6. This statement is an integral part of Aurora's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement has been approved on March 13, 2023, by the Board of Directors, and out of the 7 Board members in attendance, none has objected to this statement and all consented to the content expressed herein.

Aurora Corporation

Chairman: Yuan Hui-Hua

Vice president, Office Equipment Division: Chien Chih-Yuan

General Manager, Furniture Division: You Yan-Lin

- b) In case review of internal control system is outsourced to certified public accountant, disclose the CPA review report: None.

12)As of the date of publication of the latest annual report, the Company and its internal personnel were punished in accordance with the law, the Company's internal personnel violated the provisions of the internal control system, the main defects and improvement situation: There is no such circumstance.

13)Significant resolutions of the Board of Shareholders and the Board of Directors for the most recent year and up to the date of publication of the Annual Report:

Shareholders' Meeting:

Important resolutions of the shareholders' meeting of the Company on June 9, 2022:

- a) Recognition the Company's 2021 Annual Business Report and Financial Reports.
- b) Recognition of the Company's Earnings Distribution for 2021.

Implementation: Set July 12,2022 as the ex-dividend date and distribute cash dividends (cash distribution of NT\$ 5.2 per share) on July 22,2022.

- c) Cash distributed through the company based on capital surplus.

Implementation: Set. July 12,2022 as the ex-dividend date and distribute cash dividends (cash distribution of NT\$ 0.8 per share) on July 12,2022.

- d) Approval of amendment to the Articles of Incorporation.

Implementation status: Operating in accordance with the amended Articles of Incorporation.

- e) Approval of amendment to the Rules of Procedure for Shareholders Meetings.

Implementation status: Operating in accordance with the amended Rules.

- f) Approval of amendment to the Measures for Handling Acquisition or Disposal of Assets.

Implementation status: Operating in accordance with the amended Measures.

- g) Re-election of directors.

Implementation status: The list of elected directors is as follows:

Directors: Yuan Hui-Hua , Chen Yung-Tai , representative Hau-Min Rai of Aurora Holdings Inc., Ma Chih-Hsien

Independent directors: Liao Kuo-Jung, Hua Yue-Tuan ,

Hsu Wen-Chung

- h) Approval is requested for the lifting of the non-compete clause.

Implementation status: Approved by the resolution, and the implementation has been completed in accordance with the resolution of the shareholder meeting.

Board of Directors:

- a) Resolution of the Board of Directors of the Company at its 15th Meeting of The 11th Session meeting on March 16, 2022:
- (1) Adopted the Company's Employee Compensation Allocation Plan for 2021.
 - (2) Adopted the Company's 2021 Annual Business Report and Financial Report.
 - (3) Adopted the Company's 2021 Earnings Distribution Plan.
 - (4) Adopted the Distribution of Cash Dividends from capital surplus.
 - (5) Adopted the amendments to the Articles of Incorporation.
 - (6) Adoption of the amendments to the "Rules of Procedure for Shareholders' Meetings."
 - (7) Adopted to amend the Company's "Procedures for Acquisition or Disposal of Assets".
 - (8) Adopted the development of the Code of Corporate Governance Practices of the Company.
 - (9) Adopted to reformulate the Company's Code of Practice for Sustainable Development and repealing the previous Corporate Social Responsibility Principles.
 - (10) Adopted the company's director selection plan.
 - (11) Requesting the approval of the shareholders' meeting regarding to the competitive conduct of the directors of the Company.
 - (12) Adopted to convene the 2022 General Meeting of Shareholders of the Company.
 - (13) During the period of acceptance of the Shareholders' proposal and Directors' nomination rights at the 2022 General Shareholders' Meeting of the Company, matters related to the place of acceptance, review criteria and operational procedures.
 - (14) Adopted the company's 2021 annual internal control system self-assessment report and issue the "Internal Control System Statement".
 - (15) Passed the appointment of the Company's 2022 Certified Public Accountant and

Independence Assessment.

(16) Through the company's 2022 financing loans to 20 banks including Mega Bills Finance Co., Ltd., it is proposed to agree to authorize the chairman of the board to handle relevant matters such as quota application, increase or decrease or extension within the loan financing quota of each bank.

b) Resolution of the Board of Directors of the Company at its 16th Meeting of The 11th Session meeting on April 28, 2022:

(1) Adopted the Company's review of the qualifications of director candidates.

(2) Adopted the Company's right to review shareholders' proposals.

c) Resolution of the Board of Directors of the Company at its 17th Meeting of The 11th Session meeting on May 11, 2022:

(1) Adopted the preparation of Q1 2022 consolidated financial report.

(2) Adopted the formulation of the "Sustainability Committee Organizational Charter."

(3) Adopted the formulation of the "Risk Management Operating Procedures."

(4) Adopted the Remuneration Committee's assessment of the remuneration to managerial officers and the distribution of 2021 year-end bonus.

d) Resolution of the 1st extraordinary meeting of the Company at its 12th Meeting on June 9, 2022:

Adopted the election of the chairman.

e) Resolution of the Board of Directors of the Company at its 1st Meeting of The 12th Session meeting on June 20, 2022:

(1) Adopted the record date for the distribution of 2021 cash dividends, the record date or the distribution of cash by capital surplus and the distribution matters.

(2) Adopted the formulation of the "Ethics Committee Organizational Charter."

(3) Adopted the establishment of the 1st session of the Ethics Committee and the appointment of committee members.

(4) Adopted the appointment of members of the 6th session of the Remuneration Committee.

f) Resolution of the Board of Directors of the Company at its 2nd Meeting of The 12th Session meeting on August 11, 2022:

Adopted the preparation of Q2 2022 consolidated financial report.

- g) Resolution of the Board of Directors of the Company at its 3rd Meeting of The 12th Session meeting on November 10, 2022:
- (1) Adopted the preparation of Q3 2022 consolidated financial report.
 - (2) Adopted the amendment to the “Internal Control System” and the “Internal Audit Implementation Rules.”
 - (3) Adopted the formulation of the “Measures for Protection of Whistleblowers.”
 - (4) Adopted the formulation of the “Procedures for Handling Material Inside Information and Management Procedures for Preventing Insider Trading.”
 - (5) Adopted the establishment of the company's 2023 audit plan.
 - (6) Adopted the Remuneration committee’s evaluation of the performance bonus standard for managerial officers.
 - (7) Adopted the discharge of managerial officer Chou Ming-Chung of the Office Equipment Business Department, and appointment of Mr. Chien Chih-Yuan as the managerial officer of the Department.
 - (8) Adopted the relocation of the OA business branch company to a new address and its deregistration.
- h) Resolution of the Board of Directors of the Company at its 4th Meeting of The 12th Session meeting on March 13, 2023:
- (1) Adopted the Company's Employee Compensation Allocation Plan for 2022.
 - (2) Adopted the Company's 2022 Annual Business Report and Financial Report.
 - (3) Adopted the Company's 2022 Earnings Distribution Plan.
 - (4) Adopted to the 2022 earnings distribution in cash dividends.
 - (5) Adopted to amend the Company's “Code of Corporate Governance Practices”.
 - (6) Adopted to amend the " Code of Practice for Sustainable Development "
 - (7) Adopted to convene the 2023 General Meeting of Shareholders of the Company.
 - (8) During the period of acceptance of the shareholders' proposal at the 2023 General Shareholders' Meeting of the Company, the place of acceptance, the review criteria and the matters related to the workflow.
 - (9) Adopted the company's 2022 annual internal control system self-assessment report and issue the "Internal Control System Statement".

(10) Passed the appointment of the Company's 2023 Certified Public Accountant and Independence Assessment.

(11) Through the company's 2023 financing loans to 19 banks including Mega Bills Finance Co., Ltd., it is proposed to agree to authorize the chairman of the board to handle relevant matters such as quota application, increase or decrease or extension within the loan financing quota of each bank.

(12) Relocated to a new location through our OA business.

14) If the directors disagree with the passing of a material resolution by the board of directors for the most recent year and up to the date of publication of the Annual Report, and there is a record or written statement to the contrary: No such circumstance.

15) As of the date of publication of the most recent annual report, the summary of resignations of the chairman of the board of directors, the general manager, the chief accountant, the chief financial officer, the chief internal audit officer, the chief corporate governance officer and the chief research and development officer of the company: No such circumstance.

e. Certified Public Accountant Fee Information:

Unit: NT\$ thousand

Name of CPA Firm	CPA Name	CPA Audit Period	Audit Fees	Non-audit Fees	Total	Remark
Deloitte & Touche	Chih Jui-Chuan	Year 2022	3,395	430	3,825	Tax Compliance Audit
	Hsieh Chien-Hsin					
	Syu Siao-Ting	Year 2022		180	180	Transfer pricing

- 1) Replacement of the accounting firm and a decrease in the audit expense paid for the year compared with the audit expense paid for the year before the replacement: No such circumstance.
- 2) Cases where public audit fee decreased by more than 10% compared to the previous year: No such circumstance.

f. Replacement of CPA:

- 1) About the previous accountant

Date of change	2023/3/13		
Reasons and descriptions for change	Accountants were replaced in order to cooperate with the internal rotation of the accounting firm.		
Indicate the appointed person or that the CPA terminates or declines appointment.	Parties	Accountant	Appointed person
	Status		
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
Opinions on audit reports other than unqualified opinions issued in the last two years and the reasons for the opinions	None.		
Is there any disagreement in opinion with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	None	✓	
Descriptions			

Supplementary disclosure (Disclosures specified in subparagraphs 1-4 to 1-7 of paragraph 6, Article 10 of this Standard)	None
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2) About successor CPAs

Name of Accounting Firm	Deloitte Certified Public Accountants
Name of Accountant	Alice Huang, Jui-Chuan Chih
Date of assignment	2023/3/13
Prior to formal engagement, any Inquiries or consultation on the accounting method or accounting principles for specific transactions, and the type of audit opinion that may be rendered in the financial report?	Not applicable
Written Opinions from the Successor CPAs that are Different from the Predecessor CPA's Opinions	Not applicable

3) The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

Not applicable.

- g. The chairman of the board of directors, the general manager, the manager in charge of the financial or accounting affairs of the company, who has worked in a firm of visa accountants or an affiliated enterprise thereof in the last year: no such circumstance.**
- h. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report) by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%**

1) Changes in shareholdings of directors, managers and major shareholders:

Unit: Shares

Job Title	Name	Year 2022		Year 2023 end to April 21	
		Shares Held Increase (decrease)	Number of Shares Pledged Increase (decrease)	Shares Held Increase (decrease)	Number of Shares Pledged Increase (decrease)
Chairman	Yuan Hui-Hua	15,000	0	0	0
Director	Chen Yung-tai	424,000	1,560,000	141,000	0
Director	Aurora Holdings Incorporated	0	3,410,000	0	0
	Representative: Rai Hau-Min	0	0	0	0
Director	Ma Chih-Hsien	0	0	0	0
Independent Director	Liao Kuo-Jung	0	0	0	0
Independent Director	Hwa Yueh-Jiuan	0	0	0	0
Independent Director	Hsu Wen-Chung	0	0	0	0
Managerial Officer	Chou Ming-Chung	0	0	0	0
Managerial Officer	You Yan-Lin	0	0	0	0
Managerial Officer	Lin Chin-Pao	0	0	0	0
Managerial Officer	Chien Chih-Yuan (Note 2)	5,000	0	0	0
Major Shareholder	Aurora Holdings Incorporated (Note 1)	0	3,410,000	0	0
Financial and Accounting Manager	Lin Ya-Ling	0	0	0	0

Note 1 Major shareholders holding more than 10% of the shares.

Note 2 New appointment of managerial officer Chien Chih-Yuan on September 1, 2022.

- 2) Equity transfer information: The counterparty of the equity transfer is a non-related person, so there is no information on this item.
- 3) Equity pledge information: The counterparty of the equity pledge is a non-related person, so this information is not available.

i. Relationship among the 10 Largest Shareholders

Relationship among the 10 Largest Shareholders

April 21, 2023

Unit: shares; %

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree.		Remark
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name	Relationship	
Aurora Holdings Incorporated	101,856,312	43.12	—	—	0	0.00	Chen Yung-tai	Chairman	
							Huxen Corporation	Investee accounted for using the equity method	
							Aurora Office Automation Corporation	Investee accounted for using the equity method	
							Aurora Development Corp.	Investee accounted for using the equity method	
Representative: Chen Yung-tai	21,834,000	9.24	0	0.00	0	0.00	Y.T.Chen Sustainable Management Foundation	Same person as the company's chairman	
							BC International Investment Limited	Relative with the chairman of the company within the second degree of kinship	
							Nisheng International Investment Management Co Ltd	Relative with the chairman of the company within the second degree of kinship	
Chen Yung-tai	21,834,000	9.24	1,198,000	0.51	0	0.00	Aurora Holdings Incorporated	The company's chairman	
							Y.T.Chen Sustainable Management Foundation	The company's chairman	
							BC International Investment Limited	Relative within the second degree of kinship of the company's chairman	
							Nisheng International Investment Management Co Ltd	Relative within the second degree of kinship of the company's	

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree.		Remark
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name	Relationship	
								chairman	
Aurora Leasing Corporation	20,791,276	8.80	—	—	0	0.00	Huxen Corporation	Investor accounting for the investee using the equity method	
Representative: Liao Qing-zhang	109	0.00	0	0.00	0	0.00	Huxen Corporation	Same person as the company's chairman	
Aurora Office Automation Corporation	12,496,797	5.29	—	—	0	0.00	Aurora Holdings Incorporated	Investor accounting for the investee using the equity method	
Representative: Chen Zhen-sheng	32	0.00	0	0.00	0	0.00	-	-	
Nisheng International Investment Management Co Ltd	12,356,000	5.23	—	—	0	0.00	-	-	
Representative: Yuan Hui-hua	1,198,000	0.51	0	0.00	0	0.00	Aurora Holdings Incorporated	Relative with the chairman of the company within the second degree of kinship	
							Chen Yungtai Sustainable Management Foundation	Relative with the chairman of the company within the second degree of kinship	
							BC International Investment Limited	Relative with the chairman of the company within the second degree of kinship	
							Chen Yung-tai	Relative with the chairman of the company within the second degree of kinship	
Huxen Corporation	9,435,182	3.99	—	—	0	0.00	Aurora Holdings Incorporated	Director Investor accounting for the investee using the equity	

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree.		Remark
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name	Relationship	
								method	
							Aurora Development Corp.	Investor accounting for the investee using the equity method	
							Aurora Leasing Corporation	Investee accounted for using the equity method	
Representative: Liao Qing-zhang	109	0.00	0	0.00	0	0.00	Aurora Leasing Corporation	Same person as the company's	
Chen Yung-tai Sustainable Management Foundation as a consortium legal person	7,000,000	2.96	—	—	0	0.00	Chen Yung-tai	Chairman	
							Aurora Holdings Incorporated	Same person as the company's chairman	
Representative: Chen Yung-tai	21,834,000	9.24	0	0.00	0	0.00	BC International Investment Limited	Relative with the chairman of the company within the second degree of kinship	
							Nisheng International Investment Management Co Ltd	Relative with the chairman of the company within the second degree of kinship	
Aurora Development Corp.	5,308,766	2.25	—	—	0	0.00	Aurora Holdings Incorporated	Director Investor accounting for the investee using the equity method	
Representative: Chen Li-zhen	2,000	0.00	0	0.00	0	0.00	Aurora Office Automation Corporation	Director	
BC International Investment Limited	4,176,000	1.77	—	—	0	0.00	—	—	
Representative: Chen Guan-bai	0	0.00	0	0.00	0	0.00	Aurora Holdings Incorporated	Relative with the chairman of the company within the second degree	

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree.		Remark
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name	Relationship	
								of kinship	
							Y.T.Chen Sustainable Management Foundation	Relative with the chairman of the company within the second degree of kinship	
							Nisheng International Investment Management Co Ltd	Relative with the chairman of the company within the second degree of kinship	
							Chen Yung-tai	First- and second-degree relatives	
Shin Kong Life Insurance Co., Ltd.	2,753,000	1.17	—	—	0	0.00	—	—	

j. The number of shares held by the company, its directors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise and the comprehensive shareholding ratio:

April 21, 2023

Unit: shares; %

Investee business	Ownership by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by Aurora		Consolidated Investment	
	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)
Aurora (Bermuda) Investment Holding Co., Ltd.	67,350,000	88.04%	9,150,000	11.96%	76,500,000	100.00%
Aurora Office Automation Corporation	82,277,763	91.13%	7,536,672	8.34%	89,814,435	99.47%
Huxen Corporation	47,010,591	32.53%	50,562,712	34.99%	97,573,303	67.53%
Aurora Telecom Co., Ltd.	13,164,970	30.40%	-	-	13,164,970	30.40%
Aurora Development Corp.	32,497,696	46.67%	37,140,224	53.33%	69,637,920	100.00%
General Integration Technology Co., Ltd.	5,465,000	55.00%	-	-	5,465,000	55.00%
KM Developing Solutions Co., Ltd.	7,000,000	70.00%	-	-	7,000,000	70.00%
Ever Young Biodimension Corporation	858,000	26.00%	825,000	25.00%	1,683,000	51.00%
Aurora Machinery Equipment (Shanghai) Co., Ltd.	17,500,000	70.00%	7,500,000	30.00%	25,000,000	100.00%

4. Fundraising Situation

a. Capital and Shares:

1) Share Capital Source:

a) Share Capital Formation

April 21, 2023

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
1989.12	10	82,350,000	823,500,000	82,350,000	823,500,000	Capital at the time of establishment NT\$ 200,000 Cash capital increase of NT\$ 443,300,000 Consolidated capital increase of NT \$ 380,000,000		
1990.10	10	105,000,000	1,050,000,000	105,000,000	1,050,000,000	Transfer of capital surplus to increase in capital of NT\$ 15,896,500 Surplus transferred to capital increase of NT\$ 110,603,500		
1992.01	10	120,750,000	1,207,500,000	120,750,000	1,207,500,000	Surplus transferred to capital increase of NT\$ 157,500,000		
1992.10	10	132,825,000	1,328,250,000	132,825,000	1,328,250,000	Surplus transferred to increase in capital of NT\$ 120,750,000		
1993.10	10	152,748,750	1,527,487,500	152,748,750	1,527,487,500	Surplus transferred to increase in capital of NT\$ 199,237,500		
1994.09	10	178,716,037	1,787,160,370	178,716,037	1,787,160,370	Capital surplus transferred to capital increase of NT\$ 43,955,852 Surplus transferred to capital increase of NT\$ 204,683,320 Consolidated capital increase of NT\$ 11,033,698		
1995.08	10	220,000,000	2,200,000,000	214,459,245	2,144,592,450	Surplus transferred to capital increase of NT\$ 357,432,080		
1996.08	10	500,000,000	5,000,000,000	285,905,169	2,859,051,690	Surplus transferred to capital increase of NT\$ 214,459,240 Cash capital increase NT\$ 500,000,000		
1997.06	10	500,000,000	5,000,000,000	314,495,687	3,144,956,870	Surplus transferred to capital increase of NT\$ 142,952,590 Capital surplus transferred to capital increase of NT\$ 142,952,590		
1998.06	10	500,000,000	5,000,000,000	332,495,687	3,324,956,870	Cash capital increase of NT\$ 180,000,000		
1998.07	10	500,000,000	5,000,000,000	398,994,825	3,989,948,250	Surplus transferred to capital increase of NT\$ 664,991,380		
1999.06	10	800,000,000	8,000,000,000	504,868,581	5,048,685,810	Surplus transferred to capital increase of NT\$ 558,592,760 Capital surplus transferred to capital increase of NT\$ 239,396,890 Convertible corporate bonds NT\$ 260,747,910		
2000.01	10	800,000,000	8,000,000,000	518,208,594	5,182,085,940	Conversion of corporate bonds into shares NT\$ 133,400,130		
2000.06	10	800,000,000	8,000,000,000	626,796,846	6,267,968,460	Capital surplus transferred to capital increase of NT\$ 207,283,440 Surplus transferred to capital increase of NT\$ 829,133,750 Corporate bonds converted into shares NT\$ 49,465,330		
2001.01	10	800,000,000	8,000,000,000	627,177,086	6,271,770,860	Corporate bonds to be converted into shares NT\$ 3,802,400		
2001.07	10	800,000,000	8,000,000,000	685,394,795	6,853,947,950	Capital surplus transferred to capital increase of NT\$ 582,177,090		
2002.11	10	800,000,000	8,000,000,000	376,967,137	3,769,671,370	Decrease in capital: NT\$ 3,084,276,580		
2003.09	10	800,000,000	8,000,000,000	352,217,137	3,522,171,370	Decrease in capital of NT\$ 247,500,000		
2006.06	10	500,000,000	5,000,000,000	352,217,137	3,522,171,370	Decrease in the total capital of the amended articles of association of NT\$ 3,000,000,000		
2007.05	10	500,000,000	5,000,000,000	337,217,137	3,372,171,370	Decrease of NT\$ 150,000,000		
2007.07	10	500,000,000	5,000,000,000	327,217,137	3,272,171,370	Decrease of NT\$ 100,000,000		
2007.08	10	500,000,000	5,000,000,000	334,486,715	3,344,867,150	Surplus transferred to capital increase of NT\$ 6,344,350 Capital surplus transferred to capital increase of NT\$ 57,099,090 employee bonus transferred to capital increase of NT\$ 9,252,340		
2007.09	10	500,000,000	5,000,000,000	324,486,715	3,244,867,150	Decrease of NT\$ 100,000,000		
2008.08	10	500,000,000	5,000,000,000	337,432,169	3,374,321,690	Surplus transferred to capital increase of NT\$ 3,244,870 Capital surplus transferred to capital increase of NT\$ 113,570,350 Employee bonus transferred to capital increase of NT\$ 12,639,320		
2017.07	10	500,000,000	5,000,000,000	236,202,518	2,362,025,180	Decrease in capital: NT\$ 1,012,386,510		

b) Type of share capital

Share Type	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total	
Common stock	236,202,518	263,797,482	500,000,000	Listed stocks

c) General information about the reporting system: None.

2) Shareholder structure:

April 21, 2023

Structure Item	Government Agencies	Financial Institutions	Other institutional shareholders	Natural Persons	Foreign Institutions and Natural Persons	Total
Number of shareholders	1	2	59	16,412	97	16,571
Shares Held	14	2,909,000	181,698,057	47,238,399	4,357,048	236,202,518
Shareholding ratio (%)	0.00	1.23	76.93	19.99	1.85	100.00

3) Equity Diversification:

a) Common Shares: Par value of NT\$ 10 Per share

April 21, 2023

Range of Shares	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 to 999	11,228	2,835,815	1.20
1,000 to 5,000	4,589	8,707,752	3.69
5,001 to 10,000	392	2,872,884	1.22
10,001 to 15,000	136	1,687,791	0.71
15,001 to 20,000	62	1,127,120	0.48
20,001 to 30,000	43	1,059,279	0.45
30,001 to 40,000	26	924,295	0.39
40,001 to 50,000	17	754,746	0.32
50,001 to 100,000	31	2,178,904	0.92
100,001 to 200,000	17	2,509,719	1.06
200,001 to 400,000	12	3,306,982	1.40
400,001 to 600,000	1	429,100	0.18
600,001 to 800,000	1	692,600	0.29
800,001 to 1,000,000	1	927,345	0.39
1,000,001 or more	15	206,188,186	87.3
Total	16,571	236,202,518	100

b) Preferred shares: None.

4) List of major shareholders:

April 21, 2023

Name of Major Shareholders	Shares	Shares Held	Shareholding ratio (%)
Aurora Holdings Incorporated		101,856,312	43.12%
Chen Yung-tai		21,834,000	9.24%
Aurora Leasing Corporation		20,791,276	8.80%
Aurora Office Automation Corporation		12,496,797	5.29%
Nisheng International Investment Management Co Ltd		12,356,000	5.23%
Huxen Corporation		9,435,182	3.99%
Y.T. Chen Sustainable Management Foundation		7,000,000	2.96%
Aurora Development Corp.		5,308,766	2.25%
BC International Investment Limited		4,176,000	1.77%
Shin Kong Life Insurance Co., Ltd.		2,753,000	1.17%

5) Price, net worth, earnings, dividends and related information per share for the last two years:

Unit: NT\$ thousand

Item		Year	Year 2021	Year 2022	Year 2023 end to April 21
Market Price Per Share	Highest		94.70	92.70	81.50
	Lowest		85.30	76.30	76.90
	Average		90.65	83.71	79.04
Net Worth per Share	Before distribution		33.79	33.42	—
	After distribution		28.32	(Note 1)	—
Earnings per Share	Weighted average number of shares (thousand shares)		224,814	224,814	—
	Earnings per share (note 2:)		6.19	5.82	—
Dividends per Share	Cash Dividends		6.00	4.70 (Note 1)	—
	Free allotment	Surplus allotment	0	0	—
		Stock dividends appropriated from capital surplus	0	0	—
	Accumulated unpaid dividends		0	0	—
Return on Investment	Price-to-Earning Ratio(note3)		14.64	14.38	—
	Price to dividend Ratio (note 4)		15.11	17.81	—
	Cash Dividend Yield Ratio(note5)		6.62%	5.61%	—

Note 1. The profit distribution plan will be determined after the resolution of the next annual general meeting of shareholders is passed.

Note 2. Calculated based on the weighted average number of shares in the current year.

Note 3. Price-to-Earning Ratio = average closing price per share for the current year/earnings per share;

Note 4. Price-to-Earning ratio = average closing price per share for the year / cash dividend per share;

Note 5. Cash Dividend Yield Ratio= cash dividend per share/average closing price per share for the year.

Note 6. Net earnings per share and earnings per share should be entered in the information verified (reviewed) by the accountant for the most recent quarter as of the date of publication of the annual report; the remaining

fields should be entered in the information for the year as of the date of publication of the annual report.

6) Company dividend policy and implementation status:

a) Dividend policy of the Company:

The Company's dividend policy is determined by the Board of Directors based on the operating conditions, capital requirements, changes in the overall internal and external environment and taking into account the interests of shareholders. The Company's industry is currently in a stable and growing stage. The capital requirements have eased. In the future, it is possible to return the operating results to shareholders. In the absence of special circumstances, the principle of distribution shall be no less than 50% of the post-tax earnings of the current year.

In consideration of business development, finances, capital expansion, and shareholders' equity, Aurora distributes dividends in the combination of cash and stock, where cash dividends distributed are more than 10% of the dividends distributed for the year.

b) Dividend distribution proposed at this shareholders' meeting:

The shareholder dividends of NT\$1,110,151,835 available from the 2022 profit distribution is to be distributed in cash at NT\$4.7 per share. After the proposal is approved at the 2023 annual general meeting of shareholders, the record date and payment date of the cash dividends will be determined.

7) The impact of the gratuitous allotment of shares proposed by the Board of Shareholders on the company's operating results and earnings per share: Not applicable.

8) Remuneration of employees and directors:

a) The number or scope of the remuneration of employees and directors contained in the company's articles of association:

If the company has a profit in the year (the so-called profit refers to the profit before tax deducting the profit before the distribution of employee compensation), it should set aside 10% to 10% as employee compensation; however, when the company still has accumulated losses, it should make up.

The counterparties to whom remuneration shall be distributed in cash or stock as stated in the preceding paragraph includes the employees of Aurora's subordinate companies that meet certain criteria.

A resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be reported to the shareholders' meeting.

- b) The basis for estimating the amount of remuneration of employees and directors listed in the current period, the basis for calculating the number of shares of employee remuneration distributed by shares, and the accounting treatment when the actual amount of distribution differs from the estimated amount:

- i. The Company has not paid remuneration to directors in the past years.
- ii. Employee compensation is calculated at 1% of profit. If the amount remains unchanged, it is treated as a change in accounting estimate and adjusted to account in 2023.

- c) Situation of remuneration distributed by the Board of Directors:

- i. On March 13, 2023, the Board of Directors of the Company resolved to allocate remuneration as follows:

Resolution to distribute employee remuneration: NT\$ 15,310,000

Allocation of remuneration to directors: NT\$ 0

There is no difference from the estimated amount in the year in which the expense is recognized.

- ii. The amount of employee remuneration distributed in stock and the proportion to the total amount of the net profit after tax and total employee remuneration in the current period's individual or individual financial report: Not applicable

- d) The actual distribution of remuneration for employees and directors in the previous year:

On March 16 and June 9, 2022, respectively, the Board of Directors and the Shareholders' Regular Meeting of the Company resolved the distribution of employee remuneration for the year 2021 as follows:

Item	Actual distribution (NT\$ thousand)	Approved by the original (2021) Board of Directors Distribution of resolutions (NT\$ thousand)	Difference
Employee Remuneration	16,370	16,370	0
Director Remuneration	0	0	0

- 9) **The company repurchased the company's shares: There is no such circumstance.**

- b. Situation of corporate bonds: There is no such circumstance.**
- c. Status of preferred shares: No such circumstance.**
- d. Overseas Depository Certificate Processing: None.**
- e. Employee stock option certificate handling situation: No such circumstance.**
- f. Restriction on the handling of new shares of employees' rights: No such circumstance.**
- g. Mergers and acquisitions of shares of other companies for the issuance of new shares: None.**

h. Implementation of Capital Allocation Plans

1) Plan Content:

As of the quarter prior to the publication date of the Annual Report, the previous issue or private placement of securities had not been completed or had been completed within the last three years and the benefits of the plan had not yet been demonstrated: None.

2) Status of implementation: None.

5. Overview of Operations

a. Business Activities

1) Business scope

- a) The main business content includes:
- i. Office equipment: Deal with sales of office machinery (photocopiers, fax machines, printers and clock bells, etc.) and related accessories, consumables and service maintenance business; sell proprietary branded office electronics such as computers, shredders, shellfish machines.
 - ii. Office furniture: sales of the production, design development, sales and relocation installation and maintenance services of the products such as desk, office chair, filing cabinet, screen, wooden appliances, etc.
 - iii. Office document integration planning: providing customized software, hardware construction services, corporate document management and document information security package services.
 - iv. 3D products: sales agent of 3D product design/scanning/printing software and hardware equipment sales and specific industry solution research and development and services.
- b) Operating proportion:

Unit: NT\$ thousand

Type of Product	Amount in 2022	Percentage (%)
Office Equipment	7,696,083	61.0
Office Furniture	4,757,476	38.0
Others	122,766	1.0
Total	12,576,325	100.0

- c) The Company's current goods (services) projects and planned new goods (services):
- i. Office equipment: Sales and lease of multi-function photocopiers, fax machines, punch clocks, printers, projectors, video equipment, interactive electronic whiteboards and other equipment and office solutions (cloud HR systems, smart space applications) and electronic products (calculators, air purifiers, paper shredders, etc.), and provide the more comprehensive after-sales services to help customers improve office efficiency.
 - ii. Office furniture: Sales of system furniture (executive desks, office desks and chairs, filing cabinets, screens, wooden products, sofas, coffee tables, carpets and system compartments) for office space and products and equipment meeting health and sustainability requirements. Integrated services provide planning,

design and relocation of office space to help customers conduct transformation to healthy, high-efficiency and sustainable workplaces.

- iii. 3D products: agency sales of 3D software and hardware equipment, providing a full range of technical services for industrial 3D digital design, development and manufacturing, shortening the development time of the industry. In addition to agency sales, we also have a professional R&D team to develop customized 3D software, and develop an exclusive process for complete equipment and software integration for unique industries.
- iv. Office cloud services: provide cloud-based human resources systems, AI interviewing systems, face recognition systems, customer management systems, electronic signature verification and other multifaceted cloud services to reduce the enterprise information costs and schedules, rapidly deploy digital transformation, and build the smart enterprises.

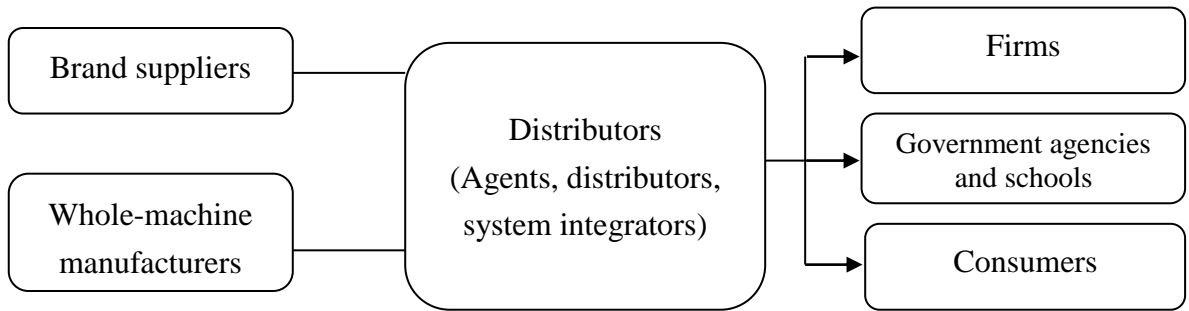
2) Industry overview:

Industry	Current Status and Development	Industrial Link	Development Trends	Competition
Office equipment	<ol style="list-style-type: none"> 1. As a result of direct competition with Japanese manufacturers and IT companies and the transparency of online information, the competition is intensifying. 2. Despite the impact of COVID-19, new business machines still maintain a certain demand. 3. Shredder, time clock, computer, and laminator markets have become saturated. 	High	Colorization Digitization	Aurora is the leading distributor in Taiwan.
Office Furniture	<ol style="list-style-type: none"> 1. The business model of the industry has changed from pure price competition to the use of solutions for various office space products, equipment and planning services to assist customers in empowering customers. 2. According to international research, companies are currently moving towards innovative organizations, and the planning of office space should incorporate 	High	People-centric Health-oriented Efficient work Eco-friendly Artificial intelligence Style aesthetics	<ol style="list-style-type: none"> 1. The company occupies a leading position in the domestic office furniture brand. It is jointly designed and developed by the R&D centers on both sides of the Taiwan Strait, and is equipped with its own factory, assembly, and logistics team to provide a full range of office planning services. 2. We consolidate our products, equipment,

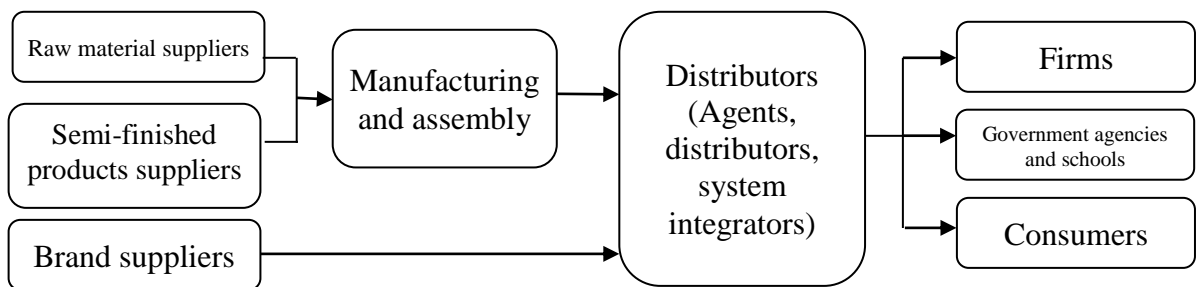
Industry	Current Status and Development	Industrial Link	Development Trends	Competition
	<p>elements such as transparency, flexibility, teamwork, and communication innovation to improve employee efficiency and meet the needs of innovative organizational planning.</p> <p>3. After the pandemic, companies will increasingly value the benefits of providing work equipment, products and services that can greatly improve employees' physical and mental health and well-being when they plan their office space.</p>			<p>services and resources, and plan three major solutions (in the aspects of health, flexibility and green) to enable us to provide knowledge-based consultative selling to customers, and help them go through healthy, efficient and green office transformation and build a workplace with a well-being experience.</p>
3D Products	<p>1. Along with EV electric vehicles, Metaverse, NFT issues and the global Covid-19 cover, Taiwanese companies will return and expand production opportunities, which in turn will increase 3D inspection/3D reverse demand to accelerate new product development. However, the low prices of foreign brands made by mainland OEMs have intensified the competition of foreign high-end 3D scanning machines.</p> <p>2. As the patent for 3D printing technology has passed, the market is transparent and new brands have been launched one after another. For single-color and single-material applications in product prototyping technology, customers have more choices and the unit price is getting cheaper. In recent years, the Covid-19 epidemic has spread globally, forcing changes</p>	High	Industrial application	<p>1. In recent years, 3D scanners have been popular, making it easier to use, easier to use, and more widely used with improved accuracy. Although affected by the market price, the international certification of 3D scanners agented by our company is a great guarantee for customers who demand quality assurance.</p> <p>2. 3D printing towards production is the future trend. Small quantities, flexible manufacturing and quick order grabbing will enable major 3D printing manufacturers to gradually open up their material parameters and use the final product materials for rapid production (high-speed printing) and flexible manufacturing. Replace the traditional production process.</p> <p>3. B2C pays more attention to commodity</p>

Industry	Current Status and Development	Industrial Link	Development Trends	Competition
	<p>in the supply and demand of the supply chain, and the rise of "3D printing on-demand production", replacing the traditional manufacturing process, jumping out of appearance design, and moving towards functionality and the production of end-user parts (End-User Part).</p> <p>3. Full-color 3D printers open the unlimited imagination of custom 3D printed products, making the application more diverse, including celebrity special gifts, advertising copy ideas, and souvenir products. Through B2C talk fermentation, it extends to B2B enterprises into market operation.</p>			<p>refinement (high CP quality), efficiency (short delivery period) and customization (diversity) than the industrial field, testing the software and hardware technology integration capabilities of 3D printing companies. The Company is not only an equipment agent, but also has the ability to develop customized products and make flexible adjustments to meet customer needs.</p>

The relationship between the upper, middle and lower reaches of the office equipment and 3D printer industry:



The relationship between the upper, middle and lower reaches of the office furniture industry:



3) Technology and R&D overview:

- a) The company mainly operates marketing business, technology and research and development focus on document information security management system, 3D and office furniture products. In 2022, research and development expenses will be NT\$ 241,666 thousand, accounting for 2% of revenue. R&D expenses are estimated at NT\$ 250,000 thousand in 2023.
- b) Office Equipment
 - i. Office equipment: Products research and development is mainly based on the combination of the original OSA (Open Architecture System) and cooperative manufacturers to develop document solutions with digital computers.
 - ii. 3D products: Focusing on commercial markets such as automobiles, consumer goods, foundry, education, aerospace and design, acting as an agent for the well-known brand Creaform in metrology-grade 3D scanning and global 3D printing leader Stratasys, with distinctive product highlights and clear target customers, coupled with global Customer application feedback, etc. to ferment the Taiwan market, and increase the high trust of customers. Among them, MetraSCAN under the Creaform brand specializes in high-end fields, and even combined with automated testing, it has become a market topic to attract customers' attention. At the same time, in order to accelerate the entry into the era of Laminate Manufacturing 2.0, Stratasys' latest manufacturing-grade 3D printer includes design concepts (composite material printing)/functional testing (SAF nylon powder sintering technology), and even high-speed printing, small batch production (P3 technology Origin One system, emphasizing open commercial materials), allows design and production to be in place at one time, and turns to multi-layer manufacturing to replace traditional manufacturing. In recent years, the 3D printing market has extended to serving the consumer customization needs, such as 2.5D embossed photos, 3D printing keyrings, panoramic 3D photo studio and automatic conversion of 2D to 3D for 3D figurines or multimedia applications.
- c) Office furniture: Adhere to the "user-centric" product research and development, from office trend insights to designs that incorporate Aurora-dam DNA, to provide customers with high-quality spatial solutions. Starting 2021, our promotional focuses are our healthy office solutions, Activa flexible office solutions and green office solutions. We provide different scenario solutions for enterprises and innovative organizations that have different needs for office space after the pandemic period. Smart, eco-friendly and healthy furniture products, equipment and planning services are incorporated into different scenarios to improve the health, safety and efficiency of work environment and the well-being of employees. Aurora Innovation Center is committed to consolidating the resources of advantages in both Taiwan and China to

provide healthy, comfortable and efficient office environment solutions to customers, and then extend the successful experience in the field of office furniture to the product development for furniture in the education and medical spaces.

4) Long-term and short-term business development plans:

a) Short-term plans:

i. Office Equipment:

Develop the business area intensively, do a good job in CRM, strengthen market competitiveness, and maintain a leading position in the market.

◆ Use effective strategies to focus on the medium and large colour printing press market to increase business size and printing volume.

◆ Rapidly expand the market by specializing in large companies

◆ Through a robust direct sales service network.

ii. Office furniture:

◆ Provide integration services, enhance solutions, focus on health standards, integrate logistics resources Good service, solid leadership.

iii. 3D Products: Provide specialized, integrated and solution-oriented sales services, and at the same time adhere to cross-domain innovation connected with digital technology to offer diverse industry applications.

iv. Cloud services: With cloud architecture and customized advantages, develop a comprehensive human resources intelligence platform to meet the needs of the enterprise market. It integrates the diverse services such as AI interviewing system and face recognition system to improve customer product occupancy, help enterprises to digitally transform and develop intelligent enterprises.

b) Long-term plan:

i. Office equipment: grasp the trends of the industry, continue to pay attention to the improvement of real profits, and combine software + hardware solutions to develop related businesses.

ii. Office furniture: Combine the advantages of design, R&D, production, marketing, logistics and vertical integration to quickly grasp the trends of the industry and meet customer needs; strengthen the link between goods, equipment and planning services with international health norms; introduce a cloud solution for smart factories to improve production efficiency and quality with smart manufacturing, with the goal of becoming a leading brand for integrated planning services in the

office space.

iii. 3D Products:

- ◆ Explore potential market demand by combining the existing OA vast access resources with software and hardware solutions. At the same time, the four major industries of automobile, national defense, education, medical care and consumer electronics are targeted to provide more precise and professional high-end process requirements.
- ◆ Integrate the 3D software and hardware technology accumulated over the years, cooperate with new products and equipment, and develop application models for new industries, so as to create new business models and increase equipment sales.

b. Analysis of Market and Production and Marketing Situation

1) Market Analysis

Type of Product	Sales Territory	Supply Territory	Market Share	Supply and Demand in the Market and Possible Future Growth
Office equipment	Taiwan and mainland China	Japan, Taiwan, mainland China, Thailand	20~25%	<ol style="list-style-type: none"> 1. The market continues to grow slowly. As the corporate procurement demand gradually rises due to the rejuvenation of the spring, market activities are expected to become more popular. 2. Increased market demand for customized solutions helps to improve the competitiveness and differentiation of commodities. 3. The color digital machine market is gradually growing due to the active promotion of various brands, and the market demand is also gradually growing. 4. Market demand for air purifiers continues to increase due to air pollution and the increasing emphasis on air quality in the office environment. 5. Due to the improvement of personal information laws and confidentiality concepts, the market for shredders continues to grow. 6. Due to the continuous development of the epidemic, the demand for zero-contact and remote office is increasing day by day, and the demand for equipment such as video communication systems, interactive electronic whiteboards, and digital signage boards has increased, driving market business opportunities. 7. Among them, the use of digital signage by enterprises, schools and retailers continues to grow due to the reduction in the cost of

Type of Product	Sales Territory	Supply Territory	Market Share	Supply and Demand in the Market and Possible Future Growth
				large-size display screens.
Office Furniture	Taiwan and mainland China	Taiwan and mainland China	14~19%	<ol style="list-style-type: none"> 1. Increasingly attach importance to intelligence, human nature, environmental protection, style aesthetics, and health-oriented issues. 2. Under the principle of adhering to quality, intelligent production is introduced to integrate the production and marketing supply chain. 3. The customer demand has been shifted from simple products to the service demand of overall space planning. Therefore, the goods, equipment and planning services of each office space should be integrated to propose solutions to meet customer needs. 4. The planning needs of professional fields (medical space, school space, health furniture) are increasing.
3D Products	Taiwan and mainland China	Taiwan and mainland China	20~25%	<ol style="list-style-type: none"> 1. According to the research by ResearchAndMarkets.com, the 3D printer market is expected to be worth US\$50.39 billion by 2029, for a CAGR of 31.1% during the forecast period 2022 to 2029. The industrial 3D printer segment is projected to hold the largest share of the global 3D printer market in 2022. The huge market share of the segment is attributed to the ability of the segment to create functional full-scale objects ranging from end-use products to high-strength industrial tools. Industrial 3D printers are specially for professional and industrial applications, from rapid prototyping to direct manufacturing. 2. According to the data compiled by Beyond Market Insights, the global 3D scanning market was valued at US\$4.71 billion and is expected to grow to US\$8.22 billion by 2030, for a CAGR of 7.20% from 2023 to 2030. <p>The global 3D scanning market has been categorized by type, service and application.</p> <ul style="list-style-type: none"> ● Based on type, the market is segmented into optical scanners, laser scanners, and structured-light scanners. The type of laser scanner has dominated the market in 2022. ● Based on service, the market is segmented into reverse engineering, quality inspection, rapid prototyping, and face scanning. The scanners used for reverse engineering has dominated the market in 2022. ● Based on application, the market is segmented into entertainment and media, aerospace and defense, medical and healthcare, civil and construction, industrial manufacturing, etc. The

Type of Product	Sales Territory	Supply Territory	Market Share	Supply and Demand in the Market and Possible Future Growth
				medical and healthcare category has dominated the market in 2022. The medical and healthcare field is expected to lead the market at the highest CAGR of 17.9% during 2022 and 2030.

Type of Product	Competitive Niches	Future Development Positive Factors	Future development Unfavorable Factors	Response
Office equipment	<ol style="list-style-type: none"> 1. High brand recognition. 2. The cumulative customer base is large. 3. High market share. 4. Commodities are combined with the original factory OSA development system to provide differentiated commodities. 	<ol style="list-style-type: none"> 1. With 63 branches, it is the largest in the industry. 2. Market share leads the way. 3. The brand image is superior to the industry. 4. Continuously develop office printing and document security programs to provide customers with competitive goods and services. 	<ol style="list-style-type: none"> 1. The demand for rental market increases, and the price decreases due to market competition, which affects the gross profit. 2. Japanese factories attack the market directly through distribution channels at low prices. 3. A variety of used water cargo planes and filling consumables are flooded with the market. 	<ol style="list-style-type: none"> 1. Develop the business area intensively,, do a good job in CRM, strengthen commodity education to enhance competitiveness and stabilize price and quality. 2. Provide exquisite services to strengthen the local market. 3. Select the strategic strike market share and combine it with the self-developed document management system to provide a comprehensive office document solution. 4. Consumer goods strengthen differentiation, target sales of middle and higher-level goods, and improve competitiveness.
Office Furniture	<ol style="list-style-type: none"> 1. Own brand, design and development, manufacturing, marketing integration services. 2. Strong market development ability. 3. The customer base is spread across the two sides of the Taiwan Straits and can be effectively 	<ol style="list-style-type: none"> 1. Obtained a excellent brand image. 2. Obtained comprehensive marketing resources in both Taiwan and Mainland China. 3. A high-quality management team with the advantages of vertical integration of 	<ol style="list-style-type: none"> 1. Affected by mainland commodities, competition has a more severe impact on gross profit. 2. Market demand has not significantly expanded, and there are many competitors in the industry. 3. International raw material prices 	<ol style="list-style-type: none"> 1. Delicate service, accumulating customer reputation, accumulating brand value. 2. Build a complete service supply chain in response to market demand. 3. In response to customer demand for health, develop a full range of

Type of Product	Competitive Niches	Future Development Positive Factors	Future development Unfavorable Factors	Response
	<p>integrated and developed according to the needs of the two sides.</p> <p>4. High brand awareness, integrated marketing through OMO to enhance customer service experience.</p>	<p>design, R&D, production, marketing and logistics, providing customers with a full range of space planning services.</p>	<p>continue to fluctuate, causing the cost of the industry to rise.</p> <p>4. Future costs will be greatly affected by increased labor demand and decreased supply.</p>	<p>products, equipment and planning services and focus on international health standards.</p> <p>4. Emphasize product differentiation to give customers peace of mind to buy and use.</p> <p>5. Develop the integrated services to improve the quality of customer procurement.</p>
3D Products	<p>1. With more than 20 years of experience and experience, accumulated market/customer recognition.</p> <p>2. Provide professional/integration/solutions to guide sales services.</p> <p>3. Establish a reputation for physical brand sales pipeline.</p> <p>4. 3D product line is complete, providing diversified solutions to meet the needs of customers in different industries.</p> <p>5. Combine the existing OA's vast channel resources to tap the potential market demand.</p>	<p>1. Own 3D software applications/3D scanning capabilities/custom process software development capabilities.</p> <p>2. Combined brand/sales pipeline/practical experience and strength to provide professional/integration/solutions for sales service orientation.</p> <p>3. A reputation for physical sales pipeline has been established with well-known brands around the world.</p> <p>4. Existing OA's vast access resources can be leveraged to tap potential market demand.</p>	<p>1. The number of talent demand cultivation is still insufficient.</p> <p>2. The environment in which professional technology is cultivated needs to be improved.</p> <p>3. The alignment of professional technical service capabilities with the OA pipeline takes time.</p>	<p>1. Expand the influence of the OA pipeline with the 3D business department as the base.</p> <p>2. The establishment of a unified unit is based on the strategic planning guidelines and timing standards.</p> <p>3. Quickly improve market share and shape industry leadership.</p> <p>4. Build a downstream 3D manufacturer to learn and understand the end product post-processing process know-how in order to master the best of different industries.</p>

2) Usage and Manufacturing Processes for Main Products

Type of Product	Main Products	Usage and Manufacturing Processes
Office equipment	<p>1. Office equipment: Sale of digital printers, photocopiers, color printers, fax machines, printers, clock-ins, projectors, video equipment, interactive whiteboards, and digital signage, as well as after-sales service.</p>	<p>1. Effectively assist enterprises to reduce operating costs and simplify operational processes to improve work efficiency.</p>

Type of Product	Main Products	Usage and Manufacturing Processes
	<ol style="list-style-type: none"> 2. Office Document System Integration: Provision of a total solution using digital printers and laser printers as output devices, combined with scanning functions, file storage devices, and relevant software. 3. Consumer goods Fax machines, clock bells, paper shredders, computers, shells. 	<ol style="list-style-type: none"> 2. In response to the development of market trends, through customized solutions, help enterprises to improve the document processing process, reduce costs and improve competitiveness. 3. Information document printing, attendance management, document confidentiality and protection, and calculation assistance tools to improve enterprise work efficiency.
Office Furniture	<ol style="list-style-type: none"> 1. System furniture (executive desks, office desks and chairs, filing cabinets, screens, wooden products, sofas, coffee tables, carpets and system compartments) for office space. 2. Introduce products and equipment that meet health and sustainability standards. 3. Integrated services provide planning, design and relocation of office space. 	Provide space planning design and product configuration advice according to customer needs, complete services from production, logistics and distribution to prefecture assembly, and provide office space planning services in enterprise technology, professionalism, health and environment.
3D Printing	<ol style="list-style-type: none"> 1. 3D Design, Manufacturing Software CATIA, Delmia, Design-X. 2. Creaform Handheld 3D Laser Scanning Equipment, Artec Handheld Scanning Equipment and Custom 3D Photo Studio. 3. Stratasys 3D Printer and Manufacturing Grade System. 4. Color Magic program. 	<ol style="list-style-type: none"> 1. Provide complete processes and equipment required for the design, development, and production of products in all industries to shorten the product development timeline. 2. The distinct product positioning of 3D scanners is suitable for different purposes in various industries (for product inspection, reverse engineering or digital preservation in the fields of education, automotive, aerospace, art, digital collection, etc.) They can work with the 3D principle of customized camera imaging to make B2C and Metaverse applications more convenient and quicker. 3. 3D technology can expand many overseas needs and industries, and there is still a lot of room to play. 4. With the emergence of 3D color printing and color 3D scanning machines, GIT has developed a panoramic studio (array camera imaging principle) through the integration of software and hardware, and extended the application to B2C customized products or multimedia applications.

3) Status of supply of main raw materials:

Raw materials of cabinets are mainly steel plates. Aurora cooperates with many domestic suppliers to stabilize the source of raw materials.

4) Names of customers who account for more than 10% of total purchases (sale) in the last two years and their purchases (sale) amounts and proportions:

Information on major suppliers in the last two years:

Unit: NT\$ thousand

Item	Year 2021				Year 2022				2023 up to the previous quarter			
	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer
1	Konica Minolta Business Solutions (China) Co., Ltd.	1,251,211	17	-	Konica Minolta Business Solutions (China) Co., Ltd.	1,201,437	18	-	Not applicable (Note)			
2	Others	6,099,838	83	-	Others	5,520,289	82	-				
	Net purchase	7,315,049	100	-	Net purchase	6,721,726	100	-				

Note: As of the publication date of the annual report, the financial information of the Company on March 31, 2023 has not been audited or reviewed by accountants.

Information on major sales customers in the last two years:

Unit: NT\$ thousand

Item	Year 2021				Year 2022				2023 up to the previous quarter			
	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer	Name	Amount	Percentage of net purchase in the whole year (%)	Relation with issuer
1	Huxen (China) Co., Ltd.	1,578,776	12	Other related party	Others	12,576,325	100	-	Not applicable (Note)			
2	Others	11,998,481	88	-				-				
	Net purchase	13,577,257	100									

Note: As of the publication date of the annual report, the financial information of the Company on March 31, 2023 has not been audited or reviewed by accountants.

5) Production volume and value in the last two years:

Unit: NT\$ thousand

Production volume and value	Year	Year 2021			Year 2022		
		Production Capacity	Production Volume	Production value	Production Capacity	Production Volume	Production value
Main Products							
Cabinet		570,000	461,579	2,049,076	570,000	402,211	1,477,102
Partition		1,200,000	985,846	791,461	1,200,000	955,431	634,156
Supervisor Table		125,000	122,947	478,672	125,000	81,700	303,969
Total		1,895,000	1,570,372	3,319,209	1,895,000	1,439,342	2,415,227

6) Sales volume and value in the last two years:

Unit: NT\$ thousand

Item		Year 2021				Year 2022			
		Domestic Sales		Export		Domestic		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
OA	Photocopiers	46,644	2,976,902	—	—	39,658	2,797,296	—	—
	Other machines	228,144	522,596	2,677	1,410,561	200,844	437,359	2,219	1,253,710
	Peripherals	—	3,391,831	—	—	—	3,193,291	—	—
	Office Furniture	—	—	5,265,117	—	10,250	—	4,885,340	—
	Total	—	—	12,156,446	—	1,420,811	—	11,313,286	—

c. Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		Year 2021	Year 2022	Year 2023 end to April 21
Number of Employees	Marketing	2,017	1,752	1,673
	Technology service	1,024	1,015	976
	Staff member	1,356	1,443	1,426
	Total	4,397	4,210	4,075
Average age		36.1	36.1	37.8
Average year of services		8.0	8.0	8.9
Education Distribution Ratio	PhD	0%	0%	0%
	Master	2%	2%	2%
	College	73%	73%	73%
	High school	11%	14%	14%
	Below high school	14%	11%	11%

d. Environmental Protection Expenses:

- 1) **Losses and dispositions suffered as a result of environmental pollution in the most recent year and up to the date of publication of the annual report: None.**
- 2) **Future countermeasures and possible expenses: The original supplier is responsible for replacing the products or recovering the defective products, so there is no risk of damage to the environment.**

e. Employee-Employer Relations

- 1) **The company's employee welfare measures, further training, retirement system and its implementation, as well as labor agreement and employee rights and interests maintenance measures:**

“Talent” is the most important asset. Aurora is committed to providing employees a workplace that promotes work-life balance. To create a quality work environment, Aurora has designed a generous employee benefit system and a comprehensive training and development system, allowing employees to play to their strengths and realize their full potential.

Aurora also attaches great importance to human rights and gender equality. Aurora ensures that every employee is free from discrimination and harassment in the workplace. All employees are given human rights training to protect their rights and interests. At Aurora, employees are hired regardless of gender, age, religion, and race. People with disabilities are also employed for different types of work.

- Diversity index

Category	Percentage (%) of all
Female	33%
Handicapped	0%
Under 30 (incl.)	27%
31–50 years old	62%
Over 50 years old	11%

- Ethnicity

Category	Percentage (%) of all
R.O.C. citizen	32%
Foreign nationals	68%

Note: Those with dual citizenship are considered foreign nationals.

- Protective measures for the work environment and personal safety of employees

- a) Welfare Measures

- i. Insurance

In addition to the statutory labor and health insurance, we have purchased accident insurance plans as a consideration for the safety of employees riding scooters, and we also play traffic safety promotional videos in the training courses.

- ii. Health Examination

Aurora places importance on the health of all employees. Regular allowances are provided for employees to take health examinations at select medical institutions.

- iii. On-site health services

In order to create a healthy workplace environment and promote the physical and mental health of employees, we have selected qualified hospitals to promote on-site health services, arrange nurses and physicians to conduct consultations, and regularly provide health information for employee care.

- iv. Travel subsidies

We value the work–life balance of all employees, as a happy body and mind can create a lively and enthusiastic work attitude. We regularly provide travel and activity subsidies to employees.

- v. Leave

Leave is granted to employees in accordance with the Labor Standards Act.

Supervisors are regularly informed of the employees' leave records to help them achieve the work-life balance.

- vi. Birthdays, weddings and funerals, emergency assistance, etc.

Departments hold monthly birthday parties from time to time. Consolation money and relief for weddings and funerals, hospitalization, and major disasters are also granted.

- vii. Employee Satisfaction Survey

Aurora conducts satisfaction surveys from time to time to understand the employees' identification and satisfaction with the company and their work. Corrective measures are developed and taken based on the employees' feedback to create a happy workplace for employees.

- b) Work Environment safety

According to the Fire Services Act, a sound fire system has been set up to carry out and report inspections on a regular basis; in addition to regular fire training, emergency response drills are organized every year.

- c) Further study and training situation

Aurora pays much attention to talent development. In addition to providing a full range of training programs, Aurora aligns the employees' career development plans with corporate development.

On-the-job training is organized to assist employees in performing their duties and achieving their work goals. Job rotations, project assignments, work substitutions, and external training courses are also arranged to train employees in every aspect.

Performance improvement and talent cultivation are the cores of training, so training is tied in with promotion and performance.

The training plan is formulated mainly on the basis of cultivating colleagues with common characteristics and values, and prioritizing outstanding management talents. Therefore, the following four categories are distinguished according to their nature:

- i. Leadership training

Employees are trained to be leaders and associate leaders with abilities such as leadership, interview skills, consensus building, strategic planning, performance management, and the Labor Standards Act. They learn how to lead subordinates to be efficient and productive at work.

ii. General skills training

Training helps improve the employees' general abilities to improve work efficiency such as communication skills, presentation skills, time management, stress management, and creative thinking.

iii. Functional training

Specific work assignments entail such functional training as orientation for new recruits and executive training.

iv. Expertise training

Employees are trained to work professionally with expertise and skills such as sales skills, customer relationship management, and product knowledge, so as to achieve good performances.

In 2022, 383 education and training classes were held, and nearly 3,100 people were trained.

● The Current Important Labor Fund Agreements and Implementation Situation

a) Retirement Eligibility

Retirement can be requested according to the law, but if the seniority is more than ten years and the seniority are at least 55 years old, or the seniority is more than 20 years, the colleagues can apply for it after approval by the supervisor.

b) The withdrawal of pension and the payment of pension shall be handled according to laws and regulations

In accordance with the laws and regulations, the company has contributed 6% of the monthly salary to the individual pension account of the Ministry of Labor for new employees and existing employees who choose to apply the new pension regulations on a monthly basis since July 1, 2005. Existing employees who apply the old pension method and those who choose to apply the new pension method shall have their seniority retained under the old system calculated and appropriated to the designated bank account according to the pension payment standard of the old employee retirement method. For employees who are transferred by Aurora to any of the affiliates, their seniority will be accumulated to calculate to provide more protection for the employees.

c) The labor-management agreement and various employee rights protection measures

On the premise of the willingness and respect of colleagues, the company creates a happy and happy working environment, a lively and energetic working atmosphere, a positive and enterprising harmonious labor-management relationship, and

combines and improves welfare and treatment. Since the implementation of the Labor Standards Act, the Act of Gender Equality in Employment, and the Labor Pension Act, Aurora has upheld ethical corporate management and compliance in the course of conducting business. Employees are encouraged to fully participate and work as a team, so as to share the profits. Aurora tie up the employees' career development plans with corporate development in hopes of achieving business sustainability.

- 2) **Losses suffered as a result of labor disputes during the most recent year and up to the date of publication of the annual report: None.**
- 3) **Estimated current and potential future losses due to labor and capital disputes and response measures: None.**

f. Information Security Management:

- 1) **Information security risk management structure, information security policy, specific management plan and resources invested in information security management:**

Information security has been listed as a major policy of the Company in 2022. We highly value information security management and risk control, and have formulated the following items in response to the management policy:

a) Information Security Policy

Our information security policy aims to “maintain the overall information security, strengthen the security management of various information assets, and ensure the confidentiality, integrity, usability and legality; and prevent human negligence, deliberate attacks and natural disasters from affecting the Company’s operations or harming the Company’s rights and interests, so as to ensure business continuity.”

b) Information security policy

- i. Utilize digital technology, continue to innovate and adhere to the philosophy of sustainable operation. Continuously improve the information security system and strengthen the defense and response capabilities. Fully implement information security management protocols and conduct regular inspections. Quickly respond to information security risks to ensure business continuity without interruption.
- ii. Highly value the security of information-related systems, equipment and networks. Regularly conduct information security drills and education and training sessions. Improve employees’ awareness vigilance of information security, and incorporate information security into daily tasks.
- iii. Fulfill the commitment to customer data privacy protection, standardize management and authorization measures such as collection, processing and access

to ensure the safety of customers' personal data.

c) Information security organizations

In order to ensure information security management, the Company has established an information security organization, whose members include senior executives of the Company, who is responsible for promoting, coordinating and supervising the following information security management matters:

- i. Approval and Supervision of Information Security Policy
- ii. Allocation and coordination of information security responsibilities
- iii. Supervision of Information Assets Protection Matters
- iv. Review and Supervision of Information Security Incidents
- v. Approval of information security matters
- vi. Hold regular information security meetings

d) Information security management and implementation.

The Company actively plans and deploys information security measures to improve the information security environment and reduce information risks from the system surface, network surface, data surface and equipment surface for information security risk management and control. Include the following:

- i. System account management and auditing
- ii. System data access control and audit mechanism
- iii. System Raw Code Management and Detection

The relevant raw code of the information system shall be given appropriate security attributes according to the confidentiality level, and the files of different security attributes shall be separated and saved with corresponding security measures. The outsourced or self-built system code has passed the original code inspection and verification of the program, and conforms to international certification standards.

iv. Cybersecurity

Set up cybersecurity devices (firewalls), mail filtering systems, anti-virus protection systems, and secure access as needed for business.

We have strengthened the security management of the servers and deployed anti-virus security measures on the servers in 2022.

v. Backup and Disaster Recovery

To ensure the integrity and correctness of data in the Group Information Systems, establish backup and disaster recovery plans, and regularly drill down to ensure normal operation in the event of a disaster or failure of storage media.

The backup mechanism of the database was transferred to the cloud in 2022.

We conducted one disaster recovery drill in 2022. The RTO was 2 hours and the RPO was 13.5 hours. The drill was successfully completed, and we have kept documents for future reference.

vi. Email management

Use of corporate emails is governed by email management practices that govern the security of your account, rules of use, and email usage.

In 2022, we built an email archiving system to strengthen the tracking records of email correspondence and the function of recovering lost emails.

e) Employee safety training and publicity

The Company conducts basic information security education and training for new employees when they join the Company, and regularly conducts information security promotion and information security drills for working personnel to strengthen the awareness of information security. When a cybersecurity incident occurs, information security reports are made to raise employees' awareness of protection against external attacks, and provide information security for the company's operations.

The Company implemented on-the-job employee information security promotions in March, June, September and December 2022 and conducted social engineering drills for current employees from July to September 2022.

2) In the most recent year and up to the date of publication of the annual report, losses, possible impacts and countermeasures due to major information security incidents:

The events that occurred in the Company in 2022 and up to the date of publication of the annual report have no significant impact on the overall operation of the Company.

g. Important Contract

April 21, 2023

Type of Contract	The Party	Contract Period	Major contents	Restrictive Clause
Distribution Contracts	SHARP CORPORATION	2023.4.1~2024.3.31 (Automatically extended for one year upon expiration)	SHARP Full Series Photocopiers	1. Exclusive distribution 2. Non-competition Provisions
OEM Contracts	(1) Konica Minolta , Inc (2) Konica Minolta Business Solutions (China) Co., Ltd. (3) Aurora Office Automation Sales Co., Ltd. Shanghai	2019.1.1~ 2023.12.31	Consignment production and procurement of multifunctional composite machines and PP machines in Mainland China	None
OEM Contracts	(1) Aurora Office Automation Sales Co., Ltd. Shanghai (2) Zhuhai Pantum Electronics Co., Ltd.	2022.1.1~ 2023.12.31	A4 printer commissioned production and procurement	None
Distribution Contracts	(1) Stratasys AP Limited (2) Aurora Machinery Equipment (Shanghai) Co., Ltd.	2023.1.1~ 2023.12.31	Stratasys Full Series 3D Printers	1. There is an anti-competitive clause 2. New contract being signed
Distribution Contracts	KONICA MINOLTA, INC Aurora Office Automation Corporation	2023.4.1~ 2024.3.31	Photocopiers and printers of KM full series	1. There is an anti-competitive clause 2. Restricted to sale in Taiwan
Distribution Contracts	STRATASYS AP LTD. General Integration Technology Co., Ltd.	2023.1.1~ 2023.12.31	SSYS Full Series 3D Printers	1. Non-exclusive distribution 2. Exist an anti-competitive clause 3. Restricted to sale in Taiwan
Distribution Contracts	CREAFORM, INC. General Integration Technology Co., Ltd.	2022.6.21~ 2023.6.20	3D Scanning Equipment	1. Non-exclusive distribution 2. Restricted to sale in Taiwan
Distribution Contracts	KONICA MINOLTA, INC KM Developing Solutions Co., Ltd.	2023.4.1~ 2024.3.31	Large photocopier and multi-functional photocopier	1. Exist an annual sales volume quota 2. Exist an anti-competitive clause 3. Restricted to sale in Taiwan

6. Financial Overview

a. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

1) Condensed Balance Sheets - Parent Company Only

Unit: NT\$ thousand

Item	Year	Financial information for the last five years (note 1:)					Financial information for the year ended March 31, 2023
		Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	
Current Assets		1,105,283	938,311	1,094,617	1,222,660	1,100,466	N/A (Note 2)
Property, Plant, and Equipment		819,253	851,333	803,052	776,296	770,324	
Intangible assets		53,458	50,273	48,615	48,707	49,198	
Other Assets		9,540,368	9,782,752	10,925,965	11,137,874	11,269,065	
Total Assets		11,518,362	11,622,669	12,872,249	13,185,537	13,189,053	
Current liabilities	Before Distribution	2,532,715	2,785,415	3,488,028	4,148,117	2,967,529	
	After distribution	3,949,930	4,155,390	4,834,382	5,376,370	(Note 3)	
Non-current Liabilities		1,400,215	1,625,621	1,755,532	1,441,905	2,708,078	
Total Liabilities	Before Distribution	3,932,930	4,411,036	5,243,560	5,590,022	5,675,607	
	After distribution	5,350,145	5,781,011	6,589,914	6,818,275	(Note 3)	
Equities Attributable to Owners of Parent Company		7,585,432	7,211,633	7,628,689	7,595,515	7,513,446	
Share Capital		2,362,025	2,362,025	2,362,025	2,362,025	2,362,025	
Capital surplus		1,843,004	1,920,710	1,941,799	1,939,269	1,821,477	
Retained Earnings	Before Distribution	4,048,436	3,973,659	4,087,994	4,112,289	4,198,072	
	After distribution	2,631,221	2,603,684	2,741,640	2,884,036	(Note 3)	
Other Equity		123,793	(252,935)	28,697	(26,242)	(76,302)	
Treasury stock		(791,826)	(791,826)	(791,826)	(791,826)	(791,826)	
Total Equity	Before Distribution	7,585,432	7,211,633	7,628,689	7,595,515	7,513,446	
	After distribution	6,168,217	5,841,658	6,282,335	6,367,262	(Note 3)	

Note 1. The financial information of each of the above years has been audited by an accountant.

Note 2. The Company prepares parent company only financial reports on an annual basis only.

Note 3. The Earnings Distribution Plan needs to be approved by the next Annual General Meeting of Shareholders.

2) Condensed Consolidated Balance Sheets

Unit: NT\$ thousand

Item	Year	Financial information for the last five years (Note 1)					Financial information for the year ended March 31, 2023
		Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	
Current Assets		11,202,362	10,392,354	10,895,709	10,657,461	10,267,201	N/A (Note 2)
Property, Plant, and Equipment		1,868,239	1,939,676	2,315,741	2,543,920	2,763,328	
Intangible assets		156,308	168,654	177,009	195,088	191,030	
Other Assets		4,053,484	4,609,092	4,674,450	4,854,625	5,042,364	
Total Assets		17,280,393	17,109,776	18,062,909	18,251,094	18,263,923	
Current liabilities	Before Distribution	6,581,582	6,082,773	6,619,633	7,000,463	5,620,340	
	After distribution	7,998,797	7,452,748	7,965,987	8,228,716	(Note 3)	
Non-current Liabilities		1,999,803	2,653,270	2,519,129	2,323,997	3,759,570	
Total Liabilities	Before Distribution	8,581,385	8,736,043	9,138,762	9,324,460	9,379,910	
	After distribution	9,998,600	10,106,018	10,485,116	10,552,713	(Note 3)	
Equities Attributable to Owners of Parent Company		7,585,432	7,211,633	7,628,689	7,595,515	7,513,446	
Share Capital		2,362,025	2,362,025	2,362,025	2,362,025	2,362,025	
Capital surplus		1,843,004	1,920,710	1,941,799	1,939,269	1,821,477	
Retained Earnings	Before Distribution	4,048,436	3,973,659	4,087,994	4,112,289	4,198,072	
	After distribution	2,631,221	2,603,684	2,741,640	2,884,036	(Note 3)	
Other Equity		123,793	(252,935)	28,697	(26,242)	(76,302)	
Treasury stock		(791,826)	(791,826)	(791,826)	(791,826)	(791,826)	
Non-controlling Interests		1,113,576	1,162,100	1,295,458	1,331,119	1,370,567	
Total Equity	Before Distribution	8,699,008	8,373,733	8,924,147	8,926,634	8,884,013	
	After distribution	7,281,793	7,003,758	7,577,793	7,698,381	(Note 3)	

Note 1. The financial information of each of the above years has been audited by an accountant.

Note 2. As of the date of publication of the Annual Report, the Company's financial information on March 31, 2023 had not been audited or reviewed by an accountant.

Note 3. The Earnings Distribution Plan needs to be approved by the next Annual General Meeting of Shareholders.

3) Condensed Statements of Comprehensive Income-Parent Company only

Unit: NT\$ thousand

(Except earnings per share expressed in NT\$)

Item \ Year	Financial information for the last five years (Note 1)					Financial information for the year ended March 31, 2023
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	
Operating Revenue	3,110,307	3,146,934	3,174,613	3,285,129	3,322,549	N/A (Note 2)
Gross Profit	1,407,004	1,441,807	1,485,605	1,488,526	1,505,632	
Operating profit (loss)	388,132	389,146	413,523	415,888	437,297	
Non-operating income and expenses	1,237,660	1,221,698	1,236,365	1,199,549	1,071,969	
Income before Tax	1,625,792	1,610,844	1,649,888	1,615,437	1,509,266	
Net Income from Current Operations	1,522,999	1,374,792	1,438,309	1,391,539	1,309,368	
Loss from Discontinued Operations	0	0	0	0	0	
Net income (loss) for the period	1,522,999	1,374,792	1,438,309	1,391,539	1,309,368	
Other Comprehensive Income in the Current Term(After Tax)	(87,221)	(409,082)	327,633	(75,828)	(45,392)	
Total Comprehensive Income	1,435,778	965,710	1,765,942	1,315,711	1,263,976	
Earnings per Share	6.78	6.12	6.40	6.19	5.82	

Note 1. The financial information of each of the above years has been audited by an accountant.

Note 2. The Company prepares parent company only Financial Reports on an annual basis only.

4) Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousand

(Except earnings per share expressed in NT\$)

Item \ Year	Financial information for the last five years (Note 1)					Financial information for the year ended March 31, 2023
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	
Operating Revenue	14,343,895	13,605,113	12,950,974	13,577,257	12,576,325	N/A (Note 2)
Gross Profit	6,283,558	6,097,714	5,874,627	6,038,691	5,575,284	
Operating profit (loss)	1,465,824	1,370,653	1,517,380	1,468,693	1,222,482	
Non-operating income and expenses	543,934	562,087	508,048	551,706	587,716	
Income before Tax	2,009,758	1,932,740	2,025,428	2,020,399	1,810,198	
Net Income from Current Operations	1,650,814	1,501,756	1,558,735	1,526,231	1,421,627	
Loss from Discontinued Operations	0	0	0	0	0	
Net income (loss) for the period	1,650,814	1,501,756	1,558,735	1,526,231	1,421,627	
Other Comprehensive Income in the Current Term(After Tax)	(110,121)	(450,153)	366,143	(84,556)	(31,097)	
Total Comprehensive Income	1,540,693	1,051,603	1,924,878	1,441,675	1,390,530	
Net Income Attributable to Owners of the Parent Company	1,522,999	1,374,792	1,438,309	1,391,539	1,309,368	
Net Income Attributable to Non-controlling Interests	127,815	126,964	120,426	134,692	112,259	
Total comprehensive income attributable to owners of the Parent Company	1,435,778	965,710	1,765,942	1,315,711	1,263,976	
Comprehensive Income Attributable to Non-controlling Interests	104,915	85,893	158,936	125,964	126,554	
Earnings per Share	6.78	6.12	6.40	6.19	5.82	

Note 1. The financial information of each of the years has been audited by an accountant.

Note 2. As of the date of publication of the Annual Report, the Company's financial information on March 31, 2023 had not been audited or reviewed by an accountant.

5) Name of CPAs and Audit Opinions for the Last Five Years

Year	CPA	Name	Opinions
2022	Deloitte & Touche	Chih Rui-Chuan and Hsieh Chien-Hsin	Unmodified opinion
2021	Deloitte & Touche	Chih Rui-Chuan and Hsieh Chien-Hsin	Unmodified opinion
2020	Deloitte & Touche	Chih Rui-Chuan and Hsieh Chien-Hsin	Unmodified opinion
2019	Deloitte & Touche	Huang Hai-Yueh and Hsieh Chien-Hsin	Unmodified opinion
2018	Deloitte & Touche	Huang Hai-Yueh and Hsieh Chien-Hsin	Unmodified opinion

b. Financial Analysis for the Past Five Fiscal Years

1. Financial Analysis - Parent Company Only

Analysis items (note 3)		Year	Most recent five-year financial analysis (Note 1)					Financial information for the year ended March 31, 2023
		Year 2018	Year 2019	Year 2020	Year 2021	Year 2022		
Financial Structure (%)	Liabilities to Assets Ratio	34.14	37.95	40.74	42.40	43.03	N/A (Note 2)	
	Ratio of long-term capital to property, plant, and equipment	1,096.81	1,038.05	1,168.57	1,164.17	1,326.91		
Solvency (%)	Current Ratio	43.64	33.69	31.38	29.43	37.08		
	Quick Ratio	23.82	16.79	15.69	12.27	15.12		
	Times interest earned	85.83	67.95	64.00	63.08	36.10		
Operating Ability	Receivables Turnover (times)	8.23	9.42	10.05	11.02	11.92		
	Average days for cash receipts	44	39	36	33	31		
	Inventory Turnover (Times)	3.50	3.43	3.20	2.85	2.69		
	Payables Turnover (Times)	4.38	5.04	5.21	4.94	5.19		
	Average days for sale of goods	104	106	114	128	136		
	Property, Plant, and Equipment Turnover (Times)	3.62	3.77	3.84	4.16	4.30		
	Total Assets Turnover (Times)	0.27	0.27	0.26	0.25	0.25		
Profitability	Return on assets (%)	13.59	12.05	11.91	10.84	10.19		
	Return on Equity (%)	20.25	18.58	19.38	18.28	17.33		
	Ratio of Net Profit Before Tax to Paid-In Capital (%)	68.83	68.20	69.85	68.39	63.90		
	Net Profit Ratio (%)	48.97	43.69	45.31	42.36	39.41		
	Earnings per share (NT\$)	6.78	6.12	6.40	6.19	5.82		
Cash Flow	Cash Flow Ratio (%)	16.57	11.88	16.85	9.26	9.37		
	Cash Flow Adequacy Ratio (%)	31.69	31.63	30.45	28.04	25.02		
	Cash Reinvestment Ratio (%)	-10.49	-11.78	-8.50	-10.93	-10.63		
Financial Leverage	Degree of Operating Leverage (DOL)	1.82	1.99	1.94	1.92	1.90		
	Degree of financial leverage (DFL)	1.06	1.07	1.07	1.07	1.11		
Reasons for the 20% change in various financial ratios in the last two years:								
1. The increase in current ratio (%) was due to the decrease in short-term borrowings.								
2. The increase in quick ratio (%) was due to the decrease in short-term borrowings.								
3. The decrease in times interest earned (%) was due to the increase in interest expenses and the decrease in net profit.								

Note 1. The financial information of each of the above years has been audited by an accountant.

Note 2. The Company prepares Parent Company only Financial Reports on an annual basis only.

Note 3. The above calculation formula is listed on page 105-106.

2. Consolidated Financial Analysis

Item		Year	Financial analysis for the last five years (Note 1)					Financial information for the year ended March 31, 2023
		Year 2018	Year 2019	Year 2020	Year 2021	Year 2022		
Financial Structure (%)	Liabilities to Assets Ratio	49.66	51.06	50.59	51.09	51.36	N/A (Note 2)	
	Ratio of long-term capital to property, plant, and equipment	572.67	568.50	494.15	442.26	457.55		
Solvency (%)	Current Ratio	170.21	170.85	164.60	152.24	182.68		
	Quick Ratio	139.36	142.50	138.34	124.71	145.26		
	Times interest earned	54.76	30.68	36.24	45.52	26.15		
Operating Ability	Receivables Turnover (times)	8.51	9.18	8.61	8.59	8.45		
	Average days for cash receipts	43	40	42	42	43		
	Inventory Turnover (Times)	4.59	4.18	4.26	4.36	3.66		
	Payables Turnover (Times)	4.16	4.73	5.33	5.37	5.73		
	Average days for sale of goods	80	87	86	84	100		
	Property, Plant, and Equipment Turnover (Times)	7.62	7.15	6.09	5.59	4.74		
	Total Assets Turnover (Times)	0.85	0.79	0.74	0.75	0.69		
Profitability	Return on assets (%)	9.95	9.04	9.12	8.61	8.10		
	Return on Equity (%)	19.20	17.59	18.02	17.10	15.96		
	Ratio of Net Profit Before Tax to Paid-In Capital (%)	85.09	81.83	85.75	85.54	76.64		
	Net Profit Ratio (%)	11.51	11.04	12.04	11.24	11.30		
	Earnings per share (NT\$)	6.78	6.12	6.40	6.19	5.82		
Cash Flow	Cash Flow Ratio (%)	17.95	18.11	28.33	22.48	14.23		
	Cash Flow Adequacy Ratio (%)	69.73	69.13	77.99	72.42	60.24		
	Cash Reinvestment Ratio (%)	-1.71	-2.33	3.89	1.07	-4.57		
Financial Leverage	Degree of Operating Leverage (DOL)	1.28	1.50	1.52	1.57	1.68		
	Degree of financial leverage (DFL)	1.03	1.05	1.04	1.03	1.06		
Reasons for the 20% change in various financial ratios in the last two years:								
1. The decrease in the Cash Flow Ratio (%) was mainly due to the decrease in net income and accounts payable, and the increase in income tax.								
2. The decrease in the Cash Reinvestment Ratio (%) was mainly due to the decrease in net income and accounts payable, and the increase in income tax.								
3.								

Note 1. The financial information of each of the above years has been audited by an accountant.

Note 2. As of the date of publication of the Annual Report, the Company's financial information on March 31, 2023 had not been audited or reviewed by an accountant.

Note 3. The formula is as follows:

(1) Financial Structure

- a. Liabilities to assets ratio = total liabilities/total assets.
- b. Long-term capital to property, plant and equipment ratio = (total equity + noncurrent liabilities)/property, plant and equipment net.

- (2) Bond repayment capacity
- a. Current Ratio = Current Assets/Current Liabilities.
 - b. Quick Ratio = (Current Assets - Inventory - Prepaid Fees)/Current Liabilities.
 - c. Times interest earned = Net Income Before Income Tax and Interest Expense/Interest Expense for the current period.
- (3) Operating capacity
- a. Receivable Turnover (including accounts receivable and notes receivable arising from operations) = net sales/average balances of accounts receivable (including accounts receivable and notes receivable arising from operations) for each period.
 - b. Average Days for cash receipts = 365/Receivables Turnover .
 - c. Inventory turnover = cost of goods sold/average inventory value.
 - d. Payables Turnover (including accounts payable and bills payable arising from operations) = cost of goods sold/balance of average payable (including accounts payable and bills payable arising from operations) for each period.
 - e. Average days for sale of goods = 365/inventory turnover.
 - f. Property, plant and equipment turnover = net sales/average property, plant and equipment net.
 - g. Total asset turnover = net sales/average total assets.
- (4) Profitability
- a. Return on assets = (after-tax profit or loss + interest expense \times (1 - tax rate))/average total assets.
 - b. Return on equity = total after-tax profit or loss/average equity.
 - c. Net Drofie Ratio = After-tax Profit/Loss/Net Sales.
 - d. Earnings per share = (profit or loss attributable to owners of the parent company - special dividends)/weighted average number of issued shares.
- (5) Cash flow
- a. Cash flow ratio = net cash flow from operating activities/current liabilities.
 - b. Cash Flow Adequacy Ratio = net cash flow from operating activities in the last five years/(capital expenditure + increase in inventories + cash dividend) in the last five years.
 - c. Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross property, plant and equipment + long-term investments + other non-current assets + working capital).
- (6) Degree of Leverage
- a. Degree of Operating Leverage = (net operating income - changes in operating costs and expenses)/operating profit.
 - b. Degree of financial leverage = Operating profit/(Operating profit - interest expense).

- c. Audit Committee's Review Report on Financial Statements for the Most Recent Fiscal Year

Audit Committee's Review Report

The Audit Committee hereby approves Aurora's 2022 Business Report, financial statements and proposal for earnings distribution which are made by the Board of Directors, and the financial statements have been audited by Deloitte & Touche Taiwan, by whom an audit report has been issued accordingly.

The said business report, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and determined to be in compliance with the Company Act and other relevant laws and regulations. The Audit Committee's Report is hereby prepared in accordance with Article 219 of the Company Act.

Hereby presented for review

To:

2023 Annual Shareholders' Meeting of Aurora Corporation

Convener of the Audit Committee

Liao Kuo-Jung

March 13, 2023

d. Financial Statements for the Most Recent Fiscal Year

Independent Auditors' Report

To Aurora Corporation:

Opinions

Aurora Corporation and its subsidiaries' Consolidated Balance Sheets as of December 31, 2022 and 2021, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021, have been audited by the CPAs.

In our opinion, the Consolidated Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Aurora Corporation and its subsidiaries as of December 31, 2022 and 2021, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022 and 2021.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of Aurora Corporation and its subsidiaries for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of Aurora Corporation and its subsidiaries for the year ended December 31, 2022 are stated as follows:

Sales revenue

The main businesses of Aurora Corporation and its subsidiaries include the trade and lease of Multi-Functional Photocopiers (MFPs) and sales of system furniture. Printers and income from sales of system furniture in Taiwan and in Shanghai, in particular, are material in nature for the overall financial statements.

The main risk lies in whether revenue actually occurs. Accordingly, we identify the risk of revenue recognition arising from fraud as a key audit matter in accordance with the Statements on Auditing Standards in relation to significant risk.

For the accounting policies related to revenue recognition, please refer to Note IV (XIV).

We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue. We have also selected appropriate samples from the sales details, reviewed the original contracts, documents and customs declaration forms from external forwarders or signed by customers to check whether the recipients are the trading parties, and reviewed whether there is a significant amount of return and allowance subsequent to the balance sheet date to confirm whether there is any material misstatement of sales revenue.

Other Matters

We have also audited the Parent Company Only Financial Statements of Aurora Corporation for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the management is responsible for assessing Aurora Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Aurora Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Aurora Corporation and its subsidiaries' 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the accounting principles in the Republic of China, we exercise professional judgment and professional skepticism. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal controls 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 internal controls of Aurora Corporation and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Aurora Corporation and its subsidiaries' ability to operate as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Aurora Corporation and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Aurora Corporation and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of Aurora Corporation and its subsidiaries.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of Aurora Corporation and its subsidiaries' Consolidated Financial Statements for the year ended December 31, 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
Chi Rui-Chuan, CPA

Hsieh Chien-Hsin, CPA

Financial Supervisory Commission Approval
No. Jin-Guan-Zheng-Shen No. 1060023872

Securities and Futures Commission Approval
No. Tai-Cai-Zheng-6 No. 0920123784

March 14, 2023

Aurora Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 2,219,983	12	\$ 2,693,853	15
1110	Financial assets at fair value through profit or loss - current (Notes IV and VII)	63,953	-	76,650	-
1136	Financial assets at amortized cost - current (Notes IV and VIII)	4,316,941	24	4,298,602	24
1150	Notes receivable (Notes IV and X)	205,586	1	197,317	1
1170	Accounts receivable (Notes IV and X)	1,049,732	6	1,146,529	6
1180	Accounts receivable - related parties (Notes IV, X and XXXI)	154,855	1	118,885	1
1200	Other receivables (Notes IV, X, and XXXI)	49,580	-	143,379	1
1220	Current tax assets (Notes IV and XXVI)	93,574	-	48,537	-
130X	Inventories (Notes IV and XI)	1,796,514	10	1,654,021	9
1479	Other current assets (Note XVIII)	316,483	2	279,688	1
11XX	Total current assets	<u>10,267,201</u>	<u>56</u>	<u>10,657,461</u>	<u>58</u>
	Non-current assets				
1550	Investments accounted for using the equity method (Notes IV and XIII)	3,092,505	17	3,188,820	18
1560	Contract assets - non-current (Notes IV and XXIV)	120,794	1	83,476	1
1600	Property, plant, and equipment (Notes IV, XIV, XXXI, and XXXII)	2,763,328	15	2,543,920	14
1755	Right-of-use assets (Notes IV, XV, and XXXI)	794,326	4	681,621	4
1760	Investment properties (Notes IV, XVI, and XXXII)	520,856	3	443,412	2
1805	Goodwill (Notes IV and XVII)	132,947	1	132,874	1
1821	Other intangible assets (Notes IV and XVII)	58,083	-	62,214	-
1840	Deferred tax assets (Notes IV and XXVI)	183,740	1	185,154	1
1920	Refundable deposits (Note XXXI)	165,953	1	152,365	1
1980	Other financial assets - non-current (Notes IX and XXXII)	42,432	-	44,407	-
1990	Other non-current assets (Note XVIII)	121,758	1	75,370	-
15XX	Total non-current assets	<u>7,996,722</u>	<u>44</u>	<u>7,593,633</u>	<u>42</u>
1XXX	Total assets	<u>\$ 18,263,923</u>	<u>100</u>	<u>\$ 18,251,094</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term loans (Note XIX)	\$ 1,509,000	8	\$ 3,356,812	18
2110	Short-term notes and bills payable (Note XIX)	1,049,579	6	-	-
2130	Contract liabilities - current (Notes IV and XXIV)	415,415	2	463,585	3
2170	Accounts payable (Note XX)	1,015,554	6	1,350,326	7
2180	Accounts payable - related parties (Notes XX and XXXI)	2,557	-	1,539	-
2200	Other payables (Notes XXI and XXXI)	1,077,942	6	1,248,433	7
2230	Current tax liabilities (Notes IV and XXVI)	161,889	1	247,253	1
2280	Lease liabilities - current (Notes IV, XV, and XXXI)	312,871	2	237,755	1
2300	Other current liabilities (Note XXI)	75,533	-	94,760	1
21XX	Total current liabilities	<u>5,620,340</u>	<u>31</u>	<u>7,000,463</u>	<u>38</u>
	Non-current liabilities				
2540	Long-term loans (Note XIX)	2,552,734	14	1,130,000	6
2570	Deferred income tax liabilities (Notes IV and XXVI)	321,448	2	299,379	2
2580	Lease liabilities - non-current (Notes IV, XV, and XXXI)	374,241	2	332,112	2
2640	Net defined benefit liabilities - non-current (Notes IV and XXII)	441,734	2	487,419	3
2645	Guarantee deposits received (Note XXXI)	69,413	-	75,087	-
25XX	Total non-current liabilities	<u>3,759,570</u>	<u>20</u>	<u>2,323,997</u>	<u>13</u>
2XXX	Total liabilities	<u>9,379,910</u>	<u>51</u>	<u>9,324,460</u>	<u>51</u>
	Equity attributable to owners of the Company (Note XXIII)				
	Capital Stock				
3110	Capital stock - common shares	2,362,025	13	2,362,025	13
3200	Capital surplus	1,821,477	10	1,939,269	11
	Retained earnings				
3310	Legal reserve	2,017,211	11	1,880,146	10
3320	Special reserve	852,220	5	852,220	5
3350	Unappropriated earnings	1,328,641	7	1,379,923	7
3300	Total retained earnings	4,198,072	23	4,112,289	22
3400	Other equity	(76,302)	(1)	(26,242)	-
3500	Treasury shares	(791,826)	(4)	(791,826)	(4)
31XX	Total equity attributable to owners of the Company	7,513,446	41	7,595,515	42
36XX	Non-controlling Interests	1,370,567	8	1,331,119	7
3XXX	Total equity	<u>8,884,013</u>	<u>49</u>	<u>8,926,634</u>	<u>49</u>
	Total liabilities and equity	<u>\$ 18,263,923</u>	<u>100</u>	<u>\$ 18,251,094</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (Notes IV, XXIV, and XXXI)				
4110	Sales revenue	\$ 12,596,436	100	\$ 13,607,432	100
4170	Sales returns	13,463	-	21,270	-
4190	Sales discounts and allowances	<u>6,648</u>	<u>-</u>	<u>8,905</u>	<u>-</u>
4000	Total operating revenue	12,576,325	100	13,577,257	100
5000	Operating costs (Notes IV, XI, XXV, and XXXI)	<u>7,031,430</u>	<u>56</u>	<u>7,567,572</u>	<u>55</u>
5900	Gross profit	5,544,895	44	6,009,685	45
5910	Realized gains from sales of associates	<u>30,389</u>	<u>-</u>	<u>29,006</u>	<u>-</u>
5950	Realized gross profit	<u>5,575,284</u>	<u>44</u>	<u>6,038,691</u>	<u>45</u>
	Operating expenses (Notes IV, X, XXV, and XXXI)				
6100	Selling and marketing expenses	2,741,965	22	2,731,571	20
6200	General and administrative expenses	1,588,315	12	1,845,053	14
6450	Expected credit losses (gains)	<u>22,522</u>	<u>-</u>	<u>(6,626)</u>	<u>-</u>
6000	Total operating expenses	<u>4,352,802</u>	<u>34</u>	<u>4,569,998</u>	<u>34</u>
6900	Net operating income	<u>1,222,482</u>	<u>10</u>	<u>1,468,693</u>	<u>11</u>
	Non-operating income and expenses (Notes IV, VII, XIII, XXV, and XXXI)				
7100	Interest income	164,310	1	146,093	1
7190	Other income	179,967	2	156,703	1

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Code		2022		2021	
		Amount	%	Amount	%
7590	Other gains and losses	42,218	-	58,640	-
7050	Finance costs	(71,964)	(1)	(45,385)	-
7060	Share of profit or loss associates accounted for using the equity method	<u>273,185</u>	<u>2</u>	<u>235,655</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>587,716</u>	<u>4</u>	<u>551,706</u>	<u>4</u>
7900	Net income before tax	1,810,198	14	2,020,399	15
7950	Income tax expense (Notes IV and XXVI)	<u>388,571</u>	<u>3</u>	<u>494,168</u>	<u>4</u>
8200	Net income	<u>1,421,627</u>	<u>11</u>	<u>1,526,231</u>	<u>11</u>
	Other comprehensive income				
8310	Components that will not be reclassified to profit or loss (Notes IV, XXII, and XXVI)				
8311	Gains (losses) on re-measurements of defined benefit plans	23,357	-	(27,020)	-
8320	Share of other comprehensive income of associates accounted for using the equity method	(193,793)	(1)	13,121	-
8349	Income tax related to components that will not be reclassified to profit or loss	(<u>4,671</u>)	<u>-</u>	<u>5,404</u>	<u>-</u>
		(<u>175,107</u>)	(<u>1</u>)	(<u>8,495</u>)	<u>-</u>
8360	Components that may be reclassified to profit or loss (Notes IV)				
8361	Exchange differences on translation of financial statements of foreign operations	135,027	1	(71,528)	-
8370	Share of other comprehensive income of associates accounted for using the equity method	<u>8,983</u>	<u>-</u>	(<u>4,533</u>)	<u>-</u>
		<u>144,010</u>	<u>1</u>	(<u>76,061</u>)	<u>-</u>

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Code		2022		2021	
		Amount	%	Amount	%
8300	Other comprehensive income, net	(31,097)	-	(84,556)	-
8500	Total comprehensive income	<u>\$ 1,390,530</u>	<u>11</u>	<u>\$ 1,441,675</u>	<u>11</u>
	Net Income Attributable to:				
8610	Owners of the Company	\$ 1,309,368	10	\$ 1,391,539	10
8620	Non-controlling Interests	<u>112,259</u>	<u>1</u>	<u>134,692</u>	<u>1</u>
8600		<u>\$ 1,421,627</u>	<u>11</u>	<u>\$ 1,526,231</u>	<u>11</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 1,263,976	10	\$ 1,315,711	10
8720	Non-controlling Interests	<u>126,554</u>	<u>1</u>	<u>125,964</u>	<u>1</u>
8700		<u>\$ 1,390,530</u>	<u>11</u>	<u>\$ 1,441,675</u>	<u>11</u>
	Earnings per share (Note XXVII)				
9710	Basic	<u>\$ 5.82</u>		<u>\$ 6.19</u>	
9810	Diluted	<u>\$ 5.82</u>		<u>\$ 6.18</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		Retained earnings					Other equity		Treasury shares	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
		Capital Stock	Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income				
A1	Balance as of January 1, 2021	\$ 2,362,025	\$ 1,941,799	\$ 1,731,715	\$ 852,220	\$ 1,504,059	(\$ 614,633)	\$ 643,330	(\$ 791,826)	\$ 7,628,689	\$ 1,295,458	\$ 8,924,147
	Appropriation and distribution of earnings for 2020:											
B1	Legal reserve	-	-	148,431	-	(148,431)	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	(1,346,355)	-	-	-	(1,346,355)	-	(1,346,355)
C15	Cash dividends appropriated from capital surplus	-	(70,860)	-	-	-	-	-	-	(70,860)	-	(70,860)
D1	Net income in 2021	-	-	-	-	1,391,539	-	-	-	1,391,539	134,692	1,526,231
D3	Other comprehensive income after tax in 2021	-	-	-	-	(20,889)	(67,542)	12,603	-	(75,828)	(8,728)	(84,556)
D5	Total comprehensive income in 2021	-	-	-	-	1,370,650	(67,542)	12,603	-	1,315,711	125,964	1,441,675
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330	6,651	74,981
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(96,954)	(96,954)
Z1	Balance as of December 31, 2021	\$ 2,362,025	\$ 1,939,269	\$ 1,880,146	\$ 852,220	\$ 1,379,923	(\$ 682,175)	\$ 655,933	(\$ 791,826)	\$ 7,595,515	\$ 1,331,119	\$ 8,926,634
	Appropriation and distribution of earnings for 2021:											
B1	Legal reserve	-	-	148,431	-	(148,431)	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	(1,346,355)	-	-	-	(1,346,355)	-	(1,346,355)
C15	Cash dividends appropriated from capital surplus	-	(70,860)	-	-	-	-	-	-	(70,860)	-	(70,860)
C17	Dividends not claimed by shareholders by the given deadline	-	-	-	-	-	-	-	-	-	-	-
D1	Net income in 2022	-	-	-	-	1,391,539	-	-	-	1,391,539	134,692	1,526,231
D3	Other comprehensive income after tax in 2022	-	-	-	-	(20,889)	(67,542)	12,603	-	(75,828)	(8,728)	(84,556)
D5	Total comprehensive income in 2022	-	-	-	-	1,370,650	(67,542)	12,603	-	1,315,711	125,964	1,441,675
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330	6,651	74,981
M5	Difference between the price from acquiring or disposing of shares held in subsidiaries and their book value	-	-	-	-	-	-	-	-	-	(96,954)	(96,954)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	148,431	-	(148,431)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	2,362,025	1,939,269	1,880,146	852,220	1,379,923	(682,175)	655,933	(791,826)	7,595,515	1,331,119	8,926,634
Z1	Balance as of December 31, 2022											

The accompanying notes are an integral part of the Consolidated Financial Statements.
General Manager: Chou Ming-Chung

Chairman: Yuan Hui-Hua

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A00010	Net income before tax	\$ 1,810,198	\$ 2,020,399
A20010	Adjustments:		
A20100	Depreciation expenses	838,539	839,990
A20200	Amortization expenses	23,983	21,443
A20300	Expected credit losses(reversal)	22,522	(6,626)
A20400	Net gain on financial assets at fair value through profit or loss	(33,696)	(71,093)
A20900	Finance costs	71,964	45,385
A21200	Interest income	(164,310)	(146,093)
A22300	Share of profit of associates accounted for using the equity method	(273,185)	(235,655)
A22500	Loss on disposal of property, plant, and equipment	2,673	753
A22700	Gain on disposal of investment property	-	(13,124)
A22800	Losses from disposal of intangible assets	235	-
A23900	Realized gains from associates	(30,389)	(29,006)
A29900	Gains on lease modifications	(778)	(880)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	(8,269)	(6,597)
A31150	Accounts receivable	94,908	164,277
A31160	Accounts receivable - related parties	(57,069)	(16,197)
A31180	Other receivables	139,941	(32,935)
A31200	Inventories	(389,258)	(442,571)
A31240	Other current assets	(36,795)	1,386
A31125	Contract assets	(37,318)	(63,886)
A32150	Accounts payable	(334,772)	(41,099)
A32160	Accounts payable - related parties	1,018	(416)
A32180	Other payables	(168,972)	41,295
A32230	Other current liabilities	(67,397)	(483)
A32240	Net defined benefit liabilities	(<u>23,247</u>)	(<u>21,054</u>)
A33000	Cash generated from operations	1,380,526	2,007,213
A33300	Interest paid	(71,705)	(59,639)
A33500	Income tax paid	(<u>509,157</u>)	(<u>373,647</u>)
AAAA	Net cash flows generated from operating activities	<u>799,664</u>	<u>1,573,927</u>

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Code		2022	2021
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(18,339)	(2,425,276)
B00100	Acquisition of financial assets at fair value through profit or loss	(7,000,055)	(14,026,702)
B00200	Disposal of financial assets at fair value through profit or loss	7,046,448	14,098,565
B02700	Acquisition of property, plant, and equipment	(456,678)	(603,874)
B02800	Proceeds from disposal of property, plant, and equipment	2,745	1,737
B03700	Increase in refundable deposits	(13,588)	(1,796)
B04500	Acquisition of intangible assets	(19,364)	(37,807)
B04600	Value/amount from disposal of intangible assets	29	-
B05500	Disposal of investment property	-	15,664
B06800	(Increase)Decrease in other non-current assets	(54,818)	9,553
B07500	Interest received	118,168	145,179
B07600	Dividends received	<u>224,755</u>	<u>236,424</u>
BBBB	Net cash flows used in investing activities	(<u>170,697</u>)	(<u>2,588,333</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	735,192
C00200	Decrease in short-term loans	(1,847,812)	-
C00500	Increase in short-term notes and bills payable	1,049,579	-
C00600	Decrease in short-term notes and bills payable	-	(319,651)
C01600	Application for long-term borrowings	1,422,734	-
C01700	Repayments of long-term loans	-	(210,000)
C03100	Decrease in guarantee deposits received	(5,674)	(17,869)
C04020	Repayment of the principal portion of lease liabilities	(401,495)	(398,767)
C04500	Cash dividends paid	(1,438,628)	(1,439,188)
C05800	Changes in non-controlling interests	<u>3,699</u>	<u>-</u>
CCCC	Net cash flows used in financing activities	(<u>1,217,597</u>)	(<u>1,650,283</u>)
DDDD	Effects of exchange rate changes on the balance of cash held in cash and cash equivalents	<u>114,760</u>	(<u>85,583</u>)
EEEE	Net decrease in cash and cash equivalents	(473,870)	(2,750,272)
E00100	Cash and cash equivalents at beginning of period	<u>2,693,853</u>	<u>5,444,125</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 2,219,983</u>	<u>\$ 2,693,853</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2022 and 2021

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

1. Company History

Aurora Corporation (the Company; the Company and entities controlled by the Company collectively referred to as the "Group") was founded in Taipei in October 1965. The main businesses of the Company include the trade, lease, and repair of Multi-Functional Photocopiers (MFPs) and computer equipment and the sales of system furniture.

The Company's shares have been listed on the Taiwan Stock Exchange since August 1991.

The Consolidated Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

2. Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

The Consolidated Financial Statements have been approved by the Board of Directors on March 13, 2023.

3. Application of New and Amended Standards and Interpretations

- a. Initial application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

The application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC should not result in major changes in the accounting policies of the Group.

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

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

Note 1. The amendment is applicable during the annual reporting period that begins after January 1, 2023.

Note 2. The amendment is applicable to changes to accounting estimates and the accounting policy that occur during the annual reporting period that begins after January 1, 2023.

Note 3. Except for the deferred income tax recognized of the temporary differences of lease and decommissioning obligations on January 1, 2022, the said amendment applies to transactions that occurred after January 1, 2022.

1. Amendment to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendment clarifies that transactions of the same value generated and subject to taxation and for which temporary differences may be eliminated when initially recognized are not applicable under the waiver requirement initially recognized in IAS 12. The Group would recognize deferred income tax assets and deferred income tax liabilities of all temporary differences relevant to leases that may be eliminated and are subject to taxation on January 1, 2022 and adjust the cumulative effects to be recognized as initial balance of retained earnings on that date. Transactions other than leases, on the other hand, would be deferred in applying the said amendment on January 1, 2022 onwards. The comparison period information shall be edited again upon initial application of the said amendment by the Group.

The impact in 2022 upon initial application of the said amendment are expected to be as follows:

	Book amount	Adjustments applicable for the first time	Post-adjustment book amount
Impact of assets, liabilities and equities <u>December 31, 2022</u>			
Deferred income tax assets	\$ <u>3,357</u>	\$ <u>108,354</u>	\$ <u>111,711</u>
Deferred income tax liabilities	\$ <u>-</u>	\$ <u>108,354</u>	\$ <u>108,354</u>
Impact on equity	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Except for the impact mentioned above, as of the date the consolidated financial reports were approved and released, the Consolidated Company had evaluated and determined that the amendments made to other standards and their interpretations will not significantly impact the financial standing and financial performance.

c. Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB (Note 1)</u>
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 Liabilities for Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023

Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1 “Non-current liabilities with contract terms and conditions”	January 1, 2024

Note 1. Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2. The seller and lessee shall retroactively apply the amendments to IFRS 16 for sale and leaseback transactions signed after the initial date of application of IFRS 16.

As of the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. **Summary of Significant Accounting Policies**

a. Compliance declaration

The Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

b. Preparation basis

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurement is classified into three levels based on the observability and importance of related input:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. deduced from prices).
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Standards for assets and liabilities classified as current and non-current

Current assets include:

- 1) Assets held primarily for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes;

- 2) Liabilities with settlement within 12 months after the balance sheet date; and
- 3) Liabilities with a repayment schedule that cannot be unconditionally deferred till at least 12 months after the publication of the balance sheet.

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

d. Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries). The Consolidated Statements of Comprehensive Income include the operating income/loss of the acquired or disposed subsidiaries from the date of acquisition to the date of disposal in the current period. The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. All intergroup transactions, balances, income and expenses are eliminated in full upon consolidation. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become having deficit balances in the process.

Please refer to Notes XII and XXXVI (Tables 6 and 7) for details, shareholding ratio, and business activities of subsidiaries.

e. Foreign currencies

In the preparation of each individual financial statements, transactions denominated in a currency other than the entity's functional currency (i.e., foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year 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 was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are 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 re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income (and are attributable to owners of the Company and non-controlling interests respectively).

On the disposal of the entire interest in the foreign operation, or when the retained interests upon the disposal of foreign operation's joint venture are financial assets and accounted for using the accounting policies for financial instruments, all of the accumulated exchange differences attributable to owners of the Company and associated with the foreign operation are reclassified to profit or loss.

f. Inventories

Inventories comprise office automation products, office supplies, computer equipment, system furniture, raw materials, and work in process. Inventory costs are calculated using the weighted average method. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

g. Investments in associates

An associate is an entity over which the Group has significant influence other than a subsidiary or a joint venture.

The Group accounts for investments in associates by using the equity method.

Under the equity method, investments are initially treated at cost and adjusted thereafter for the post-acquisition change in the Group's interest in profit or loss, share in other comprehensive income, and profits of associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, and liabilities of associates recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and may not be amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized as profit or loss in the current year.

When associates issue new shares and the Group does not subscribe to such shares to the extent that its original shareholding ratio can be changed, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates accounted for using the equity method and other investments accounted for using the equity method. If the amount of ownership interests in associates is not subscribed for or obtained in proportion to the shareholding ratio, the amount of the related assets or liabilities shall be recognized in other comprehensive income. The basis of the accounting treatment is the same as that of the associates. The difference in the balance of the capital reserve accounted for using the equity method shall be recognized in retained earnings.

To assess impairment, the Group has to consider the overall carrying amount (including goodwill) of the investment as a single asset to compare the recoverable and carrying amounts. The cost of impairment identified is to be deemed as part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

Profits and losses in upstream, downstream and side-stream transactions between the Group and associates and between the Group are recognized in the consolidated financial statements only when the profits and losses are irrelevant to the Group's interests in the associates.

h. Property, plant, and equipment

Property, plant, and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation.

Each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Investment property

Investment property is real estate held for rent or capital appreciation or both.

Investment property owned by the Group is measured initially at cost (including transaction costs) and subsequently at cost less accumulated depreciation. Depreciation is recognized on a straight-line basis.

j. Goodwill

The value of goodwill received through business combinations has to be shown as the amount of goodwill recognized on the acquisition date and subsequently evaluated as cost less accumulated impairment loss.

To evaluate impairment, goodwill is distributed among various cash-generating units or cash-generating unit groups ("cash-generating units") which the Group expects to benefit by business combinations.

The cash-generating units that are allocated goodwill will compare the unit's carrying amount and its recoverable amount including goodwill every year (and whenever there are signs of impairment) to evaluate the impairment of the unit. If the goodwill is obtained by the cash-generating units through a business combination in the current year, an impairment test is to be conducted prior to the end of the current year. If the recoverable amount of the cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units 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. Impairment loss is considered as loss in the current year. The impairment loss of goodwill shall not be reversed in subsequent periods.

k. Intangible assets

1) Separate acquisition

Intangible assets with a limited useful life will be evaluated initially at cost and subsequently at cost less accumulated amortization. Intangible assets will be amortized using the straight-line method within the useful life. The Group will review the estimated useful life, residual value, and depreciation methods at the end of each year at least once a year to deduce the effect of the changes in accounting estimates.

2) Derecognition

When intangible assets are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss of the current year.

l. Impairment of property, plant, and equipment as well as right-of-use assets, investment property, and intangible assets (excluding goodwill)

On each balance sheet date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets, investment property and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall

be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not exceed the carrying amount (minus amortization or depreciation) of the asset or of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Financial instruments

Financial assets and liabilities will be recognized in the consolidated balance sheets when the Group becomes a party to the contract of the financial instrument.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Types of measurement

Financial assets held by the Group are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

i. Financial assets 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 as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated by the Group to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value; any re-measurement profit or loss (including any dividends or interests derived from such financial assets) is recognized in profit or loss. Please refer to Note XXX for the methods for determining fair values.

ii. Financial assets at amortized cost

When the Group's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets at amortized cost:

- i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to gross carrying amount

determined by the effective rate method less any impairment loss. Any foreign exchange gains or losses, on the other hand, are recognized under gains or losses.

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

- i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate times the amortized cost of the financial assets.
- ii) For financial assets that are not acquired or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by applying the effective interest rate times the amortized cost balance of such financial assets from the next reporting period after the impairment.

Cash equivalents include time deposits within three months from the acquisition date and with high liquidity and relatively low price changes convertible to cash any time. They are used for meeting short-term cash commitments.

- iii. Investments in equity instruments at fair value through other comprehensive income

The Group may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

- b) Impairment of financial assets

The impairment loss of financial assets at amortized cost is measured by the Group on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that there is internal or external information indicating that the debtor cannot settle the debt, which represents that the financial assets have breached the contract.

The impairment loss of all financial assets is reduced based on the allowance account.

c) Derecognition of financial assets

The Group derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Group transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive income, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Financial liabilities

a) Subsequent measurement

Financial liabilities are assessed at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

n. Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

1) Sales revenue of commodities

Sales revenue of commodities comes from the sale of Multi-Functional Photocopiers (MFPs) and fax machines. When MFPs and fax machines are shipped to the locations designated by the customers, the customers have already obtained the rights to establish the price and usage of the commodities and are primarily liable for the resale of the commodities. The customers shall undertake the related obsolescence risk and the Group will recognize revenue and accounts receivable at that time. The expected payments to be collected from the sale of commodities are recognized as contract liabilities before customers use the said amusement tickets.

2) Service revenue

Service revenue is derived from the maintenance services of the equipment. Relevant revenue is recognized when services are rendered.

o. Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

1) Where the Group is a lessor:

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight line basis over the lease term.

2) Where the Group is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. The right-of-use assets are separately expressed in the consolidated balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments; in-substance fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of a purchase option when it is reasonably certain to exercise the option; and penalties for terminating the lease reflected in the lease term; less any lease incentives receivable). If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. If the assessments on lease terms, amounts expected to be paid under residual value guarantees and purchase option of the underlying assets; or changes in the index or rate which determines the lease payments result in changes in future lease payments, the Group would remeasure the lease liabilities with a corresponding adjustment on the right-of-use assets. However, if the carrying amount of right-of-use assets has been 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 presented separately in the consolidated balance sheets.

p. Benefits after retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current and previous periods) and the net interest of the net defined benefit liabilities are recognized as

employee benefit expenses. The remeasurement amount (including actuarial gains and losses (assets) and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs or when the plan is revised or reduced. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income Tax

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

1) Income tax in the current year

The current income tax payable is calculated based on the taxable income in the current year. A portion of the income and expenses is taxable or deductible in other periods or is not taxable or deductible under the relevant tax laws. Therefore, the taxable income differs from the net income reported in the consolidated statements of comprehensive income. The Group's current income tax liabilities are based on the statutory tax rate on the balance sheet date.

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable (recoverable) accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

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 income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely taxable income for the deducting temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment and equity, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that 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.

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 tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

Current income tax and deferred income tax are recognized in profit or loss except for those related to items recognized in other comprehensive income that shall be recognized in other comprehensive income.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Group 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 these estimates.

The Group has taken into consideration the recent development of the COVID-19 outbreak in Taiwan and its possible impact on the economic environment, and the management will constantly review its estimates and basic assumptions as part of its consideration of cash flow projections, growth rates, discount rates, profitability and other related significant accounting estimates. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment and future periods.

After reviewing the accounting policies, estimates, and assumptions adopted by the Group, the management found no material uncertainties.

6. Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and working capital	\$ 3,325	\$ 3,350
Checks and demand deposits in banks	2,216,658	1,343,863
Cash equivalents		
Time deposits with original maturity date within 3 months	-	1,346,640
	<u>\$ 2,219,983</u>	<u>\$ 2,693,853</u>

Interest rate ranges for time deposits with original maturity date within 3 months as of December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
RMB	-	1.8%~2.1%

7. Financial Instruments at Fair Value through Profit or Loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets - current</u>		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
— Fund beneficiary certificates	<u>\$ 63,953</u>	<u>\$ 76,650</u>

- a. For the years ended December 31, 2022 and 2021, net income from financial assets at fair value through profit or loss were and NT\$33,696 thousand and NT\$71,093 thousand, respectively.
- b. For securities held by the Group as of December 31, 2022, please refer to Note XXXVI (Table 2).

8. Financial Assets at Amortized Cost - Current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits with original maturity over 3 months	<u>\$ 4,316,941</u>	<u>\$ 4,298,602</u>

Interest rate ranges for time deposits with original maturity over 3 months December 31, 2022 and 2021 as of are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
RMB	2.68% ~ 4.18%	2.63% ~ 4.18%

For securities held by the Group as of December 31, 2022, please refer to Note XXXVI (Table 2).

9. Other Financial Assets - Non-current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Restricted bank deposits	<u>\$ 42,432</u>	<u>\$ 44,407</u>

10. Notes Receivables, Accounts Receivables, and Other Receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 205,586	\$ 197,317
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 205,586</u>	<u>\$ 197,317</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,097,136	\$ 1,171,039
Less: loss allowance	(<u>47,404</u>)	(<u>24,510</u>)
	<u>\$ 1,049,732</u>	<u>\$ 1,146,529</u>
<u>Accounts receivable - related parties</u>		
Measured at amortized cost		
Total carrying amount	\$ 154,855	\$ 118,885
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 154,855</u>	<u>\$ 118,885</u>

Other receivables

Related parties	\$ 10,648	\$ 37,098
Interest receivable	73	586
Rent collected	-	65,138
Others	<u>38,859</u>	<u>40,557</u>
	<u>\$ 49,580</u>	<u>\$ 143,379</u>

Overdue receivables

Overdue receivables	\$ 10,008	\$ 21,882
Less: loss allowance	(<u>10,008</u>)	(<u>21,882</u>)
	<u>\$ -</u>	<u>\$ -</u>

Accounts receivable

The Group's credit period for commodity sales averages 60~90 days. To minimize credit risk, the management of the Group has delegated a team responsible for taking other monitoring measures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are made for possible irrecoverable amounts. As such, the Group's management concludes that the credit risk has been significantly reduced.

The Group adopts the simplified approach as stipulated in IFRS 9 and recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The lifetime expected credit losses are calculated based on a provision matrix that takes into account the default history and current financial position of customers, as well as the GDP forecast. Due to the historical experience of credit losses of the Group, there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of accounts receivable.

The Group writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

Loss allowances for accounts receivable based on the provision matrix are as follows:

December 31, 2022

	<u>Not Past Due</u>	<u>1 to 90 Days Past Due</u>	<u>More than 91 Days Past Due</u>	<u>Total</u>
Expected credit loss rate	0.60%~3.03%	1.00%~94.78%	10.33%~100%	
Total carrying amount	\$ 807,456	\$ 206,372	\$ 83,308	\$ 1,097,136
Allowance for loss (expected credit losses during the period)	(<u>7,036</u>)	(<u>30,702</u>)	(<u>9,666</u>)	(<u>47,404</u>)
Amortized cost	<u>\$ 800,420</u>	<u>\$ 175,670</u>	<u>\$ 73,642</u>	<u>\$ 1,049,732</u>

December 31, 2021

	<u>Not Past Due</u>	<u>1 to 90 Days Past Due</u>	<u>More than 91 Days Past Due</u>	<u>Total</u>
Expected credit loss rate	0.00%~1.69%	4.67%~78.75%	20.07%~100%	
Total carrying amount	\$ 967,735	\$ 134,101	\$ 69,203	\$ 1,171,039
Allowance for loss (expected credit losses during the period)	(5,483)	(3,171)	(15,856)	(24,510)
Amortized cost	<u>\$ 962,252</u>	<u>\$ 130,930</u>	<u>\$ 53,347</u>	<u>\$ 1,146,529</u>

Changes in loss allowances for receivables (accounts receivable and overdue receivables) are as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 46,392	\$ 54,151
Add (Less): (Reversal of) Impairment loss in the current period	22,522	(6,626)
Less: Write-off in the current year	(11,968)	(798)
Exchange difference	<u>466</u>	(<u>335</u>)
Ending balance	<u>\$ 57,412</u>	<u>\$ 46,392</u>

11. Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commodities		
Office automation products, office supplies, and computer equipment	\$ 1,173,758	\$ 956,271
System furniture	474,565	491,027
Raw materials	120,393	157,000
Work in process	22,219	25,661
Goods in Transit	<u>5,579</u>	<u>24,062</u>
	<u>\$ 1,796,514</u>	<u>\$ 1,654,021</u>

The costs of goods sold related to inventories for the years ended December 31, 2022 and 2021 were NT\$6,795,219 thousand and NT\$7,373,527 thousand, respectively. Operating costs, including inventory write-down, for the years ended December 31, 2022 and 2021 were NT\$10,417 thousand and NT\$11,401 thousand, respectively.

12. Subsidiaries

- a. Subsidiaries included in the consolidated financial statements

The entities involved in the preparation of the Consolidated Financial Statements are listed as follows:

Percentage of Ownership

Name of Investor	Name of Subsidiary	Place of Establishment	December 31, 2022	December 31, 2021	Main Business Activities	Functional Currency
The Company	Aurora (Bermuda) Investment Ltd. (Aurora (Bermuda))	Bermuda	88.04%	88.04%	A holding company. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora Office Automation Corporation (Aurora Office Automation)	Taiwan	91.13%	91.13%	Import/export and wholesale of Multi-Functional Photocopiers (MFPs). The main operating risks are exchange rate risks.	NTD
	General Integration Technology Co., Ltd. (General Integration)	Taiwan	55.00%	55.00%	Manufacturing of molds and machinery and wholesale of precision instruments. The main operating risks are exchange rate risks.	NTD
	KM Developing Solutions Co., Ltd. (KM Developing)	Taiwan	70.00%	70.00%	Wholesale and retail of information software, computer equipment, and Multi-Functional Photocopiers (MFPs). The main operating risks are exchange rate risks.	NTD
	Aurora Machinery Equipment (Shanghai) Co., Ltd. (Aurora Machinery Equipment) (Notes 1)	Mainland China	70.00%	70.00%	Wholesale of mechanical and electronic equipment, ICT equipment, and computer hardware and software. The main operating risks are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Ever Young Biodimension Corporation (Ever Young Biodimension) (Note 2)	Taiwan	26.00%	26.00%	Wholesale of precision instruments. The main operating risks are interest risks.	NTD
General Integration	Ever Young Biodimension (Note 2)	Taiwan	25.00%	25.00%	Wholesale of precision instruments. The main operating risks are interest risks.	NTD
	Aurora Machinery Equipment (Note 1)	Mainland China	30.00%	30.00%	Wholesale of mechanical and electronic equipment, ICT equipment, and computer hardware and software. The main operating risks are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
Aurora (Bermuda)	Aurora (China) Investment Co., Ltd. (Aurora (China) Investment)	Mainland China	100.00%	100.00%	A holding company. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB

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Name of Investor	Name of Subsidiary	Place of Establishment	Percentage of Ownership		Main Business Activities	Functional Currency
			December 31, 2022	December 31, 2021		
Aurora (China) Investment	Aurora Office Equipment Co., Ltd. (Shanghai) (Aurora Office Equipment)	Mainland China	100.00%	100.00%	Manufacturing and sales of Multi Functional Photocopiers (MFPs). The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora (China) Co., Ltd. (Aurora (China))	Mainland China	100.00%	100.00%	Manufacture and sales of office furniture.. The main operating risks are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora (Jiang Su) Enterprise Development Co., Ltd. (Aurora (Jiang Su)) (Note 3)	Mainland China	50.00%	50.00%	A holding company and property lease. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
Aurora (China)	Aurora Office Automation Sales Co., Ltd. Shanghai	Mainland China	100.00%	100.00%	Sales, lease, and agency of Aurora brand products. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora (Shanghai) Cloud Technology Co., Ltd. (Aurora Cloud) (Note 4)	Mainland China	100.00%	70.00%	Sale and consulting service of printing and office equipment and furniture and consulting service. The main operating risks are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora Home Furniture Co., Ltd. (Aurora Home)	Mainland China	100.00%	100.00%	Manufacturing and sales of furniture. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora (Shanghai) Electronic Commerce Co., Ltd. (Aurora Electronic Commerce) (Note 5)	Mainland China	70.00%	70.00%	E-commerce platform sales. The main operating risks are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB
	Aurora (Jiang Su) Enterprise Development Co., Ltd. (Aurora (Jiang Su)) (Note 3)	Mainland China	50.00%	50.00%	A holding company and property lease. The main operating risks of Aurora (Bermuda) and its subsidiaries are political risks and exchange rate risks arising from government orders and cross-strait movements.	RMB

- Note 1. The financial statements of Aurora Machinery Equipment were not audited by the CPAs; however, the management of the Group believed that this fact would not cause any significant difference.
- Note 2. The Company's shareholding in Ever Young Biodimension is 26%, and General Integration holds 25% of Ever Young Biodimension's shares, totaling over 50% of the voting rights of Ever Young Biodimension. As the Group has control over Ever Young Biodimension, it is classified as a subsidiary.
- Note 3. In June 2019, Aurora (China) Investment invested RMB200,000 thousand in establishing 100%-owned Aurora (Jiang Su). In December 2022, Aurora (China) Co., Ltd. increased the capital of Aurora (Jiang Su) by RMB100,000 thousand. As of December 2022, the paid-in capital of Aurora (Jiang Su) was RMB300,000.
- Note 4. Aurora China acquired 30% of non-controlling interests in Aurora Cloud with CNY678 thousand (NTD3,012 thousand) in June 2022 and had held 100% of its shares as of December 31, 2022. The \$1,219 thousand as the difference between the transfer consideration and the net worth of acquired equities is recognized under capital reserve - difference between the stock options in subsidiaries actually obtained or disposed of and the book value.
- Note 5. Aurora (China) E-commerce Co., Ltd. increased its capital size by RMB5,000 thousand (NTD22,295 thousand) in September 2022, including RMB 3,500 from Aurora (China) Co., Ltd. and RMB 1,500 from Aurora International Building (Shanghai) Co., Ltd. As of December 31, 2022, the paid-in capital size of Aurora

(Shanghai) E-commerce Co, Ltd. after the capital increase had come to RMB 10,000 thousand.

Please refer to Note XXXVI (Tables 6 and 7) for information on the main business premises and countries of registration.

- b. Subsidiaries not included in the consolidated financial statements: None.
c. Information on subsidiaries with material non-controlling interests

Name of Subsidiary	Percentage of Shares and Voting Rights Held by Non-controlling Interests	
	December 31, 2022	December 31, 2021
Aurora (Bermuda) and its subsidiaries	11.96%	11.96%
Aurora Office Automation	8.87%	8.87%

Name of Subsidiary	Profit or Loss Allocated to Non-controlling Interests		Non-controlling Interests	
	2022	2021	December 31, 2022	December 31, 2021
Aurora (Bermuda) and its subsidiaries (excluding non-controlling interests of its subsidiaries)	\$ 79,038	\$ 96,878	\$1,049,721	\$1,011,659
Aurora Office Automation	26,018	24,945	192,561	204,353

The summarized financial information of the following subsidiaries is prepared according to the amount before the write-off of intercompany transactions:

Aurora (Bermuda) and its subsidiaries

	December 31, 2022	December 31, 2021
Current Assets	\$ 8,602,884	\$ 8,911,543
Non-current assets	2,743,931	2,221,909
Current Liabilities	(2,009,069)	(2,370,661)
Non-current liabilities	(550,365)	(297,098)
Equity	<u>\$ 8,787,381</u>	<u>\$ 8,465,693</u>
Equity attributable to:		
Owners of the Company	\$ 7,727,207	\$ 7,447,029
Non-controlling interests of Aurora (Bermuda)	1,049,721	1,011,659
Non-controlling interests of Aurora (Bermuda)'s subsidiaries	<u>10,453</u>	<u>7,005</u>
	<u>\$ 8,787,381</u>	<u>\$ 8,465,693</u>

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	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 8,180,807</u>	<u>\$ 9,236,222</u>
Net income	\$ 661,955	\$ 812,383
Other comprehensive income	<u>124,680</u>	<u>(66,253)</u>
Total comprehensive income	<u>\$ 786,635</u>	<u>\$ 746,130</u>
Net Income Attributable to:		
Owners of the Company	\$ 581,815	\$ 713,142
Non-controlling interests of Aurora (Bermuda)	79,038	96,878
Non-controlling interests of Aurora (Bermuda)'s subsidiaries	<u>1,102</u>	<u>2,363</u>
	<u>\$ 661,955</u>	<u>\$ 812,383</u>
	<u>2022</u>	<u>2021</u>
Owners of the Company	\$ 691,555	\$ 654,842
Non-controlling interests of Aurora (Bermuda)	93,946	88,958
Non-controlling interests of Aurora (Bermuda)'s subsidiaries	<u>1,134</u>	<u>2,330</u>
	<u>\$ 786,635</u>	<u>\$ 746,130</u>
Cash flows from:		
Operating activities	\$ 278,764	\$ 949,427
Investing activities	(234,304)	(2,824,764)
Financing activities	<u>(570,403)</u>	<u>(806,070)</u>
Net cash flows used	<u>(\$ 525,943)</u>	<u>(\$ 2,681,407)</u>
Dividends paid to non-controlling interests		
Aurora (Bermuda)	<u>\$ 56,050</u>	<u>\$ 60,210</u>

Aurora Office Automation

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current Assets	\$ 543,816	\$ 523,251
Non-current assets	2,556,709	2,678,622
Current Liabilities	(446,948)	(318,830)
Non-current liabilities	(482,653)	(579,172)
Equity	<u>\$ 2,170,924</u>	<u>\$ 2,303,871</u>
Equity attributable to:		
Owners of the Company	\$ 1,978,363	\$ 2,099,518
Non-controlling interests of Aurora Office Automation	<u>192,561</u>	<u>204,353</u>
	<u>\$ 2,170,924</u>	<u>\$ 2,303,871</u>
	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 851,627</u>	<u>\$ 824,968</u>
Net income	\$ 293,330	\$ 281,230
Other comprehensive income	<u>140,240</u>	<u>3,201</u>
Total comprehensive income	<u>\$ 433,570</u>	<u>\$ 284,431</u>
Net Income Attributable to:		
Owners of the Company	\$ 267,312	\$ 256,285
Non-controlling interests of Aurora Office Automation	<u>26,018</u>	<u>24,945</u>
	<u>\$ 293,330</u>	<u>\$ 281,230</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 395,112	\$ 259,202
Non-controlling interests of Aurora Office Automation	<u>38,458</u>	<u>25,229</u>
	<u>\$ 433,570</u>	<u>\$ 284,431</u>
Cash flows from:		
Operating activities	\$ 196,819	\$ 142,905
Investing activities	108,807	110,996
Financing activities	(224,767)	(295,099)
Net cash inflows (outflows)	<u>\$ 80,859</u>	<u>(\$ 41,198)</u>
Dividends paid to non-controlling interests		
Aurora Office Automation	<u>\$ 24,037</u>	<u>\$ 28,044</u>

13. Investments Accounted for Using the Equity Method

a. Investments in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Significant associates</u>		
Listed companies		
Huxen Corporation	\$ 1,740,573	\$ 1,819,165
<u>Individually insignificant associates</u>		
Unlisted companies		
Aurora Development Corp.	468,162	494,848
Huxen (China) Co., Ltd.	686,077	653,893
Aurora Telecom Co., Ltd.	194,440	214,064
Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.	<u>3,253</u>	<u>6,850</u>
	<u>\$ 3,092,505</u>	<u>\$ 3,188,820</u>

The percentage of ownership, equities, and voting rights of the Group in associates on the balance sheet date are as follows:

<u>Name of Company</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Huxen Corporation	40.26%	40.26%
Aurora Development Corp.	46.67%	46.67%
Huxen (China) Co., Ltd.	30.00%	30.00%
Aurora Telecom Co., Ltd.	30.40%	30.40%
Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.	20.00%	20.00%

Please refer to Note XXXVI (Tables 6 and 7) for the aforementioned associates' nature of business, main business premises, and countries of registration.

The profit or loss and other comprehensive income of investments accounted for using the equity method and the Company's share in these investments were calculated based on the financial statements audited by the CPAs, except for Aurora Telecom Co., Ltd. However, the management of the Group believed that the unaudited financial statements of Aurora Telecom Co., Ltd. would not lead to significant adjustments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

<u>Name of Company</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Huxen Corporation	<u>\$ 2,801,397</u>	<u>\$ 2,984,665</u>

All the aforementioned associates are accounted for using the equity method.

The summary of financial information below is based on individual associates' financial statements prepared in accordance with the IFRSs for which adjustments have been made in the Consolidated Financial Statements due to the use of the equity method.

Huxen Corporation

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current Assets	\$ 1,242,354	\$ 1,252,341
Non-current assets	4,780,558	4,958,409
Current Liabilities	(1,159,863)	(1,284,301)
Non-current liabilities	(907,821)	(700,588)
Equity	<u>\$ 3,955,228</u>	<u>\$ 4,225,861</u>
Percentage of shares held by the Group	40.26%	40.26%
Interests of the Group	\$ 1,592,374	\$ 1,701,332
Unrealized gains (losses) on transactions with investees	(83,536)	(90,038)
Unrealized gains (losses) on transactions between investees	(151,482)	(175,371)
Goodwill	<u>383,217</u>	<u>383,242</u>
Investment carrying amount	<u>\$ 1,740,573</u>	<u>\$ 1,819,165</u>

	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 1,415,637</u>	<u>\$ 1,415,003</u>
Net income	\$ 561,175	\$ 549,456
Other comprehensive income	(326,072)	16,770
Total comprehensive income	<u>\$ 235,103</u>	<u>\$ 566,226</u>
Dividends received from the associate	<u>\$ 203,632</u>	<u>\$ 209,450</u>

Information on individually insignificant associates is summarized below:

	<u>2022</u>	<u>2021</u>
The Group's share of:		
Net income	\$ 47,256	\$ 14,444
Other comprehensive income	(26,114)	(2,989)
Total comprehensive income	<u>\$ 21,142</u>	<u>\$ 11,455</u>

b. Share of profit or loss and other comprehensive income of associates accounted for using the equity method are as:

1) Share of profit (loss) of associates accounted for using the equity method:

	2022		2021	
	Profit or Loss of Investee	Investment Profit or Loss Recognized by the Group	Profit or Loss of Investee	Investment Profit or Loss Recognized by the Group
Huxen Corporation	\$ 561,175	\$ 225,929	\$ 549,456	\$ 221,211
Aurora Development Corp.	102,093	47,970	50,149	23,405
Huxen (China) Co., Ltd.	75,404	22,621	55,707	16,712
Aurora Telecom Co., Ltd.	(64,555)	(19,625)	(63,946)	(19,440)
Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.	(18,550)	(<u>3,710</u>)	(31,163)	(<u>6,233</u>)
		<u>\$ 273,185</u>		<u>\$ 235,655</u>

2) Share of other comprehensive income of associates accounted for using the equity method:

	2022		2021	
	Other Comprehensive Income of Investee	Other Comprehensive Income Recognized by the Group	Other Comprehensive Income of Investee	Other Comprehensive Income Recognized by the Group
Huxen Corporation	(\$ 326,072)	(\$ 131,276)	\$ 16,770	\$ 6,752
Aurora Development Corp.	(114,706)	(53,533)	3,935	1,837
Huxen (China) Co., Ltd.	31,876	<u>9,563</u>	(16,086)	(<u>4,826</u>)
		(<u>\$ 175,246</u>)		<u>\$ 3,763</u>

14. Property, plant, and equipment

	December 31, 2022	December 31, 2021
For self-use	\$ 2,337,334	\$ 2,110,708
Operating lease	<u>425,994</u>	<u>433,212</u>
	<u>\$ 2,763,328</u>	<u>\$ 2,543,920</u>

a. For self-use

	Self-owned Land	Housing and Construction	Machinery	Transportation Equipment	Office Equipment	Construction in Process	Total
<u>Cost</u>							
Balance as of January 1, 2022	\$ 621,068	\$ 1,560,096	\$ 689,824	\$ 33,010	\$ 554,266	\$ 749,099	\$ 4,207,363
Addition	29,387	6,634	25,549	252	18,622	376,234	456,678
Inventories transferred to property, plant, and equipment	-	-	-	-	25,879	-	25,879
Property, plant, and equipment transferred to inventories	-	-	-	-	(21,015)	-	(21,015)
Disposal and obsolescence	-	(6,049)	(17,423)	(611)	(53,055)	-	(77,138)
Re-listed as investment-oriented real estate properties	(77,869)	(4,908)	-	-	-	-	(82,777)
Reclassifications (Note)	-	-	10,405	-	-	-	10,405
Conversion adjustment	-	19,908	9,118	471	5,773	9,853	45,123
Balance as of December 31, 2022	<u>572,586</u>	<u>1,575,681</u>	<u>717,473</u>	<u>33,122</u>	<u>530,470</u>	<u>1,135,186</u>	<u>4,564,518</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2022	-	1,113,690	521,915	27,998	433,052	-	2,096,655
Depreciation expenses	-	74,599	43,779	1,146	74,659	-	194,183
Property, plant, and equipment transferred to inventories	-	-	-	-	(17,717)	-	(17,717)
Disposal and obsolescence	-	(6,049)	(15,409)	(603)	(50,077)	-	(72,138)
Re-listed as investment-oriented real estate properties	-	(467)	-	-	-	-	(467)
Conversion adjustment	-	14,307	7,064	401	4,896	-	26,668
Balance as of December 31, 2022	-	<u>1,196,080</u>	<u>557,349</u>	<u>28,942</u>	<u>444,813</u>	-	<u>2,227,184</u>
Net amount as of December 31, 2022	<u>\$ 572,586</u>	<u>\$ 379,601</u>	<u>\$ 160,124</u>	<u>\$ 4,180</u>	<u>\$ 85,657</u>	<u>\$ 1,135,186</u>	<u>\$ 2,337,334</u>
<u>Cost</u>							
Balance as of January 1, 2021	\$ 621,068	\$ 1,528,719	\$ 665,201	\$ 33,248	\$ 546,985	\$ 445,620	\$ 3,840,841
Addition	-	42,725	24,879	710	30,731	437,245	536,290
Inventories transferred to property, plant, and equipment	-	-	-	-	20,706	-	20,706
Property, plant, and equipment transferred to inventories	-	-	-	-	(9,720)	-	(9,720)
Disposal and obsolescence	-	(4,528)	(4,583)	(1,481)	(33,284)	-	(43,876)
Reclassifications	-	3,093	8,861	781	1,664	(130,676)	(116,277)
Conversion adjustment	-	(9,913)	(4,534)	(248)	(2,816)	(3,090)	(20,601)
Balance as of December 31, 2021	<u>621,068</u>	<u>1,560,096</u>	<u>689,824</u>	<u>33,010</u>	<u>554,266</u>	<u>749,099</u>	<u>4,207,363</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2021	-	1,047,280	483,467	28,421	382,499	-	1,941,667
Depreciation expenses	-	77,842	45,194	1,122	91,511	-	215,669
Property, plant, and equipment transferred to inventories	-	-	-	-	(6,029)	-	(6,029)
Disposal and obsolescence	-	(4,528)	(3,365)	(1,335)	(32,721)	-	(41,949)
Conversion adjustment	-	(6,904)	(3,381)	(210)	(2,208)	-	(12,703)
Balance as of December 31, 2021	-	<u>1,113,690</u>	<u>521,915</u>	<u>27,998</u>	<u>433,052</u>	-	<u>2,096,655</u>
Net amount as of December 31, 2021	<u>\$ 621,068</u>	<u>\$ 446,406</u>	<u>\$ 167,909</u>	<u>\$ 5,012</u>	<u>\$ 121,214</u>	<u>\$ 749,099</u>	<u>\$ 2,110,708</u>

Note: The Group did not re-categorize pre-paid equipment that had been accepted as properties, plants and equipment until August 2022.

No indication of impairment was identified in 2022 and 2021.

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Housing and Construction

Warehouses	20 years
Plants and buildings	20~55 years
Mechanical and electrical engineering	25~30 years
Housing improvements	10~34 years
Machinery	2~16 years
Transportation Equipment	4~5 years
Office Equipment	1~15 year(s)

b. Operating leases - office equipment

	<u>2022</u>	<u>2021</u>
<u>Cost</u>		
Beginning balance	\$ 1,308,300	\$ 1,231,633
Inventories transferred to property, plant, and equipment	240,324	247,726
Property, plant, and equipment transferred to inventories	(88,851)	(74,820)
Disposal and obsolescence	(106,164)	(96,207)
Effect of exchange rate changes	<u>59</u>	<u>(32)</u>
Ending balance	<u>1,353,668</u>	<u>1,308,300</u>
<u>Accumulated depreciation</u>		
Beginning balance	875,088	815,066
Depreciation expenses	230,991	217,974
Property, plant, and equipment transferred to inventories	(72,711)	(62,278)
Disposal and obsolescence	(105,746)	(95,644)
Effect of exchange rate changes	<u>52</u>	<u>(30)</u>
Ending balance	<u>927,674</u>	<u>875,088</u>
Ending net amount	<u>\$ 425,994</u>	<u>\$ 433,212</u>

For the Group's MFPs through operating leases, the lease period is 1 to 6 year(s). Lessees do not have preferential rights to acquire the MFPs at the expiration of the lease period.

The total lease payments (excluding revenue from printing services) to be received in the future for operating leases are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 122,020	\$ 119,490
Year 2	39,698	43,510
Year 3	16,450	16,486
Year 4	8,526	6,956
Year 5	3,007	2,742
Year 6	<u>235</u>	<u>357</u>
	<u>\$ 189,936</u>	<u>\$ 189,541</u>

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Leased assets (MFPs)

Used MFPs	1~2 year(s)
New MFPs	3~5 years

- c. For the amount of properties, plants, and equipment pledged as collaterals for borrowings, refer to Note XXXII.

15. Lease Agreements

- a. Right-of-use assets

	2022		
	Land and Buildings	Transportation Equipment	Total
<u>Cost</u>			
Beginning balance	\$ 1,238,036	\$ 46,102	\$ 1,284,138
Addition	590,967	9,557	600,524
Disposal and obsolescence	(591,153)	(13,920)	(605,073)
Conversion adjustment	<u>13,437</u>	<u>-</u>	<u>13,437</u>
Ending balance	<u>1,251,287</u>	<u>41,739</u>	<u>1,293,026</u>
<u>Accumulated depreciation</u>			
Beginning balance	577,811	24,706	602,517
Depreciation expenses	392,259	16,240	408,499
Disposal and obsolescence	(505,477)	(13,709)	(519,186)
Conversion adjustment	<u>6,870</u>	<u>-</u>	<u>6,870</u>
Ending balance	<u>471,463</u>	<u>27,237</u>	<u>498,700</u>
Ending net amount	<u>\$ 779,824</u>	<u>\$ 14,502</u>	<u>\$ 794,326</u>
	2021		
	Land and Buildings	Transportation Equipment	Total
<u>Cost</u>			
Beginning balance	\$ 1,126,086	\$ 43,167	\$ 1,169,253
Addition	490,220	9,964	500,184
Disposal and obsolescence	(371,951)	(7,029)	(378,980)
Conversion adjustment	(6,319)	<u>-</u>	(6,319)
Ending balance	<u>1,238,036</u>	<u>46,102</u>	<u>1,284,138</u>
<u>Accumulated depreciation</u>			
Beginning balance	512,759	15,257	528,016
Depreciation expenses	385,429	16,000	401,429
Disposal and obsolescence	(317,361)	(6,551)	(323,912)
Conversion adjustment	(3,016)	<u>-</u>	(3,016)
Ending balance	<u>577,811</u>	<u>24,706</u>	<u>602,517</u>
Ending net amount	<u>\$ 660,225</u>	<u>\$ 21,396</u>	<u>\$ 681,621</u>

b. Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 312,871</u>	<u>\$ 237,755</u>
Non-current	<u>\$ 374,241</u>	<u>\$ 332,112</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land and Buildings	0.691%~5.005%	0.747%~5.005%
Transportation Equipment	0.691%~0.862%	0.747%~0.862%

c. Major lease activities and terms

The Group leases land, buildings, and transportation equipment for operations, and the lease term is between 1 to 23 year(s). When the lease term ends, the Group has no preferential rights to purchase the leased vehicles and business premises.

In May 2020, Aurora (Jiang Su), a subsidiary of the Group, acquired the land use right of Nantong City, Jiangsu Province for the construction of the plant. The term of use of the land is 50 years from May 2020 to May 2070 as stipulated in the contract.

d. Other lease information

For agreements on operating leases for the leasing out of property, plant, and equipment and investment property, please refer to Notes XIV and XVI.

	<u>2022</u>	<u>2021</u>
Short-term lease expenses	<u>(\$ 3,351)</u>	<u>(\$ 4,324)</u>
Total cash flows on lease		
- Repayment of lease liabilities	(\$ 401,495)	(\$ 398,767)
- Interest expenses paid	(21,408)	(14,512)
	<u>(\$ 422,903)</u>	<u>(\$ 413,279)</u>

The Group selects to apply the recognition exemptions to leases of parking spaces that qualify as short-term leases and cloud service platforms that qualify as leases of low-value assets. Consequently, the Group does not recognize any right-of-use assets or lease liabilities for the said leases.

16. Investment property

	2022			2021		
	Land	Housing and Construction	Total	Land	Housing and Construction	Total
<u>Cost</u>						
Beginning balance	\$ 367,440	\$ 166,273	\$ 533,713	\$ 368,549	\$ 173,413	\$ 541,962
Disposal and obsolescence	-	(189)	(189)	(1,109)	(7,140)	(8,249)
Reclassifications	<u>77,869</u>	<u>4,908</u>	<u>82,777</u>	-	-	-
Ending balance	<u>445,309</u>	<u>170,992</u>	<u>616,301</u>	<u>367,440</u>	<u>166,273</u>	<u>533,713</u>
<u>Accumulated depreciation</u>						
Beginning balance	-	90,301	90,301	-	88,657	88,657
Depreciation expenses	-	4,866	4,866	-	4,918	4,918
Disposal and obsolescence	-	(189)	(189)	-	(3,274)	(3,274)
Reclassifications	-	<u>467</u>	<u>467</u>	-	-	-
Ending balance	-	<u>95,445</u>	<u>95,445</u>	-	<u>90,301</u>	<u>90,301</u>
<u>Accumulated impairment</u>						
Beginning balance	-	-	-	-	2,435	2,435
Reclassification	-	-	-	-	(2,435)	(2,435)
Ending balance	-	-	-	-	-	-
Ending net amount	<u>\$ 445,309</u>	<u>\$ 75,547</u>	<u>\$ 520,856</u>	<u>\$ 367,440</u>	<u>\$ 75,972</u>	<u>\$ 443,412</u>

The investment property is subject to a lease term of 2 to 5 years. Lessees have no preferential right to purchase the investment property at the end of the lease term.

The total amount of lease payments to be collected in the future for investment property on operating lease is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 20,545	\$ 19,652
Year 2	13,948	16,465
Year 3	13,608	13,608
Year 4	4,536	13,608
Year 5	-	<u>4,536</u>
	<u>\$ 52,637</u>	<u>\$ 67,869</u>

Lease commitments for lease periods beginning after the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments for investment properties	\$ -	<u>\$ 8,160</u>

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Main buildings	20~55 years
Decoration	5~10 years

For the amount of investment property pledged as collateral, please refer to Note XXXII.

The fair value of the investment property was assessed by the management with reference to the prevailing market information as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value	<u>\$ 671,683</u>	<u>\$ 590,357</u>

17. Intangible assets

a. Goodwill

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Carrying amount</u>		
Goodwill	<u>\$ 132,947</u>	<u>\$ 132,874</u>

No indication of impairment of goodwill was identified in 2022 and 2021.

b. Other intangible assets

	<u>2022</u>			<u>2021</u>		
	<u>Trademark right</u>	<u>Computer Software</u>	<u>Total</u>	<u>Trademark right</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>						
Beginning balance	\$ 808	\$ 135,645	\$ 136,453	\$ 808	\$ 101,351	\$ 102,159
Addition	-	19,364	19,364	-	37,807	37,807
Disposal and obsolescence	-	(16,974)	(16,974)	-	(4,824)	(4,824)
Reclassifications	-	-	-	-	1,863	1,863
Conversion adjustment	<u>-</u>	<u>1,584</u>	<u>1,584</u>	<u>-</u>	<u>(552)</u>	<u>(552)</u>
Ending balance	<u>808</u>	<u>139,619</u>	<u>140,427</u>	<u>808</u>	<u>135,645</u>	<u>136,453</u>
<u>Accumulated amortization</u>						
Beginning balance	808	73,431	74,239	788	57,163	57,951
Amortization expenses	-	23,983	23,983	20	21,423	21,443
Disposal and obsolescence	-	(16,710)	(16,710)	-	(4,824)	(4,824)
Conversion adjustment	<u>-</u>	<u>832</u>	<u>832</u>	<u>-</u>	<u>(331)</u>	<u>(331)</u>
Ending balance	<u>808</u>	<u>81,536</u>	<u>82,344</u>	<u>808</u>	<u>73,431</u>	<u>74,239</u>
Ending net amount	<u>\$ -</u>	<u>\$ 58,083</u>	<u>\$ 58,083</u>	<u>\$ -</u>	<u>\$ 62,214</u>	<u>\$ 62,214</u>

No indication of impairment of assets above was identified in 2022 and 2021.

Amortization expenses are calculated on a straight-line basis over the following useful lives:

Trademark right	20 years
Computer Software	1~10 year(s)

18. Other Assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for goods	\$ 257,074	\$ 227,439
Prepayments for premises	66,318	67,584
Other prepayments	49,354	45,709
Prepayments for equipment	50,986	3,240
Others	<u>14,509</u>	<u>11,086</u>
	<u>\$ 438,241</u>	<u>\$ 355,058</u>
Current	\$ 316,483	\$ 279,688
Non-current	<u>121,758</u>	<u>75,370</u>
	<u>\$ 438,241</u>	<u>\$ 355,058</u>

19. Loans

a. Short-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit loans	\$ 1,509,000	\$ 3,235,000
Loans for material purchase	<u>-</u>	<u>121,812</u>
	<u>\$ 1,509,000</u>	<u>\$ 3,356,812</u>
Credit loans:		
NTD	1.335%~2.29%	0.66%~1.10%
Loans for material purchase:		
USD	-	0.64%~0.89%

1) Please refer to Note XXXII for assets pledged as collateral for the above-mentioned loans.

2) Please refer to Note XXXIII (II) for guaranteed notes issued to financial institutions.

b. Short-term notes and bills payable

The outstanding short-term bills payable as of the balance sheet date are as follows:

December 31, 2022

<u>Guarantor/Accepting Institution</u>	<u>Nominal Amount</u>	<u>Discounted Amount</u>	<u>Carrying amount</u>	<u>Range of Interest Rate</u>	<u>Collateral</u>
<u>Commercial paper payable</u>					
TAIWAN FINANCE CORPORATION	\$ 150,000	(\$ 37)	\$ 149,963	1.928%	None
DAH CHUNG BILLS FINANCE CORP.	300,000	(69)	299,931	1.928%	None
MEGA BILLS FINANCE CO., LTD.	150,000	(46)	149,954	1.838%~1.928%	None
Bank of Taiwan	<u>450,000</u>	<u>(269)</u>	<u>449,731</u>	1.820%	None
	<u>\$1,050,000</u>	<u>(\$ 421)</u>	<u>\$1,049,579</u>		

c. Long-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Secured loans</u>		
Bank loans (1)	\$ 1,862,734	\$ 250,000
<u>Unsecured loans</u>		
Bank loans (2)	<u>690,000</u>	<u>880,000</u>
	<u>\$ 2,552,734</u>	<u>\$ 1,130,000</u>

- Loans are secured by pledge of land and buildings held by the Group (see Note XXXII), with interest accruing at floating rates and the remaining maturity period of not more than 2 years as of December 31, 2022 and 2021. The rate ranges were 1.54%~4.00% and 0.71% per annum, respectively. Interest is paid on a monthly basis, and the principal is paid at maturity for subsequent borrowing.
- Unsecured loans are bank loans at floating rates. As of December 31, 2022 and 2021, the rate ranges were 1.48%~1.66% and 0.71%~0.825% per annum, respectively. Interest is paid on a monthly basis, and the principal is paid at maturity for subsequent borrowing.

20. Accounts payable

The payment period averages 2 months. The Group has financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

21. Other Liabilities

a. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and bonuses payable	\$ 497,705	\$ 561,630
Incentives payable	222,704	212,435
Advertising fees payable	105,683	69,088
Business taxes payable	69,609	116,136
Holiday benefits payable	9,767	9,694
Related parties	84	65,242
Others	<u>172,390</u>	<u>214,208</u>
	<u>\$ 1,077,942</u>	<u>\$ 1,248,433</u>

Other payables - related parties are monthly payments of rental collected from lessees by the Group on behalf of related parties.

b. Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Temporary credits	\$ 67,935	\$ 86,561
Receipts under custody	<u>7,598</u>	<u>8,199</u>
	<u>\$ 75,533</u>	<u>\$ 94,760</u>

22. Post-retirement Benefit Plan

a. Defined contribution plans

The Company and Aurora Office Automation, General Integration, KM Developing, and Ever Young Biodimension adopt a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Group makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

Aurora (Bermuda), and Aurora Machinery Equipment did not draw up a retirement policy. Aurora (Bermuda)'s subsidiaries, including Aurora (China) Investment, Aurora Office Equipment, Aurora (China), Aurora (Jiang Su), Aurora Office Automation Sales Co., Ltd., Aurora Cloud, Aurora Home Furniture Co., Ltd., and Aurora (Shanghai) Electronic Commerce Co., Ltd. have drawn up the retirement policies in accordance with the regulations of the Shanghai Municipal People's Government, which also fell into the defined contribution plans; that is, a certain percentage of the employees' basic wages would be contributed to the pension fund and deposited into the designated pension fund accounts. The above companies contributed a certain percentage of employees' basic wages to the pension fund.

b. Defined benefit plans

The pension system adopted by the Company, Aurora Office Automation, and General Integration under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date. The Company, Aurora Office

Automation, and General Integration allocate 2%, 10%, and 2% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company, Aurora Office Automation, and General Integration have no right over its investment and administration strategies.

The amounts of defined benefit plans included in the consolidated balance sheets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 518,223	\$ 546,764
Fair value of plan assets	(<u>76,489</u>)	(<u>59,345</u>)
Net defined benefit liabilities	<u>\$ 441,734</u>	<u>\$ 487,419</u>

Changes in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
January 1, 2022	<u>\$ 546,764</u>	(<u>\$ 59,345</u>)	<u>\$ 487,419</u>
Service costs			
Service costs for the current period	2,720	-	2,720
Service costs for the previous period	405	-	405
Interest expenses (income)	<u>3,649</u>	(<u>723</u>)	<u>2,926</u>
Recognized in profit or loss	<u>6,774</u>	(<u>723</u>)	<u>6,051</u>
Remeasurements			
Return on plan assets (excluding interest income calculated by a discount rate)	-	(3,813)	(3,813)
Actuarial losses - changes in demographic assumptions	1,980	-	1,980
Actuarial gains - changes in financial assumptions	(25,494)	-	(25,494)
Actuarial losses - experience adjustments	<u>3,970</u>	<u>-</u>	<u>3,970</u>
Recognized in other comprehensive income	(<u>19,544</u>)	(<u>3,813</u>)	(<u>23,357</u>)
Contribution by the employer	-	(28,379)	(28,379)
Benefits paid on plan assets	(<u>15,771</u>)	<u>15,771</u>	<u>-</u>
December 31, 2022	<u>\$ 518,223</u>	(<u>\$ 76,489</u>)	<u>\$ 441,734</u>
January 1, 2021	<u>\$ 533,948</u>	(<u>\$ 52,495</u>)	<u>\$ 481,453</u>
Service costs			
Service costs for the current period	967	-	967
Service costs for the previous period	2,321	-	2,321
Interest expenses (income)	<u>2,690</u>	(<u>367</u>)	<u>2,323</u>

Recognized in profit or loss	<u>5,978</u>	(<u>367</u>)	<u>5,611</u>
Remeasurements			
Return on plan assets (excluding interest income calculated by a discount rate)	-	(519)	(519)
Actuarial losses - changes in demographic assumptions	14,091	-	14,091
Actuarial gains - changes in financial assumptions	(6,545)	-	(6,545)
Actuarial losses - experience adjustments	<u>19,993</u>	<u>-</u>	<u>19,993</u>
Recognized in other comprehensive income	<u>27,539</u>	(<u>519</u>)	<u>27,020</u>
Contribution by the employer	-	(26,665)	(26,665)
Benefits paid on plan assets	(<u>20,701</u>)	<u>20,701</u>	<u>-</u>
December 31, 2021	<u>\$ 546,764</u>	(<u>\$ 59,345</u>)	<u>\$ 487,419</u>

The Group has the following risks owing to the implementation of the pension system under the Labor Standards Act:

- 1) Investment risks: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Group shall not be lower than interest on a two-year time deposit at a local bank.
- 2) Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
- 3) Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.375%	0.625%
Average long-term salary adjustment rate	2%~2.25%	2%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
Increase by 0.25%	(<u>\$ 11,119</u>)	(<u>\$ 13,041</u>)
Decrease by 0.25%	<u>\$ 11,488</u>	<u>\$ 13,503</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 11,186</u>	<u>\$ 13,083</u>
Decrease by 0.25%	(<u>\$ 10,883</u>)	(<u>\$ 12,702</u>)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Expected amount of contribution within 1 year	<u>\$ 26,258</u>	<u>\$ 27,375</u>
Average duration of defined benefit obligations	8.9-9.4年	9.7-10.5年

23. Equity

a. Capital stock

Common stock

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>
Share capital authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>236,202</u>	<u>236,202</u>
Share capital issued	<u>\$ 2,362,025</u>	<u>\$ 2,362,025</u>

b. Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>		
Premium on conversion of corporate bonds	\$ 742,679	\$ 931,641
Treasury share transactions	3,333	3,333
Donations	938	938
Disposal of the Company's shares by subsidiaries recognized as treasury share transactions	54,838	54,838
Difference between the actual price from acquiring or disposing of shares held in subsidiaries and the book value	1,219	-
<u>May only be used to offset deficits</u>		
Recognized value of changes in equity of ownership of subsidiaries (2)	7,913	7,913
Dividends that are not collected before the designated date	9,569	7,948
Cash dividends received from the Company for shares of the Company held by subsidiaries	960,741	892,411
<u>May not be used for any purpose</u>		
Employees stock option	<u>40,247</u>	<u>40,247</u>
	<u>\$ 1,821,477</u>	<u>\$ 1,939,269</u>

- 1) This type of capital surplus may be used to cover loss or issue cash or replenish capital when there is no loss, but capital replenishment is restricted to the ratio of actual capital stock each year.
- 2) This type of capital surplus recognized as equity transaction effect due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares, or as adjustment value of capital surplus from subsidiary recognized by the Company using the equity method.

c. Retained earnings and dividend policy

If the Company has a net profit for the current year, it shall first use the profit to pay income taxes and make up for any accumulated losses, and then set aside 10% as a legal reserve. Any excessive balance may be reserved or transferred to be a special reserve pursuant to relevant laws. Any remaining balance in retained earnings may be appropriated for dividends in accordance with a proposal for appropriation of earnings as approved by the Board of Directors and submit it to the shareholders' meeting for distribution of

shareholder dividends. Please refer to Note XXV (VI) for the employee compensation policy.

Legal reserve should be contributed until its balance reaches the Company's total paid-in capital stock. Legal reserve may be used to cover deficits. When the Company has no loss, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated in the form of cash, in addition to being transferred to share capital.

The Company appropriates or reserves special reserve in accordance with the Official Letter No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated or reversal Following Adoption of IFRSs."

As the industry into which the Company falls is currently in a stage of steady growth, demand for capital has lowered. In the future, operating results will be returned to shareholders as many as possible. In consideration of business development, financial conditions, capital expansion, and shareholders' equity, the Company will distribute dividends in a combination of stock and cash, where cash dividends will account for more than 10% of the dividends distributed for the year.

The shareholders' meetings which approved the distribution of earnings for years ended December 31, 2021 and 2019 were held on June 9, 2022 and July 15, 2021, respectively; the distributions of earnings are as follows:

	Distribution of Earnings		Dividends Per Share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 137,065	\$ 148,431		
Cash dividends	1,228,253	1,346,355	\$ 5.20	\$ 5.70

In addition, the 2022 and 2021 Annual Shareholders' Meeting approved the distribution of cash dividends (NT\$0.8 and NT\$0.3 per share) from capital surplus - stock issuance premium of NT\$188,962 thousand and NT\$70,860 thousand, respectively.

On March 13, 2023, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2022 as follows:

	Distribution of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 131,404	
Cash dividends	1,110,152	\$ 4.70

The distribution of earnings for the year ended December 31, 2022 is subject to the resolution in the shareholders' meeting on June 19, 2023.

- d. Special reserve arising from first-time application of IFRSs

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Special reserve	<u>\$ 331,624</u>	<u>\$ 331,624</u>

The amount recorded as cumulative translation adjustments transferred to retained earnings was NT\$452,517 thousand. As the increase in retained earnings arising from first-time application of IFRSs was insufficient, special reserve was only set aside for the increase in retained earnings arising from application, NT\$331,624 thousand.

Where relevant assets are subsequently used, disposed of or reclassified, the original proportion of special reserve may be reversed for the distribution of earnings. Special reserve that should be set aside upon first-time application of IFRSs may be used to make up losses in subsequent years. Special reserve should be set aside for the deficit until there is a profit in subsequent years and the reasons for the provision of special reserve are resolved.

e. Other equity items

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Exchange differences on translation of financial statements of foreign operations		
Attributable to the Group	(\$ 506,745)	(\$ 625,877)
Associates accounted for using the equity method	(<u>47,467</u>)	(<u>56,298</u>)
	(<u>554,212</u>)	(<u>682,175</u>)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
Associates accounted for using the equity method	<u>477,910</u>	<u>655,933</u>
	(<u>\$ 76,302</u>)	(<u>\$ 26,242</u>)

1) Exchange differences on translation of financial statements of foreign operations

Exchange differences on translation of foreign operations' net assets denominated in functional currencies into the Group's presentation currency (NTD) are directly recognized in other comprehensive income as exchange differences on translation of financial statements of foreign operations. The cumulative exchange differences on translation of financial statements of foreign operations are reclassified to profit or loss upon disposal of foreign operations.

	<u>2022</u>	<u>2021</u>
Beginning balance	(\$ 682,175)	(\$ 614,633)
Incurring this year		
Exchange differences on translation of foreign operations	119,132	(63,085)
Share of associates accounted for using the equity method	<u>8,831</u>	(<u>4,457</u>)
Other comprehensive income	<u>127,963</u>	(<u>67,542</u>)
Ending balance	(\$ <u>554,212</u>)	(\$ <u>682,175</u>)

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ <u>655,933</u>	\$ <u>643,330</u>
Incurring this year		
Unrealized gains (losses)		
Share of associates accounted for using the equity method	(<u>195,880</u>)	<u>12,603</u>
Other comprehensive income	(<u>195,880</u>)	<u>12,603</u>
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	<u>17,857</u>	-
Ending balance	\$ <u>477,910</u>	\$ <u>655,933</u>

f. Treasury shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shares of the Company held by subsidiaries	\$ <u>791,826</u>	\$ <u>791,826</u>

- 1) Information on subsidiaries holding the Company's shares on the balance sheet date is as follows:

December 31, 2022					
	The Company's Shareholding (%)	Number of Shares (in Thousands)	Amount of Treasury Shares	Current Market Value	Reason
Aurora Office Automation Corporation	91.13	12,496	\$ 791,826	\$ 973,500	To maintain credit and shareholders' equity

December 31, 2021					
	The Company's Shareholding (%)	Number of Shares (in Thousands)	Amount of Treasury Shares	Current Market Value	Reason
Aurora Office Automation Corporation	91.13	12,496	\$ 791,826	\$ 1,122,212	To maintain credit and shareholders' equity

- 2) Treasury shares held by the Company may be neither pledged nor assigned rights such as dividend appropriation and voting rights in accordance with the Securities and Exchange Act. Subsidiaries holding the Company's shares, which are considered treasury shares, are bestowed shareholders' rights, except for the rights to participate in any share issuance for cash and to vote.

24. Revenue

- a. Breakdown of revenue from contracts with customers

	2022	2021
<u>Product category</u>		
MFPs	\$ 7,696,083	\$ 8,149,571
System furniture	4,757,476	5,358,568
Others	<u>122,766</u>	<u>69,118</u>
	<u>\$ 12,576,325</u>	<u>\$ 13,577,257</u>
<u>Region</u>		
Asia	\$ 11,431,920	\$ 12,300,090
America	1,091,751	1,229,886
Europe	48,191	46,646
Others	<u>4,463</u>	<u>635</u>
	<u>\$ 12,576,325</u>	<u>\$ 13,577,257</u>

- b. Contract balance

	December 31, 2022	January 1, 2021
Contract assets	<u>\$ 120,794</u>	<u>\$ 83,476</u>
Contract liabilities	<u>\$ 415,415</u>	<u>\$ 463,585</u>

Changes in contract assets and liabilities are mainly due to timing difference between performance obligations and customer payment.

The Group adopts the simplified approach as stipulated in IFRS 9 and recognizes loss allowances for contract assets based on the lifetime expected credit losses. For the lifetime expected credit losses, taking into account the customers' past default history and current financial position, there were no past due contract assets as of December 31, 2022 and 2021, and the Group assessed that no provision for expected credit losses is required.

The amounts of contract liabilities at the beginning of the period and previously fulfilled that were recognized in revenue for the years ended December 31, 2022 and 2021 were NT\$246,624 thousand and NT\$447,869 thousand, respectively.

25. Net Income

a. Other income

	<u>2022</u>	<u>2021</u>
Income from consultancy	\$ 55,175	\$ 56,612
Subsidy income	63,620	42,152
Rental income	23,393	22,853
Other income	<u>37,779</u>	<u>35,086</u>
	<u>\$ 179,967</u>	<u>\$ 156,703</u>

Income from consultancy represents the fees received by the Group from related parties for rendering consulting services.

b. Other gains and losses

	<u>2022</u>	<u>2021</u>
Gains on financial assets		
Financial assets mandatorily measured at fair value through profit or loss	\$ 33,696	\$ 71,093
Net foreign exchange losses	23,665	(8,592)
Loss on disposal of property, plant, and equipment	(2,673)	(753)
Gains on lease modifications	778	880
Losses from disposal of intangible assets	(235)	-
Gain on disposal of investment property	-	13,124
Others	<u>(13,013)</u>	<u>(17,112)</u>
	<u>\$ 42,218</u>	<u>\$ 58,640</u>

c. Finance costs		
	<u>2022</u>	<u>2021</u>
Bank overdrafts and interest on bank loans	\$ 50,537	\$ 30,830
Interest expenses - leases	21,408	14,512
Imputed interest on deposits	<u>19</u>	<u>43</u>
	<u>\$ 71,964</u>	<u>\$ 45,385</u>
d. Depreciation and amortization expenses		
	<u>2022</u>	<u>2021</u>
Property, plant, and equipment	\$ 425,174	\$ 433,643
Right-of-use assets	408,499	401,429
Investment property	4,866	4,918
Intangible assets	<u>23,983</u>	<u>21,443</u>
	<u>\$ 862,522</u>	<u>\$ 861,433</u>
Depreciation expenses by function		
Operating costs	\$ 272,584	\$ 261,970
Operating expenses	561,089	573,102
Non-operating income and expenses	<u>4,866</u>	<u>4,918</u>
	<u>\$ 838,539</u>	<u>\$ 839,990</u>
Amortization expenses by function		
Operating costs	\$ 1,365	\$ 1,673
Operating expenses	<u>22,618</u>	<u>19,770</u>
	<u>\$ 23,983</u>	<u>\$ 21,443</u>
e. Employee benefits		
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 2,373,199	\$ 2,500,660
Benefits after retirement (Note XXII)		
Defined contribution plans	206,387	195,384
Defined benefit plans	<u>6,051</u>	<u>5,611</u>
	<u>\$ 2,585,637</u>	<u>\$ 2,701,655</u>
By function		
Operating costs	\$ 231,258	\$ 226,117
Operating expenses	<u>2,354,379</u>	<u>2,475,538</u>
	<u>\$ 2,585,637</u>	<u>\$ 2,701,655</u>

f. Employee compensation

The Company sets aside 1%~10% of income before tax for a year as employee compensation. Employee compensation for the years ended December 31, 2022 and 2021 was resolved by the Board of directors on March 13, 2023 and March 16, 2022:

Estimated percentage

	<u>2022</u>	<u>2021</u>
Employee compensation	1%	1%

Amount

	<u>2022</u>	<u>2021</u>
Employee compensation	\$ 15,310	\$ 16,370

If there is still any change in the amount after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates in the following year.

The amounts of employee compensation distributed for the years ended December 31, 2021 and 2020 and those recognized in the consolidated financial statements are consistent.

Information on employee compensation resolved by the Board of Directors is available on the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

26. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expenses (benefits) are as follows:

	<u>2022</u>	<u>2021</u>
Current income tax		
Accrued this year	\$ 387,045	\$ 439,656
Adjustments from previous years	(<u>18,537</u>)	<u>14,852</u>
	<u>368,508</u>	<u>454,508</u>
Deferred income tax		
Accrued this year	<u>20,063</u>	<u>39,660</u>
Income tax expense recognized in profit or loss	<u>\$ 388,571</u>	<u>\$ 494,168</u>

Reconciliation between accounting income and current income tax expenses is as follows:

	<u>2022</u>	<u>2021</u>
Net income before tax	<u>\$ 1,810,198</u>	<u>\$ 2,020,399</u>
Income tax expenses calculated at the statutory rate (20%)	\$ 362,040	\$ 404,080
Unrecognized deductible temporary difference	86,841	115,860
Effects of different tax rates of subsidiaries in other jurisdictions	40,071	51,815
Fees that cannot be deducted from taxes	3,623	7,557
Deferred tax of subsidiary earnings	(4,779)	(5,338)
Tax-exempted income	(84,066)	(96,129)
Land value increment tax	-	555
Unrecognized loss carryforwards	2,786	1,756
Others	573	(840)
Adjustments of current income tax expenses in previous years	(<u>18,518</u>)	<u>14,852</u>
Income tax expense recognized in profit or loss	<u>\$ 388,571</u>	<u>\$ 494,168</u>

The tax rate applicable to subsidiaries in mainland China is 15%~25%. Tax arising from other jurisdictions is calculated at the rates applicable in the respective jurisdictions.

b. Income tax recognized in other comprehensive income

	<u>2022</u>	<u>2021</u>
<u>Deferred income tax</u>		
Accrued this year - remeasurements of defined benefit plans	<u>\$ 4,671</u>	(<u>\$ 5,404</u>)

c. Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Tax refunds receivable	<u>\$ 93,574</u>	<u>\$ 48,537</u>
Current income tax liabilities		
Income tax payable	<u>\$ 161,889</u>	<u>\$ 247,253</u>

d. Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Ending balance
<u>Deferred income tax assets</u>					
Temporary differences					
Deferred revenue	\$ 20,044	(\$ 1,335)	\$ -	\$ -	\$ 18,709
Unrealized impairment loss of assets	10,364	201	-	158	10,723
Loss allowances	6,834	1,682	-	(117)	8,399
Loss on inventory write-down	26,159	382	-	494	27,035
Holiday benefits payable	2,400	14	-	-	2,414
Book-tax difference in pensions	12,681	(4,547)	-	-	8,134
Impairment loss	937	-	-	-	937
Litigation compensations	3,245	-	-	48	3,293
Other financial liabilities	48,184	2,241	-	679	51,104
Right-of-use assets' impact on profits or losses	-	3,368	-	(11)	3,357
Defined benefit plans	54,306	-	(4,671)	-	49,635
	<u>\$ 185,154</u>	<u>\$ 2,006</u>	<u>(\$ 4,671)</u>	<u>\$ 1,251</u>	<u>\$ 183,740</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	\$ 298,634	\$ 21,674	\$ -	\$ -	\$ 320,308
Unrealized exchange gains	136	(136)	-	-	-
Rental stabilization	609	531	-	-	1,140
	<u>\$ 299,379</u>	<u>\$ 22,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,448</u>

2021

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Ending balance
<u>Deferred income tax assets</u>					
Temporary differences					
Deferred revenue	\$ 20,442	(\$ 398)	\$ -	\$ -	\$ 20,044
Unrealized impairment loss of assets	9,677	751	-	(64)	10,364
Loss allowances	7,910	(837)	-	(239)	6,834
Loss on inventory write-down	23,787	2,310	-	62	26,159
Holiday benefits payable	2,420	(20)	-	-	2,400
Book-tax difference in pensions	17,356	(4,675)	-	-	12,681
Impairment loss	937	-	-	-	937
Litigation compensations	3,269	-	-	(24)	3,245
Other financial liabilities	44,414	4,128	-	(358)	48,184
Defined benefit plans	48,902	-	5,404	-	54,306
	<u>\$ 179,114</u>	<u>\$ 1,259</u>	<u>\$ 5,404</u>	<u>(\$ 623)</u>	<u>\$ 185,154</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	\$ 258,429	\$ 40,205	\$ -	\$ -	\$ 298,634
Unrealized exchange gains	31	105	-	-	136
	<u>-</u>	<u>609</u>	<u>-</u>	<u>-</u>	<u>609</u>
	<u>\$ 258,460</u>	<u>\$ 40,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,379</u>

- e. Amount of temporary differences in unrecognized deferred income tax liabilities related to investments

As of December 31, 2022 and 2021, the taxable temporary differences related to investments in subsidiaries and associates not recognized as deferred income tax liabilities were NT\$841,321 thousand and NT\$825,160 thousand, respectively.

- f. Income tax assessment

In the corporate income tax return of the Company and its subsidiaries, the difference assessed by the Tax Authorities has been recognized as income tax expenses. Income tax assessment is as follows:

	<u>Year of Assessment</u>
The Company	2020
Aurora Office Automation	2020
KM Developing	2020
General Integration	2020
Ever Young Biodimension	2020

There were no significant differences between the assessed results and the reported results of the Group's corporate income tax return.

27. Earnings per Share

Net income and weighted average number of common shares used for calculation of earnings per share are as follows:

Net income

	<u>2022</u>	<u>2021</u>
Net income attributable to the Company	<u>\$ 1,309,368</u>	<u>\$ 1,391,539</u>

Number of Shares

	Unit: Thousand shares	
	<u>2022</u>	<u>2021</u>
Weighted average number of common shares used for calculation of basic earnings per share	224,814	224,814
Effect of potentially dilutive common shares:		
Employee compensation	<u>237</u>	<u>222</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>225,051</u>	<u>225,036</u>

If the Group chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted

average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

28. Capital Risk Management

The Group manages capital management under the precondition for sustainable development to ensure that it is able to maximize the benefit for its shareholders by optimizing debt and equity.

The management reviews the capital structure of the Group from time to time in light of the economic environment and business considerations. According to the management's opinions and statutory requirements, the Group balances the overall capital structure through the payment of dividends, issuance of shares, and financing.

29. Non-cash Transactions

The acquisition of property, plant, and equipment by the Group during the years ended December 31, 2022 and 2021 that affected both cash and non-cash items is as follows:

	<u>2022</u>	<u>2021</u>
Inventories transferred to property, plant, and equipment	<u>\$ 266,203</u>	<u>\$ 268,432</u>
Property, plant, and equipment transferred to inventories	<u>\$ 19,438</u>	<u>\$ 16,233</u>

30. Financial instruments

- a. Information on fair value - financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value.

- b. Information on fair value - financial instruments measured at fair value on a recurring basis

- 1) Fair value level

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Fund beneficiary certificates	<u>\$ 63,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,953</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Fund beneficiary certificates	<u>\$ 76,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,650</u>

In 2022 and 2021, there was no transfer between Level 1 and Level 2 fair value measurement.

c. Category of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ 63,953	\$ 76,650
Measured at amortized cost (Note 1)	8,205,062	8,795,337
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	6,699,698	6,474,737

Note 1. The balance includes cash and cash equivalents, notes receivable and accounts receivable (including related parties), other receivables, financial assets at amortized cost, refundable deposits, and other financial assets at amortized cost.

Note 2. The balance includes short-term loans, short-term bills payable, accounts payable (including related parties), other payables (excluding employee benefits payable and business tax payable), long-term loans, guarantee deposits received, and other financial liabilities at amortized cost.

d. Financial risk management objectives and policies

The main financial instruments of the Group include equity investments, accounts receivable, accounts payable, loans, and lease liabilities. The financial management department of the Group provides services to the business units, including coordinating operations in the domestic and international financial markets and managing financial risks relating to the operations of the Group based on the degree and breadth of risk. Such risks include market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

1) Market risk

The main financial risks the Group is exposed to in the business activities are foreign exchange risk, interest rate risk, and other price risk.

Market risk in relation to the Group's financial instruments and its management and measurement approaches remain unchanged.

a) Foreign exchange risk

For the monetary assets and liabilities of the Group denominated in non-functional currencies on the balance sheet date (including those written off in the consolidated financial), please refer to Note XXXV.

Sensitivity analysis

The Group is mainly impacted by the exchange rate fluctuations in USD.

The sensitivity analysis below indicates the amount of decrease/increase in net income before tax arising from foreign exchange losses/gains on net monetary assets and liabilities when the New Taiwan dollar (functional currency) against each foreign currency appreciated by 3% for the years ended December 31, 2022 and 2021. When the New Taiwan dollar depreciated, its impact on net income before tax was the reverse equivalent amount. A sensitivity rate of 3% is used internally when foreign exchange risk is reported to the management. It also represents the management's assessment on the reasonably possible scope of foreign exchange rates.

	<u>Impact of USD</u>	
	<u>2022</u>	<u>2021</u>
Profit or loss	(\$ 109)	\$ 2,774

The impact of profit or loss was mainly attributable to the demand deposits, accounts payable, and loans for material purchasing denominated in USD that were still outstanding and not hedged in cash flows on the balance sheet date. The Group's sensitivity to the exchange rate of USD decrease in the current period due to the increased decrease in the net asset denominated in USD held by the Group.

b) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Group exposed to interest rate risk on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
- Financial liabilities	\$ 687,112	\$ 569,867
Cash flow interest rate risk		
- Financial assets	6,499,160	7,019,937
- Financial liabilities	2,552,734	1,130,000

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of non-derivative instruments to the interest rates at balance sheet date. The rate of change adopted is 25 basis points increase/decrease in the interest rate, which also represents the management's assessment on the reasonably possible scope of the interest rate.

If the interest rate increased or decreased by 25 basis points, the Group's net income before tax in 2022 and 2021 would have decreased or increased by NT\$9,866 thousand and NT\$14,725 thousand, respectively, with all other variables remaining constant. This is mainly attributable to the exposure to the risks of interest rates of the Group's deposits, financial assets at amortized cost, other financial assets, and long-term loans.

c) Other price risk

The Group is exposed to equity price risk through its investments in monetary funds.

Sensitivity analysis

The sensitivity analysis below is carried out based on the exposure to equity price risk on the balance sheet date.

If the monetary fund price increased/decreased by 5%, income before tax in 2022 and 2021 would have increased/decreased by NT\$3,198 thousand and NT\$3,833 thousand, respectively, due to a change in the fair value of financial assets at fair value through profit or loss.

2) Credit risk

Credit risk refers to risk that causes the financial loss of the Group due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the Group's largest credit risk exposure from a counterparty's failure to fulfill obligations came from the carrying amount of financial assets recognized in the consolidated balance sheets.

The Group uses publicly obtainable financial information and past transaction records to grade main customers while monitoring its credit risk exposure and credit ratings of the counterparties.

The Group's credit risk is concentrated on the top 10 customers, accounting for 29% and 34% of the total accounts receivable as of December 31, 2022 and 2021, respectively.

3) Liquidity risk

The Group supports the operations and reduces the impact of fluctuating cash flows by managing and maintaining sufficient cash and cash equivalents. The management of the Group supervises the use of the credit line and ensures compliance with the terms of the loan contracts.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to repay.

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or within 1 Month	1~3 Month(s)	3~12 Months	1~5 Year(s)	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Zero-interest-bearing liabilities		\$ 929,482	\$ 392,879	\$ 194,417	\$ 69,165	\$ 2,442
Lease liabilities		33,488	65,386	231,474	272,068	111,595
Variable-rate instruments	1.76%	-	-	-	2,552,734	-
Instruments with fixed interest rates	1.77%	<u>1,199,579</u>	<u>1,150,000</u>	<u>209,000</u>	<u>-</u>	<u>-</u>
		<u>\$2,162,549</u>	<u>\$1,608,265</u>	<u>\$ 634,891</u>	<u>\$2,893,967</u>	<u>\$ 114,037</u>

December 31, 2021

	Weighted Average Effective Rate (%)	Payment on Sight or within 1 Month	1~3 Month(s)	3~12 Months	1~5 Year(s)	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Zero-interest-bearing liabilities		\$ 806,886	\$ 768,709	\$ 332,483	\$ 77,406	\$ 2,441
Lease liabilities		24,794	48,895	147,317	236,229	120,265
Variable-rate instruments	0.75%	-	-	-	1,130,000	-
Instruments with fixed interest rates	0.70%	<u>1,743,845</u>	<u>1,528,967</u>	<u>84,000</u>	<u>-</u>	<u>-</u>
		<u>\$2,575,525</u>	<u>\$2,346,571</u>	<u>\$ 563,800</u>	<u>\$1,443,635</u>	<u>\$ 122,706</u>

Line of credit

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Unsecured banking facilities</u>		
- Amount utilized	\$ 3,342,872	\$ 4,375,442
- Amount not utilized	<u>6,017,128</u>	<u>5,394,158</u>
	<u>\$ 9,360,000</u>	<u>\$ 9,769,600</u>
<u>Secured banking facilities</u>		
- Amount utilized	\$ 1,862,734	\$ 250,000
- Amount not utilized	<u>290,000</u>	<u>1,170,000</u>
	<u>\$ 2,152,734</u>	<u>\$ 1,420,000</u>

31. Related Party Transactions

All transactions between the Company and its subsidiaries (related parties of the Company), account balances, income, and expenses are eliminated upon consolidation and therefore are not shown in the note. In addition to those disclosed in other notes, the transactions between the Group and other related parties are as follows.

a. Names and relations of related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Aurora Holdings Incorporated (Aurora Holdings)	Investor of significant influence
Aurora Telecom Co., Ltd. (Aurora Telecom)	Associate
Huxen Corporation (Huxen)	Associate
Aurora Development Corp. (Aurora Development)	Associate
Huxen (China) Co., Ltd. (Huxen (China))	Associate
Aurora Leasing Corporation (Aurora Leasing)	Other related party
Aurora Holdings (Shanghai) Inc. (Aurora Holdings (Shanghai))	Other related party

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<u>Related Party</u>	<u>Relationship with the Group</u>
Shanghai Jiading New Partnership Rural Community Cooperative (formerly Shanghai Jianbang Asset Management Co., Ltd.)(Shanghai Jiading)	Other related party
Aurora Museum	Other related party
Aurora Building Management (Shanghai) Co., Ltd. (Aurora Building Management)	Other related party
Y. T. Chen Sustainable Management Foundation (formerly Aurora Sustainable Management Foundation)(Sustainable Foundation)	Other related party
Aurora Interior Design Co., Ltd. (Aurora Interior Design)	Other related party
Aurora Corp. of America (ACA)	Other related party
Aurora International (Singapore) (AIS)	Other related party
Aurora Japan Corporation (AJC)	Other related party

b. Operating revenue

<u>Type/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Other related party	\$ 1,704,902	\$ 776,546
Huxen (China)	888,278	1,578,776
Associate	22,120	23,334
Investor of significant influence	<u>1,009</u>	<u>338</u>
	<u>\$ 2,616,309</u>	<u>\$ 2,378,994</u>

Sales by the Group to related parties are made based on the market price, with payments collected within 1~4 month(s).

c. Purchase of goods

Type/Name of Related Party	2022	2021
Associate	\$ 73,778	\$ 77,531
Other related party	<u>45,738</u>	<u>52,797</u>
	<u>\$ 119,516</u>	<u>\$ 130,328</u>

Purchases from related parties are made by the Group based on the market price, with payments made in cash within 1~3 month(s).

d. Other income

Type/Name of Related Party	2022	2021
Huxen (China)	\$ 57,211	\$ 32,878
Huxen	32,441	32,363
Aurora Leasing	28,923	31,615
Other related party	1,200	904
Associate	<u>912</u>	<u>475</u>
	<u>\$ 120,687</u>	<u>\$ 98,235</u>

Other income mainly represents income from consulting services rendered to related parties by the Group.

e. Operating expenses

Type/Name of Related Party	2022	2021
Other related party	\$ 39,670	\$ 40,526
Associate	3,372	6,933
Investor of significant influence	<u>4,009</u>	<u>2,975</u>
	<u>\$ 47,051</u>	<u>\$ 50,434</u>

Operating expenses represent expenses paid to related parties for advertising and marketing.

f. Receivables from related parties

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Accounts receivable	Aurora Leasing	\$ 92,744	\$ 96,023
	ACA	56,398	20,280
	Other related party	5,536	855
	Associate	135	1,727
	Investor of significant influence	<u>42</u>	<u>-</u>
		<u>\$ 154,855</u>	<u>\$ 118,885</u>

Other receivables	Other related party	\$ 5,894	\$ 5,579
	Huxen (China)	4,754	4,098
	Investor of significant influence	-	27,421
		<u>\$ 10,648</u>	<u>\$ 37,098</u>

Other receivables represent receivables and purchase allowances arising from advance payments between the Group and related parties.

The outstanding amount of receivables from related parties is not collateralized. No loss allowances were set aside for receivables from related parties for the years ended December 31, 2022 and 2021.

g. Payables to related parties

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Accounts payable	Other related party	\$ 2,495	\$ 1,422
	Associate	<u>62</u>	<u>117</u>
		<u>\$ 2,557</u>	<u>\$ 1,539</u>
Other payables	Associate	\$ 72	\$ 64
	Investor of significant influence	9	11
	Other related party	<u>3</u>	<u>65,167</u>
		<u>\$ 84</u>	<u>\$ 65,242</u>

h. Acquisition of property, plant, and equipment

Type/Name of Related Party	Price	
	2022	2021
Associate	<u>\$ 667</u>	<u>\$ 168</u>

The transaction prices of the aforesaid transactions are determined according to market conditions.

i. Disposal of property, plant, and equipment

Type/Name of Related Party	Disposal proceeds		Disposal gains (losses)	
	2022	2021	2022	2021
Other related party	<u>\$ 199</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ -</u>

The transaction prices of the aforesaid transactions are determined according to market conditions.

j. Acquisition of financial assets
2020

Name of Related Party	Accounting Subject	Transaction object	Acquisition proceeds
Other related party – Aurora Holdings (Shanghai)	Investments applying the equity method (Note)	Aurora Cloud	<u>\$ 3,012</u>

Note: It has been consolidated and offset upon preparation of this Consolidated Financial Statement.

k. Lease agreements

Type/Name of Related Party	2022	2021
<u>Acquisition of right-of-use assets</u>		
Aurora Holdings (Shanghai)	\$294,147	\$ -
Investor of significant influence	13,971	30,321
Associate	<u>255</u>	<u>28</u>
	<u>\$308,373</u>	<u>\$ 30,349</u>

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Lease liabilities	Shanghai Jiading	\$155,926	\$160,531
	Aurora Holdings	32,682	47,863
	Associate	2,518	12,571
	Aurora Holdings (Shanghai)	<u>201,404</u>	<u>-</u>
		<u>\$392,530</u>	<u>\$220,965</u>

	December 31, 2022	December 31, 2021
<u>Interest expenses</u>		
Aurora Holdings (Shanghai)	\$ 10,477	\$ 2,337
Other related party	1,256	1,287
Investor of significant influence	319	350
Associate	<u>71</u>	<u>150</u>
	<u>\$ 12,123</u>	<u>\$ 4,124</u>

The Group leased land and offices to related parties for the years ended December 31, 2022 and 2021, respectively, with the lease terms of 1 to 23 years; the rent is payable on a monthly basis and the terms are not materially different from those of the general clients.

l. Lease agreements

Operating lease

The total lease payments to be received in the future are as follows:

Type/Name of Related Party	2022	2021
Other related party	<u>\$ 4,622</u>	<u>\$ 9,175</u>

Rental income is as follows:

Type/Name of Related Party	2022	2021
Other related party	<u>\$ 4,765</u>	<u>\$ 4,704</u>

The rental of office buildings leased by the Group to related parties is charged on a monthly basis according to general market conditions.

m. Others

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Refundable deposits	Aurora Holdings (Shanghai)	\$ 26,239	\$ 25,858
	Other related party	7,104	7,001
	Investor of significant influence	4,834	4,169
	Associate	<u>3,839</u>	<u>3,839</u>
		<u>\$ 42,016</u>	<u>\$ 40,867</u>
Guarantee deposits received	Other related party	<u>\$ 804</u>	<u>\$ 760</u>

n. Remuneration to the management

	2022	2021
Short-term employee benefits	\$108,620	\$116,117
Retirement benefits	<u>1,304</u>	<u>1,276</u>
	<u>\$109,924</u>	<u>\$117,393</u>

The remuneration to directors and the management is determined by the Remuneration Committee based on personal performances and market trends.

32. Pledged Assets

The following assets of the Group have been provided for financial institutions as collateral for loans:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Demand deposits (recognized in other financial assets)	\$ 42,432	\$ 44,407
Investment property	297,038	298,996
Property, plant, and equipment	<u>263,259</u>	<u>266,974</u>
	<u>\$ 602,729</u>	<u>\$ 610,377</u>

33. Significant Contingent Liabilities and Unrecognized Contract Commitments

- a. Unused letters of credit outstanding as of December 31, 2022 amounted to US\$2,097 thousand.
- b. Guarantee notes issued by the Group to financial institutions for short-term and long-term loans as of December 31, 2022 amounted to NT\$9,360,000 thousand.
- c. Guaranteed notes issued by the Group under warranty contracts or for business needs as of December 31, 2022 amounted to NT\$27,784 thousand.
- d. Guaranteed notes received by the Group for business operations as of December 31, 2022 amounted to NT\$2,426 thousand.
- e. Performance bonds issued by banks for the Group as of December 31, 2022 amounted to NT\$25,271 thousand.
- f. Aurora Office Equipment Co., Ltd. Shanghai and Shanghai Jianbang Asset Management Co., Ltd. (Shanghai Jianbang) entered into the "Cooperation Agreement," where Shanghai Jianbang provides land use rights for 50 years. According to Article 24 of the Cooperation Agreement, Aurora Office Equipment Co., Ltd. Shanghai shall pay Shanghai Jianbang a fixed land profit every year. Starting from 2012, RMB6,000 thousand/acre shall be paid per year based on the actual area used (282 acres). The fixed profit per acre of land shall be adjusted upwards by 5% based on the profit payable before adjustment every 5 years, but the maximum shall not exceed RMB7,500 thousand/acre per year.
- g. Unrecognized contractual commitments of the subsidiaries for purchases of goods as of December 31, 2022 amounted to NT\$55,084 thousand.
- h. Significant contracts of the Company and its subsidiaries are disclosed as follows:

Type of Contract	Contracting Party	Contract Duration	Contract Content	Restrictions
Distribution contract	SHARP CORPORATION Aurora Corporation	2022.4.1~2023.3.31 (Automatic extension by one year upon expiry)	Sharp photocopiers	1. Exclusive distribution 2. Non-compete
OEM contract	(1)Konica Minolta , Inc (2)Konica Minolta Business Solutions (China) Co., Ltd. (3)Aurora Office Automation Sales Co., Ltd. Shanghai	2019.1.1~2023.12.31	Production and procurement of MFPs and PP printers in mainland China	None

Type of Contract	Contracting Party	Contract Duration	Contract Content	Restrictions
OEM contract	(1) Aurora Office Automation Sales Co., Ltd. Shanghai (2) Zhuhai Pantum Electronics Co., Ltd.	2022.1.1~2023.12.31	Production and procurement of A4 printer	None
Distribution contract	(1)Stratasys AP Limited (2)Aurora Machinery Equipment (Shanghai) Co., Ltd.	2022.1.1~2022.12.31	Stratasys 3D printers	Non-compete
Distribution contract	KONICA MINOLTA, INC Aurora Office Automation Corporation	2022.4.1~2024.03.31	KM photocopiers and printers	1. Non-compete 2. Sales in Taiwan only
Distribution contract	STRATASYS AP LTD. General Integration Technology Co., Ltd.	2022.1.1~2022.12.31	SSYS 3D printers	1. Non-Exclusive distribution 2. Non-compete 3. Sales in Taiwan only
Distribution contract	CREAFORM INC. General Integration Technology Co., Ltd.	2022.6.21~2023.6.20	3D scanners	1. Non- Exclusive distribution 2. Sales in Taiwan only
Distribution contract	KONICA MINOLTA, INC KM Developing Solutions Co., Ltd.	2022.4.1~2024.03.31	Large photocopiers and multi-functional photocopiers	1. Annual sales amount limit 2. Non-compete 3. Sales in Taiwan only

34. Significant Events after the Balance Sheet Date: None.

35. Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. The significant impact on assets and liabilities recognized in foreign currencies is as follows:

Unit: Foreign currency/NT\$ thousand

December 31, 2022

	Foreign currencies	Exchange Rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 2,619	6.9646 (USD:RMB)	\$ 18,242
USD	127	30.71 (USD:NTD)	3,889
<u>Non-monetary items</u>			
Associates accounted for using the equity method			
RMB	\$ 155,644	4.4080 (RMB:NTD)	\$ 686,077
<u>Foreign currency liabilities</u>			

<u>Monetary items</u>			
USD	463	30.71 (USD:NTD)	13,817
USD	674	6.9646 (USD:RMB)	4,697

December 31, 2021

	Foreign currencies	Exchange Rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 5,625	6.3674 (USD:RMB)	\$ 35,816
USD	14	27.68 (USD:NTD)	385
<u>Non-monetary items</u>			
Associates accounted for using the equity method			
RMB	150,528	4.344 (RMB:NTD)	653,893
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	4,469	27.68 (USD:NTD)	123,927
USD	747	6.3674 (USD:RMB)	4,757

Realized and unrealized foreign exchange gains and losses that have significant impact on the Group are recognized in other gains and losses; please refer to Note XXV (II).

36. Supplementary Disclosures

a. Information on significant transactions:

- 1) Loans provided for others: None.
- 2) Endorsements/guarantees provided for others: Table 1.
- 3) Securities held at end of period (excluding investments in subsidiaries and associates): Table 2.
- 4) Accumulated purchase or sale of the same securities amounting to NT\$300 million or 20% of paid in capital or more: Table 3.
- 5) Acquisition of property amounting to NT\$300 million or 20% of paid in capital or more: None.
- 6) Disposal of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
- 7) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-up capital or more: Table 4.
- 8) Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more: None.
- 9) Derivatives transactions: None.
- 10) Intercompany relationships and significant intercompany transactions: Table 5.

b. Information on invested companies: Table 6.

- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China (name, main business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 7.
 - 2) Major transactions with any investee company in mainland China directly or indirectly through a third region, and their prices, payment terms, unrealized gains (losses), and other information: Table 8.
- d. Information on major shareholders (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held): Table 9.

37. Segment Information

Information is provided for the chief business decision makers to allocate resources and to evaluate the performance of segments by company. The reportable segments of the Group are based in Taiwan and mainland China and mainly engage in the sales of office automation products, computer and communication equipment, and furniture.

The revenue and results of the Group's operations and segment assets are analyzed as follows:

Item	2022			
	Taiwan	Mainland China	Offset of Intersegment Revenue and Profit or Loss	Total
Revenue from external customers	\$ 4,455,677	\$ 8,120,648	\$ -	\$ 12,576,325
Intersegment revenue	<u>163,831</u>	<u>62,494</u>	(<u>226,325</u>)	<u>-</u>
Total revenue	<u>\$ 4,619,508</u>	<u>\$ 8,183,142</u>	<u>(\$ 226,325)</u>	<u>\$ 12,576,325</u>
Segment profit or loss	<u>\$ 1,727,484</u>	<u>\$ 786,131</u>	<u>(\$ 703,417)</u>	<u>\$ 1,810,198</u>
Segment assets	<u>\$ 14,505,062</u>	<u>\$ 11,379,949</u>	<u>(\$ 7,621,088)</u>	<u>\$ 18,263,923</u>

Item	2021			
	Taiwan	Mainland China	Offset of Intersegment Revenue and Profit or Loss	Total
Revenue from external customers	\$ 4,353,803	\$ 9,223,454	\$ -	\$ 13,577,257
Intersegment revenue	<u>171,808</u>	<u>60,818</u>	(<u>232,626</u>)	<u>-</u>
Total revenue	<u>\$ 4,525,611</u>	<u>\$ 9,284,272</u>	<u>(\$ 232,626)</u>	<u>\$ 13,577,257</u>
Segment profit or loss	<u>\$ 1,847,137</u>	<u>\$ 1,028,028</u>	<u>(\$ 854,766)</u>	<u>\$ 2,020,399</u>
Segment assets	<u>\$ 14,367,922</u>	<u>\$ 11,199,360</u>	<u>(\$ 7,316,188)</u>	<u>\$ 18,251,094</u>

Aurora Corporation and Subsidiaries

**Endorsement/Guarantee for Others
For the year ended December 31, 2022**

(In Thousands of New Taiwan Dollars, unless stated otherwise)

No. (Note 1)	Name of endorser/guarantor	The endorsed party		Limits of endorsement and guarantee for a single enterprise (Note 3)	Maximum balance of endorsement and guarantee of current term	Balance of endorsement and guarantee at end of term	Actual utilized amount	Amount of endorsement/guarantee secured by properties	Accumulated ratio of the amount of endorsement and guarantee in the net worth of financial statements of the most recent term (%)	Maximum limits of endorsement and guarantee (Note 3)	Endorsement and guarantee provided by the Company to the subsidiary (Note 4)	As a subsidiary's endorsements /guarantees toward its parent company (Note 4)	Endorsement and guarantee in Mainland China (Note 4)	Note
		Name of Company	Relationship (Note 2)											
1	Aurora (China) Co., Ltd.	Aurora (Jiangsu) Development Co., Ltd.	4	\$ 6,276,617	\$ 883,600	\$ 883,600	\$ 203,193	\$ -	12.12%	\$ 6,276,617	N	N	Y	

Note 1. The No. column is described as follows:

- (1) "0" for the issuer.
- (2) Investees are numbered from 1 onwards.

Note 2. The relationships between the party providing endorsements/guarantees and the one receiving them are divided into the following 7 types. Simply indicate the type:

- (1) Companies with current business.
- (2) Companies that the Company directly and indirectly holds more than 50% of their shares with voting rights.
- (3) Companies that directly and indirectly hold more than 50% of the shares of the Company with voting rights.
- (4) Companies that the Company directly and indirectly holds at least 90% of their shares with voting rights.
- (5) Counterparts required for undertaken projects or companies that are each other's guarantors as required in a contract as joint builders.
- (6) Companies endorsed/guaranteed by all sponsoring shareholders because of the joint investment relationships according to their shareholding ratio.
- (7) Counterparts that are each other's joint guarantors to ensure fulfillment of a sales contract for pre-sold housing according to the requirements of the Consumer Protection Act.

Note 3. The total amount of endorsement/guarantee specified in the "Endorsement and Guarantee Regulations" of the Company shall not exceed the net worth of the current term and that to a single enterprise shall be limited at NTD6,276,617 thousand.

Note 4. Y is provided only for endorsement and guarantee from a TWSE/TPEX parent company to a subsidiary, endorsement and guarantee from a subsidiary to a TWSE/TPEX parent company and endorsement and guarantee in Mainland China.

Aurora Corporation and Subsidiaries

Securities Held at End of Period

December 31, 2022

(In Thousands of New Taiwan Dollars)

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Accounting Subject	Ending Balance				Remark
				Number of Shares (in Thousand Shares or Thousand Units)	Carrying amount	Shareholding (%)	Fair Value (Note 1)	
Aurora Office Automation Corporation	Stock							
	Aurora Corporation	The Company	Financial Assets at Fair Value through Other Comprehensive Income - Current	3,290	\$ 256,322	1.39	\$ 256,322	Notes 1 and 2
	Aurora Corporation	The Company	Financial assets at fair value through other comprehensive income - non-current	9,206	717,178	3.90	717,178	Notes 1 and 2
KM Developing Solutions Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,284	63,953	-	63,953	Note 1
Aurora (China) Co., Ltd.	Bank SinoPac - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	221,134	-	221,134	
	Bank of China - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	146,098	-	146,098	
	Shanghai Bank - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	233,475	-	233,475	
	Nanjing Bank - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	2,037,003	-	2,037,003	
Aurora Office Automation Sales Co., Ltd. Shanghai	Bank of China - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	234,263	-	234,263	
	Cathay United Bank - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	135,499	-	135,499	
	Industrial Bank - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	588,421	-	588,421	
	Minsheng Bank - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	232,709	-	232,709	
Aurora Office Equipment Co., Ltd. Shanghai	Bank of China - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	331,661	-	331,661	
	Bank of Communications - large certificates of deposits	None	Financial Assets at Amortized Cost - Current	-	146,099	-	146,099	
Aurora (Bermuda) Investment Ltd.	Taishin International Bank - time deposits	None	Financial Assets at Amortized Cost - Current	-	10,579	-	10,579	

Note 1. Market prices of stocks with open market prices refer to the closing prices as of December 30, 2022. Market prices of open-end funds refer to the net asset value of the funds on the balance sheet date.

Note 2. The Company's shares held by subsidiaries are treated as treasury shares.

Note 3. For information on investments in subsidiaries, associates, and joint ventures, please refer to Tables 6 and 7.

Aurora Corporation and Subsidiaries

Accumulated Purchase or Sale of the Same Securities Amounting to NT\$300 Million or 20% of Paid-in Capital or More
For the Year Ended December 31, 2022

Unit: NT\$ thousand or thousand shares (unless stated otherwise)

Company Name	Type and Name of Securities	Ledger Accounting Subject	Counterparty	Relationship	Transaction Currency	Beginning of Period		Reclassification		Purchase		Sale			Increase/Decrease		Ending Balance		
						Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares	Amount
Aurora Office Automation Sales Co., Ltd. Shanghai	Income-contributing Fast Track	Financial assets at fair value through profit or loss - current	Industrial Bank	None	RMB	-	\$ -	-	\$ -	-	\$ 375,000	-	\$ 375,878	\$ 375,000	\$ 878	-	\$ -	-	\$ -
Aurora Office Equipment Co., Ltd. Shanghai	Gold Snow Globe Stable Profit No. 1	Financial assets at fair value through profit or loss - current	Industrial Bank	None	RMB	-	-	-	-	-	80,000	-	80,134	80,000	134	-	-	-	-
Aurora (China) Co., Ltd.	Structured deposits	Financial assets at fair value through profit or loss - current	Bank Sinopac	None	RMB	-	-	-	-	-	100,000	-	100,732	100,000	732	-	-	-	-
Aurora (Jiang Su) Enterprise Development Co., Ltd.	Structured deposits	Financial assets at fair value through profit or loss - current	Bank of Nanjing	None	RMB	-	-	-	-	-	145,000	-	146,087	145,000	1,087	-	-	-	-
	Ri Ri Ju Xin	Financial assets at fair value through profit or loss - current	Bank of Nanjing	None	RMB	-	-	-	-	-	97,000	-	97,345	97,000	345	-	-	-	-

Aurora Corporation and Subsidiaries

**Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-up Capital or More
For the Year Ended December 31, 2022**
(In Thousands of New Taiwan Dollars)

Company	Counterparty	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Percentage of Notes and Accounts Receivable (Payable) (%) (Note)	
Aurora Corporation	Aurora Leasing Corporation	Huxen's subsidiary (associate)	Sales	(\$ 333,792)	(10%)	Due within 60 days	According to market conditions, no material difference	Due within 60 days	\$ 55,422	20%	
Aurora Office Automation Corporation	Aurora Leasing Corporation	Huxen's subsidiary (associate)	Sales	(206,532)	(24%)	Due within 60 days	According to market conditions, no material difference	Due within 60 days	37,322	34%	
Aurora Office Automation Sales Co., Ltd. Shanghai	Huxen (China) Co., Ltd.	Huxen's subsidiary (associate)	Sales	(888,274)	(29%)	Due within 120 days	According to market conditions, no material difference	Due within 120 days	-	-	
Aurora Office Equipment Co., Ltd. Shanghai	AURORA CORP OF AMERICA	Other related party	Sales	(1,068,759)	(76%)	Due within 120 days	According to market conditions, no material difference	Due within 120 days	55,330	72%	

Note: The above percentage is calculated as the ratio of the balance of notes and accounts receivable (payable) with related parties to the balance of total notes and accounts receivable (payable).

Aurora Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Description of Transactions			Percentage of Consolidated Total Revenue or Total Assets (%) (Note 5)
				Accounting Subject	Amount (Note 3)	Transaction Terms (Note 4)	
0	Aurora Corporation	Aurora Office Automation	1	Sales revenue	\$ 16,990	—	-
			1	Other income	21,347	—	-
			1	Purchase of goods	3	—	-
			1	Operating expenses	743	—	-
			1	Other receivables	2,350	—	-
			1	Other payables	60	—	-
			1	Purchase of goods	39,073	—	-
		Aurora Office Equipment, Shanghai Aurora (China)	1	Sales revenue	162,506	—	1
			1	Purchase of goods	17,648	—	-
		Aurora Office Automation Sales, Shanghai	1	Accounts receivable	14,647	—	-
			1	Sales revenue	1,325	—	-
		General Integration	1	Operating expenses	31	—	-
			1	Sales revenue	632	—	-
			1	Operating expenses	6	—	-
			1	Purchase of goods	23	—	-
			1	Accounts receivable	2	—	-
			1	Other receivables	53	—	-
1	Accounts payable		9	—	-		
KM Developing	1	Sales revenue	1,684	—	-		
	1	Rental income	36	—	-		
	1	Other income	10	—	-		
	1	Other receivables	105	—	-		
1	Aurora Office Automation	Ever Young Biodimension	1	Operating expenses	28	—	-
		Aurora Home Furniture	1	Purchase of goods	4,225	—	-
		General Integration	3	Purchase of goods	1,663	—	-
			3	Accounts payable	189	—	-
		KM Developing	3	Sales revenue	4,330	—	-
			3	Purchase of goods	1,387	—	-
			3	Accounts receivable	294	—	-

(Continued on the next page)

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No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Description of Transactions					
				Accounting Subject	Amount (Note 3)	Transaction Terms (Note 4)	Percentage of Consolidated Total Revenue or Total Assets (%) (Note 5)		
2	General Integration	Ever Young Biodimension	3	Sales revenue	\$ 1,702	—	-		
			3	Accounts receivable	97	—	-		
3	Aurora (China)	Aurora Machinery Equipment	3	Purchase of goods	1,517	—	-		
			3	Operating expenses	417	—	-		
		Aurora Home Furniture	3	Sales revenue	1,715	—	-		
			3	Purchase of goods	445,924	—	4		
		Aurora Office Equipment, Shanghai	3	Accounts receivable	199	—	-		
			3	Accounts payable	55,684	—	-		
		Aurora Cloud	3	Other income	235	—	-		
			3	Operating expenses	1,100	—	-		
		Aurora Office Equipment, Shanghai	3	Other income	40	—	-		
			3	Accounts payable	2	—	-		
		4	Aurora Office Automation Sales, Shanghai.	Aurora Machinery Equipment	3	Purchase of goods	73,055	—	1
					3	Operating expenses	17,776	—	-
Aurora Cloud	3			Other income	650	—	-		
	3			Accounts payable	2,422	—	-		
Aurora Office Equipment, Shanghai	3			Sales revenue	38,126	—	-		
	3			Other income	43	—	-		
Aurora (Shanghai) Electronic Commerce	3			Accounts receivable	8,357	—	-		
	3			Other income	1,109	—	-		
5	Aurora Home Furniture			Aurora Machinery Equipment	3	Operating expenses	5	—	-
					3	Other income	540	—	-
		Aurora Cloud	3	Operating expenses	23,306	—	-		
			3	Accounts receivable	483	—	-		
		Aurora Office Equipment, Shanghai	3	Operating expenses	3,982	—	-		
			3	Accounts payable	326	—	-		
6	Aurora Office Equipment, Shanghai	Aurora Home Furniture	3	Sales revenue	7,629	—	-		
			3	Accounts receivable	5,805	—	-		
6	Aurora Office Equipment, Shanghai	Aurora Home Furniture	3	Sales revenue	62	—	-		
			3	Other income	14,920	—	-		
		Aurora Cloud	3	Other receivables	528	—	-		
			3	Purchase of goods	506	—	-		
			3	Operating expenses	536	—	-		

Note 1. The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

1. For the parent company, fill in 0.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2. Relationships with counterparties can be any one of the following three types:

1. The parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

Note 3. When the Consolidated Financial Statements are prepared, the amounts have been offset in a consolidated manner.

Note 4. There is no material difference between the terms of the sales transactions between the parent company and subsidiaries and the normal sales of goods. The terms of other transactions are based on the agreement between both parties.

Note 5. The percentage is rounded to the nearest whole number.

Aurora Corporation and Subsidiaries

Information on Investee Companies
For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period	Investment Profit (Loss) Recognized	Distribution of Dividends by Investee		Remark
				Ending Balance for the Current Period	Ending Balance for the Previous Period	Number of Shares	Shareholding (%)	Carrying amount			Stock Dividends	Cash dividends	
Aurora Corporation	Aurora (Bermuda) Investment Ltd.	Bermuda	Investment holding	\$ 2,177,439	\$ 2,177,439	67,350	88.04	\$ 7,606,44	\$ 660,853	\$ 602,079	\$ -	\$ 412,596	Subsidiary
	Aurora Office Automation Corporation	Taiwan	Import/export and wholesale of MFPs	2,091,992	2,091,992	82,278	91.13	1,050,97	293,330	199,713	-	246,833	Subsidiary
	General Integration Technology Co., Ltd.	Taiwan	Manufacturing of molds and machinery and wholesale of precision instruments	112,500	112,500	5,465	55.00	133,67	7,960	4,378	-	8,197	Subsidiary
	KM Developing Solutions Co., Ltd.	Taiwan	Wholesale and retail of information software, computers, and office equipment	70,000	70,000	7,000	70.00	111,88	36,039	25,228	-	22,400	Subsidiary
	Ever Young Biodimension Corporation	Taiwan	Wholesale of precision instruments	8,580	8,580	858	26.00	3,44	(3,352)	(871)	-	-	Subsidiary
	Huxen Corporation	Taiwan	Agency of MFPs and communications products	826,645	826,645	47,011	32.53	1,362,84	561,175	182,549	-	164,537	Investee accounted for using the equity method
	Aurora Development Corp.	Taiwan	Development of land and office buildings	140,000	140,000	32,498	46.67	468,16	102,093	47,970	-	21,123	Investee accounted for using the equity method
	Aurora Telecom Co., Ltd.	Taiwan	Sales of mobile phones and accessories and internet access	191,833	191,833	13,165	30.40	194,44	(64,555)	(19,624)	-	-	Investee accounted for using the equity method
Aurora Office Automation Corporation	Huxen Corporation	Taiwan	Agency of MFPs and communications products	359,451	359,451	11,170	7.73	519,20	561,175	43,379	-	39,095	Investee of Aurora Office Automation accounted for using the equity method
General Integration Technology Co., Ltd.	Ever Young Biodimension Corporation	Taiwan	Wholesale of precision instruments	8,250	8,250	825	25.00	3,31	(3,352)	(838)	-	-	Investee of General Integration accounted for using the equity method

Aurora Corporation and Subsidiaries

Information on Investments in Mainland China
For the Year Ended December 31, 2022

Unit: NT\$ thousand, US\$ thousand, and RMB thousand unless specified otherwise

Investee Company	Main Business Activities	Paid-in Capital	Method of Investments	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Ownership (%)	Investment Profit (Loss) Recognized (Note 2)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Aurora (China) Investment Co., Ltd.	Investment holding	\$ 2,569,980 (US\$ 76,500)	Note 1 (2)	\$ 2,177,439 (US\$ 67,350)	\$ -	\$ -	\$ 2,177,439 (US\$ 67,350)	\$ 662,723	88.04	\$ 583,462 Note 2 (2)	\$ 8,867,018	\$ 119,855
Aurora Office Equipment Co., Ltd. Shanghai	Production and sales of MFPs	1,121,340 (US\$ 33,000)	Note 1 (2)	Note 3	-	-	Note 3	34,867	88.04	30,697 Note 2 (2)	1,186,197	37,879
Aurora (China) Co., Ltd.	Manufacturing and sale of office furniture	1,007,266 (US\$ 30,000)	Note 1 (2)	Note 3	-	-	Note 3	624,925	88.04	550,184 Note 2 (2)	6,155,966	297,776
Aurora Office Automation Sales Co., Ltd. Shanghai	Sales, lease, and agency of Aurora brand products	1,603,064 (RMB\$ 350,000)	Note 1 (2)	Note 3	-	-	Note 3	255,241	88.04	224,714 Note 2 (2)	1,976,719	357,230
Aurora (Shanghai) Cloud Technology Co., Ltd.	Sale of printing and office equipment and furniture and consulting service	47,110 (RMB\$ 10,000)	Note 1 (3)	Note 3	-	-	Note 3	12,877	88.04	(10,176) Note 2 (2)	23,019	-
Huxen (China) Co., Ltd.	Sales, maintenance, and lease of printers	1,922,054 (RMB\$ 400,000)	Note 1 (1)	583,044 (RMB\$ 120,000)	-	-	583,044 (RMB\$ 120,000)	75,404	27.34	22,621 Note 2 (2)	686,077	-
Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.	Sales, lease, and maintenance of 3D printers	114,700 (RMB\$ 25,000)	Note 1 (3)	Note 3	-	-	Note 3	(18,550)	17.61	(3,710) Note 2 (2)	3,253	-
Aurora Home Furniture Co., Ltd.	Production and sales of furniture	243,020 (RMB\$ 50,000)	Note 1 (3)	Note 3	-	-	Note 3	18,996	88.04	16,725 Note 2 (2)	255,325	38,623
Aurora Machinery Equipment (Shanghai) Co., Ltd.	Wholesale of mechanical and electronic equipment, internet communication equipment, and computer software and hardware	112,549 (RMB\$ 25,000)	Note 1 (1)	112,549 (RMB\$ 25,000)	-	-	112,549 (RMB\$ 25,000)	(15,282)	86.50	(10,697) Note 2 (2)	24,821	-
Aurora (Jiang Su) Enterprise Development Co., Ltd.	Reinvestment and property lease	1,322,900 (RMB\$ 300,000)	Note 1 (2)	Note 3	-	-	Note 3	(66)	88.04	(29) Note 2 (2)	1,340,111	4,453
Aurora (Shanghai) Electronic Commerce Co., Ltd.	Sales on e-commerce platforms	43,250 (RMB\$ 10,000)	Note 1 (2)	Note 3	-	-	Note 3	(708)	61.63	(436) Note 2 (2)	(24,389)	-

Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period (Note 4)	Amount of Investments Authorized by Investment Commission, M.O.E.A. (Note 4)	Ceiling on Amount of Investments Stipulated by Investment Commission, M.O.E.A. (Note 5)
\$ 2,873,032 (US\$ 67,350 · RMB\$ 145,000)	\$ 2,881,734 (US\$ 67,350 · RMB\$ 145,000)	\$5,330,408

Note 1. Methods of investments are divided into the following three types. Specify the type.

1. Direct investment in mainland China.
2. Investment in mainland China through Aurora (Bermuda) Investment Ltd.
3. Others.

Note 2. Investment profit (loss) recognized for the period:

1. Indicate if no investment profit (loss) is recognized as an investee is under preparation.
2. Indicate if investment profit (loss) is recognized on the following basis:
 - (1) Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China.
 - (2) Financial statements audited by the parent company's CPAs in Taiwan.
 - (3) Others.

Note 3. The Company invested in Aurora (China) Investment Co., Ltd. directly through Aurora (Bermuda) Investment Ltd. (with 88.04% equity held by the Company) established in Bermuda. Aurora (China) Investment Co., Ltd. then invested in Aurora (Jiang Su) Enterprise Development Co., Ltd., Aurora Office Equipment Co., Ltd. Shanghai, and Aurora (China) Co., Ltd. Then, Aurora (China) Co., Ltd. invested in Aurora Office Automation Sales Co., Ltd. Shanghai, Aurora Home Furniture Co., Ltd., Aurora (Shanghai) Cloud Technology Co., Ltd., and Aurora (Shanghai) Electronic Commerce Co., Ltd. Then, Aurora Office Automation Sales Co., Ltd. Shanghai invested in Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.

Note 4. Based on the prevailing exchange rate approved by the Investment Commission, Ministry of Economic Affairs, the accumulated amount of investments remitted from Taiwan to mainland China in the foreign currency at the end of the period did not exceed the amount of investments in the foreign currency approved by the Investment Commission.

Note 5. The net worth of the Group as of December 31, 2022 was NT\$8,884,013 thousand. In accordance with the "Directions Governing the Examination of Investment or Technical Cooperation in Mainland China," the cap amount should be NT\$5,330,408 thousand (NT\$8,884,013 thousand x 60%).

Aurora Corporation and Subsidiaries

Major Transactions with Any Investee Company in mainland China Directly or Indirectly through a Third Region, and Their Prices, Payment terms, Unrealized Gains (Losses), and Other Information For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Investee Company	Relationship with the Company	Type of Transaction	Amount	Transaction Term			Notes and Accounts Receivable (Payable)		Unrealized gains (losses)	Remark
				Price	Payment Terms	Difference with General Transactions	Balance	Percentage (%) (Note)		
Aurora Office Automation Sales Co., Ltd. Shanghai	The Company's sub-subsidiary	Sales	(\$ 888,274)	According to market conditions	Due within 120 days	No material difference	\$ -	-	\$ -	
Aurora Office Equipment Co., Ltd. Shanghai	The Company's sub-subsidiary	Sales	(1,068,759)	According to market conditions	Due within 120 days	No material difference	55,330	72%	-	

Note: The above percentage is calculated as the ratio of the balance of notes and accounts receivable (payable) with related parties to the balance of total notes and accounts receivable (payable).

Table 9**Aurora Corporation****Information on Major Shareholders
December 31, 2022**

Name of Major Shareholders	Shareholding	
	Shares	Percentage of Ownership (%)
Aurora Holdings Incorporated	101,856,312	43.12%
Chen Yung-Tai	21,667,000	9.17%
Aurora Leasing Corporation	20,791,276	8.80%
Aurora Office Automation Corporation	12,496,797	5.29%
Nisheng Investment Co., Ltd.	12,320,000	5.21%

Note 1. The major shareholders in this table are shareholders holding more than 5% of the common and preferred shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2. If a shareholder delivers its shareholdings to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. Please refer to MOPS for information on shareholders who declare themselves to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property.

- e. The Company's Parent Company only Financial Report of the most recent year has been audited and certified by the accountant

Independent Auditors' Report

To Aurora Corporation:

Opinions

Aurora Corporation's Parent Company Only Balance Sheets as of December 31, 2022 and 2021, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021, have been audited by the CPAs.

In our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Aurora Corporation as of December 31, 2022 and 2021, as well as the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2022 and 2021.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of Aurora Corporation for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Parent Company Only 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 Parent Company Only Financial Statements of Aurora Corporation for the year ended December 31, 2022 are stated as follows:

Sales revenue and sales revenue of key subsidiaries accounted for using the equity method.

The main businesses of Aurora Corporation and its key subsidiaries accounted for using the equity method include the trade and lease of Multi-Functional Photocopiers (MFPs) and sales of system furniture. Printers and revenue from sales of system furniture in Taiwan and in Shanghai, in particular, are material in nature for the overall financial statements. The main risk lies in whether revenue actually occurs. Accordingly, we identify the risk of revenue recognition arising from fraud

as a key audit matter in accordance with the Statements on Auditing Standards in relation to significant risk.

For the accounting policies related to revenue recognition, please refer to Note IV (XIV).

We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue. We have also selected appropriate samples from the sales details, reviewed the original contracts, documents and customs declaration forms from external forwarders or signed by customers to check whether the recipients are the trading parties, and reviewed whether there is a significant amount of return and allowance subsequent to the balance sheet date to confirm whether there is any material misstatement of sales revenue.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the accounting principles in the Republic of China, we exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls 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 internal controls of Aurora Corporation.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Aurora Corporation's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only 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 Aurora Corporation to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Aurora Corporation to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of Aurora 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 that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine the key audit matters of Aurora Corporation's Parent Company Only Financial Statements for the year ended December 31, 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Chi Rui-Chuan, CPA

Hsieh Chien-Hsin, CPA

Financial Supervisory Commission Approval

No. Jin-Guan-Zheng-Shen No. 1060023872

Securities and Futures Commission Approval

No. Tai-Cai-Zheng-6 No. 0920123784

March 14, 2023

Aurora Corporation
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Assets					
1100	Cash (Note VI)	\$ 110,190	1	\$ 167,091	1
1150	Notes receivable (Notes IV ,VII and XX)	63,296	-	74,211	1
1170	Accounts receivable (Notes IV ,VII and XX)	136,182	1	134,406	1
1180	Accounts receivable - related parties (Notes IV, VII,XX and XXVII)	71,217	1	67,966	-
1220	Current income tax assets(Notes IV and XXII)	44,322	-	-	-
1200	Other receivables (Notes XL and XXVII)	23,259	-	66,985	-
130X	Inventories (Notes IV and VIII)	581,144	4	634,381	5
1479	Other current assets (Note XIV)	<u>70,856</u>	<u>1</u>	<u>77,620</u>	<u>1</u>
11XX	Total current assets	<u>1,100,466</u>	<u>8</u>	<u>1,222,660</u>	<u>9</u>
Non-current assets					
1550	Investments accounted for using the equity method (Notes IV and IX)	10,956,676	83	10,780,872	82
1600	Property, plant, and equipment (Notes IV, X, XXVII, and XXVIII)	770,324	6	776,296	6
1755	Right-of-use assets (Notes IV, XI, and XXVII)	114,649	1	156,847	1
1760	Investment properties (Notes IV, XII, and XXVIII)	70,544	1	71,018	1
1805	Goodwill (Notes IV and XIII)	38,147	-	38,147	-
1821	Other intangible assets (Notes IV, XIII and XXVII)	11,051	-	10,560	-
1840	Deferred tax assets (Notes IV and XXII)	72,465	1	81,158	1
1920	Refundable deposits (Note XXVII)	<u>54,731</u>	<u>-</u>	<u>47,979</u>	<u>-</u>
15XX	Total non-current assets	<u>12,088,587</u>	<u>92</u>	<u>11,962,877</u>	<u>91</u>
1XXX	Total assets	<u>\$ 13,189,053</u>	<u>100</u>	<u>\$ 13,185,537</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2100	Short-term loans (Note XV)	\$ 1,400,000	11	\$ 3,125,822	24
2110	Short-term notes and bills payable (Note XV)	749,701	6	-	-
2130	Contract liabilities - current (Notes IV and XX)	150,799	1	179,273	1
2170	Accounts payable (Notes XVI and XXVII)	307,319	2	341,786	2
2200	Other payables (Notes XVII and XXVII)	225,295	2	265,792	2
2230	Current tax liabilities (Notes IV and XXII)	40,425	-	93,739	1
2280	Lease liabilities - current (Notes IV, XI and XXVII)	59,652	-	78,661	1
2300	Other current liabilities (Note XVII)	<u>34,338</u>	<u>-</u>	<u>63,044</u>	<u>-</u>
21XX	Total current liabilities	<u>2,967,529</u>	<u>22</u>	<u>4,148,117</u>	<u>31</u>
Non-current liabilities					
2540	Long-term loans (Note XV)	1,950,000	15	650,000	5
2570	Deferred income tax liabilities (Notes IV and XXII)	320,307	3	298,724	2
2580	Lease liabilities - non-current (Notes IV, XI and XXVII)	56,073	-	79,269	1
2640	Net defined benefit liabilities - non-current (Notes IV and XXVIII)	380,546	3	412,894	3
2645	Guarantee deposits received (Note XXVII)	<u>1,152</u>	<u>-</u>	<u>1,018</u>	<u>-</u>
25XX	Total non-current liabilities	<u>2,708,078</u>	<u>21</u>	<u>1,441,905</u>	<u>11</u>
2XXX	Total liabilities	<u>5,675,607</u>	<u>43</u>	<u>5,590,022</u>	<u>42</u>
Equity (Note XIX)					
Capital Stock					
3110	Capital stock - common shares	<u>2,362,025</u>	<u>18</u>	<u>2,362,025</u>	<u>18</u>
3200	Capital surplus	<u>1,821,477</u>	<u>14</u>	<u>1,939,269</u>	<u>15</u>
Retained earnings					
3310	Legal reserve	2,017,211	15	1,880,146	14
3320	Special reserve	852,220	7	852,220	6
3350	Unappropriated earnings	<u>1,328,641</u>	<u>10</u>	<u>1,379,923</u>	<u>11</u>
3300	Total retained earnings	<u>4,198,072</u>	<u>32</u>	<u>4,112,289</u>	<u>31</u>
3400	Other equity	(<u>76,302</u>)	(<u>1</u>)	(<u>26,242</u>)	-
3500	Treasury shares	(<u>791,826</u>)	(<u>6</u>)	(<u>791,826</u>)	(<u>6</u>)
3XXX	Total equity	<u>7,513,446</u>	<u>57</u>	<u>7,595,515</u>	<u>58</u>
Total liabilities and equity		<u>\$ 13,189,053</u>	<u>100</u>	<u>\$ 13,185,537</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (Notes IV, XX, and XXVII)				
4110	Sales revenue	\$ 3,338,377	100	\$ 3,307,517	101
4170	Sales returns	(9,285)	-	(13,753)	(1)
4190	Sales discounts and allowances	(6,543)	-	(8,635)	-
4000	Total operating revenue	<u>3,322,549</u>	<u>100</u>	<u>3,285,129</u>	<u>100</u>
5000	Operating costs (Notes VIII, XXI, and XXVII)	<u>1,823,419</u>	<u>55</u>	<u>1,798,923</u>	<u>55</u>
5900	Gross profit	1,499,130	45	1,486,206	45
5910	Unrealized gains from sales of associates	(54,316)	(2)	(61,580)	(2)
5920	Realized gains from sales of associates	<u>60,818</u>	<u>2</u>	<u>63,900</u>	<u>2</u>
5950	Realized gross profit	<u>1,505,632</u>	<u>45</u>	<u>1,488,526</u>	<u>45</u>
	Operating expenses (Notes XXI and XXVII)				
6100	Selling and marketing expenses	668,536	20	677,783	20
6200	General and administrative expenses	400,843	12	393,309	12
6450	Expected credit losses (Notes IV and VII)	(1,044)	-	<u>1,546</u>	-
6000	Total operating expenses	<u>1,068,335</u>	<u>32</u>	<u>1,072,638</u>	<u>32</u>
6900	Net operating income	<u>437,297</u>	<u>13</u>	<u>415,888</u>	<u>13</u>
	Non-operating income and expenses (Notes IV, IX, XXI, and XXVII)				
7100	Interest income	644	-	134	-
7190	Other income	85,612	2	86,929	2
7020	Other gains and losses	(2,012)	-	(1,689)	-
7050	Finance costs	(43,000)	(1)	(26,023)	(1)
7070	Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>1,030,725</u>	<u>31</u>	<u>1,140,198</u>	<u>35</u>
7000	Total non-operating income and expenses	<u>1,071,969</u>	<u>32</u>	<u>1,199,549</u>	<u>36</u>

(Continued on the next page)

(Continued from the previous page)

Code		2022		2021	
		Amount	%	Amount	%
7900	Net income before tax	1,509,266	45	1,615,437	49
7950	Tax expenses (Notes IV and XXII)	(199,898)	(6)	(223,898)	(7)
8200	Net income	<u>1,309,368</u>	<u>39</u>	<u>1,391,539</u>	<u>42</u>
	Other comprehensive income (Notes IV, IX, and XIX)				
8310	Components that will not be reclassified to profit or loss				
8311	Gains (losses) on re-measurements of defined benefit plans (Note XVIII)	14,393	1	(21,375)	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	11,011	-	(3,789)	-
8349	Income tax related to components that will not be reclassified to profit or loss (Note XXII)	(2,879)	-	4,275	-
		<u>22,525</u>	<u>1</u>	(20,889)	-
8360	Components that may be reclassified to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	110,289	3	(58,615)	(2)
8370	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	(178,206)	(5)	3,676	-
		(67,917)	(2)	(54,939)	(2)
8300	Other comprehensive income, net	(45,392)	(1)	(75,828)	(2)
8500	Total comprehensive income	<u>\$ 1,263,976</u>	<u>38</u>	<u>\$ 1,315,711</u>	<u>40</u>
	Earnings per share (Note XXIII)				
9710	Basic	<u>\$ 5.82</u>		<u>\$ 6.19</u>	
9810	Diluted	<u>\$ 5.82</u>		<u>\$ 6.18</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		Capital Stock	Capital surplus	Retained earnings			Other equity		Treasury shares	Total Equity
				Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income		
A1	Balance as of January 1, 2021	\$ 2,362,025	\$ 1,941,799	\$ 1,731,715	\$ 852,220	\$ 1,504,059	(\$ 614,633)	\$ 643,330	(\$ 791,826)	\$ 7,628,689
	Appropriation and distribution of earnings for 2020									
B1	Legal reserve	-	-	148,431	-	(148,431)	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	(1,346,355)	-	-	-	(1,346,355)
C15	Cash dividends appropriated from capital surplus	-	(70,860)	-	-	-	-	-	-	(70,860)
D1	Net income in 2021	-	-	-	-	1,391,539	-	-	-	1,391,539
D3	Other comprehensive income after tax in 2021	-	-	-	-	(20,889)	(67,542)	12,603	-	(75,828)
D5	Total comprehensive income in 2021	-	-	-	-	1,370,650	(67,542)	12,603	-	1,315,711
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330
Z1	Balance as of December 31, 2021	\$ 2,362,025	\$ 1,939,269	\$ 1,880,146	\$ 852,220	\$ 1,379,923	(\$ 682,175)	\$ 655,933	(\$ 791,826)	\$ 7,595,515
	Appropriation and distribution of earnings from 2021									
B1	Appropriation of legal reserve	-	-	137,065	-	(137,065)	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(1,228,253)	-	-	-	(1,228,253)
C15	Cash dividends appropriated with capital surplus	-	(188,962)	-	-	-	-	-	-	(188,962)
C17	Dividends not claimed by shareholders by the given deadline	-	1,621	-	-	-	-	-	-	1,621
D1	Net income in 2022	-	-	-	-	1,309,368	-	-	-	1,309,368
D3	Other comprehensive income after tax in 2022	-	-	-	-	22,525	127,963	(195,880)	-	(45,392)
D5	Total comprehensive income in 2022	-	-	-	-	1,331,893	127,963	(195,880)	-	1,263,976
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330
M5	Difference between the price from acquiring or disposing of shares held in subsidiaries and their book value	-	1,219	-	-	-	-	-	-	1,219
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(17,857)	-	17,857	-	-
Z1	Balance as of December 31, 2022	\$ 2,362,025	\$ 1,821,477	\$ 2,017,211	\$ 852,220	\$ 1,328,641	(\$ 554,212)	\$ 477,910	(\$ 791,826)	\$ 7,513,446

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A00010	Net income before tax	\$ 1,509,266	\$ 1,615,437
A20010	Adjustments:		
A20100	Depreciation expenses	254,771	247,177
A20200	Amortization expenses	6,921	6,507
A20300	Expected credit impairment		
	loss (gain)	(1,044)	1,546
A20900	Finance costs	43,000	26,023
A21200	Interest income	(644)	(134)
A22300	Share of profit or loss of		
	subsidiaries and associates		
	accounted for using the		
	equity method	(1,030,725)	(1,140,198)
A22500	Loss on disposal of property,		
	plant, and equipment	366	323
A23900	Unrealized gains from		
	associates	54,316	61,580
A24000	Realized gains from associates	(60,818)	(63,900)
A29900	Gains on lease modifications	(295)	(601)
A30000	Changes in operating assets and		
	liabilities		
A31130	Notes receivable	10,915	8,837
A31150	Accounts receivable	(732)	18,063
A31160	Accounts receivable - related		
	parties	(3,251)	4,526
A31180	Other receivables	43,726	(2,502)
A31200	Inventories	(91,762)	(251,707)
A31240	Other current assets	6,764	(33,596)
A32125	Contract liabilities	(28,474)	41,997
A32150	Accounts payable	(34,467)	9,146
A32180	Other payables	(40,573)	(4,102)
A32230	Other current liabilities	(28,706)	14,095
A32240	Net defined benefit liabilities	(<u>17,955</u>)	(<u>18,482</u>)
A33000	Cash generated from operations	590,599	540,035
A33100	Interest received	644	134
A33300	Interest paid	(42,924)	(25,826)
A33500	Income tax paid	(<u>270,136</u>)	(<u>130,152</u>)
AAAA	Net cash flows generated from		
	operating activities	<u>278,183</u>	<u>384,191</u>

(Continued on the next page)

(Continued from the previous page)

Code		2022	2021
B02700	Cash flows from investing activities		
	Acquisition of property, plant, and equipment	(10,628)	(11,583)
B02800	Proceeds from disposal of property, plant, and equipment	217	58
B04600	Proceeds from disposal of intangible assets	29	-
B03700	Increase in refundable deposits	(6,752)	(7,681)
B04500	Acquisition of intangible assets	(7,441)	(6,599)
B07600	Dividends received from subsidiaries and associates	<u>875,686</u>	<u>947,704</u>
BBBB	Net cash flows from investing activities	<u>851,111</u>	<u>921,899</u>
C00100	Increase in short-term loans		842,170
C00200	Decrease in short-term borrowings		
	Cash flows from financing activities	(1,725,822)	-
C00500	Increase in short-term notes and bills payable	749,701	-
C00600	Decrease in short-term notes and bills payable	-	(299,655)
C01600	Application for long-term loans	1,300,000	-
C01700	Repayments of long-term loans	-	(350,000)
C03000	Proceeds from guarantee deposits received	134	140
C04500	Cash dividends paid	(1,417,215)	(1,417,215)
C04020	Repayment of the principal portion of lease liabilities	(<u>92,993</u>)	(<u>87,448</u>)
CCCC	Net cash flows used in financing activities	(<u>1,186,195</u>)	(<u>1,312,008</u>)
EEEE	Net decrease in cash	(56,901)	(5,918)
E00100	Cash at beginning of period	<u>167,091</u>	<u>173,009</u>
E00200	Cash at end of period	<u>\$ 110,190</u>	<u>\$ 167,091</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

Aurora Corporation

Notes to Parent Company Only Financial Statements

For the Years Ended December 31, 2022 and 2021

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

1. Company History

Aurora Corporation (the Company) was founded in Taipei in October 1965. The main businesses of the Company include the trade, lease, and repair of Multi-Functional Photocopiers (MFPs) and computer equipment and the sales of system furniture.

The Company's shares have been listed on the Taiwan Stock Exchange since August 1991.

The Parent Company Only Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The Parent Company Only Financial Statements have been approved by the Board of Directors on March 13, 2023.

3. Application of New and Amended Standards and Interpretations

- a. Initial application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

The application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC should not result in major changes in the accounting policies of the Company.

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

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

Note 1. The amendment is applicable during the annual reporting period that begins after January 1, 2023.

Note 2. The amendment is applicable to changes to accounting estimates and the accounting policy that occur during the annual reporting period that begins after January 1, 2023.

Note 3. Except for the deferred income tax recognized of the temporary differences of lease and decommissioning obligations on January 1, 2022, the said amendment applies to transactions that occurred after January 1, 2022.

As of the date of authorization of the financial statements, the Company's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

c. Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB (Note 1)</u>
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 Liabilities for Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1 "Non-current liabilities with contract terms and conditions"	January 1, 2024

Note 1. Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2. The seller and lessee shall retroactively apply the amendments to IFRS 16 for sale and leaseback transactions signed after the initial date of application of IFRS 16.

As of the date of authorization of the Parent Company Only Financial Statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. **Summary of Significant Accounting Policies**

a. Compliance declaration

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

b. Preparation basis

The Parent Company Only Financial Statements have been prepared on a historical cost basis, except for net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

When preparing parent company only financial statements, the Company adopts the equity method for investments in subsidiaries and associates. In order to align profit or loss, other comprehensive income, and equity from the current year in the Parent Company Only Financial Statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method", "share of profit or loss of subsidiaries and associates accounted for using the equity method", "share of other comprehensive income of subsidiary and associates accounted for using the equity method" and related equity items.

c. Standards for assets and liabilities classified as current and non-current

Current assets include:

- 1) Assets held primarily for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes;
- 2) Liabilities with settlement within 12 months after the balance sheet date; and
- 3) Liabilities with a repayment schedule that cannot be unconditionally deferred till at least 12 months after the publication of the balance sheet.

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

d. Foreign currencies

In the preparation of financial statements, transactions denominated in a currency other than the Company's functional currency (i.e., foreign currency) are translated into the Company's functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year 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 was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are 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 re-translated.

In the preparation of the parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories comprise raw materials, work in process, and commodities. Inventory costs are calculated using the weighted average method. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

f. Investments in subsidiaries

The Company has adopted the equity method for investments in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiaries. In addition, changes in the Company's share of subsidiaries' other equity are recognized in proportion to its shareholding ratio.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, and liabilities of subsidiaries recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and may not be amortized.

When the Company assesses impairment, the test shall be performed on the basis of cash generating units within the financial statements. The recoverable amount and the carrying amount of cash generating units shall be compared. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized. Impairment losses attributable to goodwill shall not be reversed in subsequent periods.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the parent company only financial statements. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the parent company only financial statements only to the extent not related to the Company's equity in the subsidiaries.

g. Investments in associates

An associate is an entity over which the Company has significant influence other than a subsidiary or a joint venture.

The Company accounts for investments in associates using the equity method.

Under the equity method, investments are initially treated at cost and adjusted thereafter for the post-acquisition change in the Company's interest in profit or loss, share in other comprehensive income, and profits of associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, and liabilities of associates recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and may not be amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized as profit or loss in the current year.

When associates issue new shares and the Company does not subscribe to such shares to the extent that its original shareholding ratio can be changed, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates accounted for using the equity method and other investments accounted for using the equity method. If the amount of ownership interests in associates is not subscribed for or obtained in proportion to the shareholding ratio, the amount of the related assets or liabilities shall be recognized in other comprehensive income. The basis of the accounting treatment is the same as that of the associates. The difference in the balance of the capital reserve accounted for using the equity method shall be recognized in retained earnings.

To assess impairment, the Company has to consider the overall carrying amount (including goodwill) of the investment as a single asset to compare the recoverable and carrying amounts. The cost of impairment identified is to be deemed as part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

Profits and losses in upstream, downstream and side-stream transactions between the Company and associates are recognized in the financial statements only when the profits and losses are irrelevant to the Company's interests in the associates.

h. Property, plant, and equipment

Property, plant, and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation.

Each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Investment properties

Investment property is real estate held for rent or capital appreciation or both.

Investment property owned by the Company is measured initially at cost (including transaction costs) and subsequently at cost less accumulated depreciation. Depreciation is recognized on a straight-line basis.

j. Goodwill

The value of goodwill received through business combinations has to be shown as the amount of goodwill recognized on the acquisition date and subsequently evaluated as cost less accumulated impairment loss.

To evaluate impairment, goodwill is distributed among various cash-generating units or cash-generating unit groups ("cash-generating units") which the Company expects to benefit by business combinations.

The cash-generating units that are allocated goodwill will compare the unit's carrying amount and its recoverable amount including goodwill every year (and whenever there are signs of impairment) to evaluate the impairment of the unit. If the goodwill is obtained by the cash-generating unit through a business combination in the current year, an impairment test is to be conducted prior to the end of the current year. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit 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. Impairment loss is

considered as loss in the current year. The impairment loss of goodwill shall not be reversed in subsequent periods.

k. Intangible assets

1) Separate acquisition

Intangible assets with a limited useful life will be evaluated initially at cost and subsequently at cost less accumulated amortization. Intangible assets will be amortized using the straight-line method within the useful life. The Company will review the estimated useful life, residual value, and depreciation methods at the end of each year at least once a year to deduce the effect of the changes in accounting estimates.

2) Derecognition

When intangible assets are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss of the current year.

l. Impairment of property, plant, and equipment as well as right-of-use assets, investment property, and intangible assets (excluding goodwill)

On each balance sheet date, the Company reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets, investment property and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for an individual asset, the Company shall estimate the recoverable amount of the asset's cash-generating unit.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not exceed the carrying amount (minus amortization or depreciation) of the asset or of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Financial instruments

Financial assets and financial liabilities shall be recognized in the balance sheets when the Company becomes a party of the financial instrument contract.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Types of measurement

Financial assets held by the Company are financial assets at amortized cost.

Financial assets at amortized cost

When the Company's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

- i. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- ii. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective rate method less any impairment loss. Any foreign exchange gains or losses, on the other hand, are recognized under gains or losses.

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

- i. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- ii. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

b) Impairment of financial assets

The impairment loss of financial assets at amortized cost is measured by the Company on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Company determines that there is internal or external information indicating that the debtor cannot settle the debt, which represents that the financial assets have breached the contract.

The impairment loss of all financial assets is reduced based on the allowance account.

c) Derecognition of financial assets

The Company derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Company transfers

almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

Financial liabilities are assessed at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

n. Revenue recognition

After the Company identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

1) Sales revenue of commodities

Product sale income is from the sale of printers and fax machines. Upon arrival of printers and fax machines at the destination designated by customers, the customers have already owned the right to set the price and use the same and taken the responsibility for re-sale and borne the obsolescence risk; therefore, the Company recognized the income and accounts receivable at that moment. The expected payments to be collected from the sale of commodities are recognized as contract liabilities before customers use the said amusement tickets.

2) Service revenue

Service revenue is derived from the maintenance services of the equipment. Relevant revenue is recognized when services are rendered.

o. Leases

The Company assesses whether the contract is (or includes) a lease on the date of its establishment.

1) Where the Company is a lessor:

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight line basis over the lease term.

2) Where the Company is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement

date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. A right-of-use asset is separately presented on the balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments; in-substance fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of a purchase option when it is reasonably certain to exercise the option; and penalties for terminating the lease reflected in the lease term; less any lease incentives receivable). If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. If the assessments on lease terms, amounts expected to be paid under residual value guarantees and purchase option of the underlying assets; or changes in the index or rate which determines the lease payments result in changes in future lease payments, the Company would remeasure the lease liabilities with a corresponding adjustment on the right-of-use assets. However, if the carrying amount of right-of-use assets has been 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 expressed separately in the balance sheets.

p. Benefits after retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current and previous periods) and the net interest of the net defined benefit liabilities are recognized as employee benefit expenses. The remeasurement amount (including actuarial gains and losses (assets) and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs or when the plan is revised or reduced. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income Tax

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

1) Income tax in the current year

The current income tax payable is calculated based on the taxable income in the current year. A portion of the income and expenses is taxable or deductible in other periods or is not taxable or deductible under the relevant tax laws. Therefore, the

taxable income differs from the net income reported in the parent company only statements of comprehensive income. The Company's current income tax liabilities are based on the statutory tax rate on the balance sheet date.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

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 income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely taxable income for the deducting temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment and equity, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that 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.

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 tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

Current income tax and deferred income tax are recognized in profit or loss except for those related to items recognized in other comprehensive income that shall be recognized in other comprehensive income.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

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 these estimates.

The Company has taken into consideration the recent development of the COVID-19 outbreak in Taiwan and its possible impact on the economic environment, and the management will constantly review its estimates and basic assumptions as part of its consideration of cash flow projections, growth rates, discount rates, profitability and other related significant accounting estimates. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment and future periods.

After reviewing the accounting policies, estimates, and assumptions adopted by the Company, the management found no material uncertainties.

6. Cash

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and working capital	\$ 2,260	\$ 2,285
Checks and demand deposits in banks	<u>107,930</u>	<u>164,806</u>
	<u>\$110,190</u>	<u>\$167,091</u>

7. Notes Receivable and Accounts Receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 63,296	\$ 74,211
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 63,296</u>	<u>\$ 74,211</u>

Accounts receivable

Measured at amortized cost

Total carrying amount	\$ 138,704	\$ 137,452
Less: loss allowance	(<u>2,522</u>)	(<u>3,046</u>)
	<u>\$ 136,182</u>	<u>\$ 134,406</u>

Accounts receivable - related parties

Measured at amortized cost

Total carrying amount	\$ 71,217	\$ 67,966
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 71,217</u>	<u>\$ 67,966</u>

Overdue receivables

Overdue receivables	\$ 2,062	\$ 2,705
Less: loss allowance	(<u>2,062</u>)	(<u>2,705</u>)
	<u>\$ -</u>	<u>\$ -</u>

Accounts receivable

The Company's credit period for commodity sales averages 60~90 days. To minimize credit risk, the management of the Company has delegated a team responsible for taking other monitoring measures to ensure that follow-up action is taken to recover overdue debts. The Company will also review recoverable amount of receivable on balance sheet date to ensure unrecoverable receivables are listed in impairment loss. As such, the management concludes that the credit risk of the Company is significantly reduced.

The Company adopts the simplified approach as stipulated in IFRS 9 and recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The lifetime expected credit losses are calculated based on a provision matrix that takes into account the default history and current financial position of customers, as well as the GDP forecast. Due to the historical experience of credit losses of the Company, there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of accounts receivable.

The Company writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Loss allowances for accounts receivable based on the provision matrix are as follows:

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	More than 91 Days Past Due	Total
Expected credit loss rate	0.60%	29.39%~59.58%	100%	
Total carrying amount	\$ 134,465	\$ 3,980	\$ 259	\$ 138,704
Allowance for loss (expected credit losses during the period)	(809)	(1,454)	(259)	(2,522)
Amortized cost	\$ 133,656	\$ 2,526	\$ -	\$ 136,182

December 31, 2021

	Not Past Due	1 to 90 Days Past Due	More than 91 Days Past Due	Total
Expected credit loss rate	0.24%	8.68%~33.20%	100%	
Total carrying amount	\$ 134,399	\$ 1,525	\$ 1,528	\$ 137,452
Allowance for loss (expected credit losses during the period)	(317)	(1,201)	(1,528)	(3,046)
Amortized cost	\$ 134,082	\$ 324	\$ -	\$ 134,406

Changes in loss allowances for receivables (accounts receivable and overdue receivables) are as follows:

	2022	2021
Beginning balance	\$ 5,751	\$ 4,511
Add: Impairment loss reversely recognized in the current year	(1,044)	1,546
Less: Write-off in the current year	(123)	(306)
Ending balance	\$ 4,584	\$ 5,751

8. Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commodities		
Office automation products, office supplies, and computer equipment	\$ 272,220	\$ 279,263
System furniture	282,754	310,275
Raw materials	19,295	23,723
Work in process	6,786	6,538
Goods in Transit	<u>89</u>	<u>14,582</u>
	<u>\$ 581,144</u>	<u>\$ 634,381</u>

The costs of goods sold related to inventories for the years ended December 31, 2022 and 2021 were NT\$1,684,668 thousand (including NT\$8,955 thousand of inventory falling price loss).

9. Investments Accounted for Using the Equity Method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investments in subsidiaries	\$ 8,931,229	\$ 8,627,558
Investments in associates	<u>2,025,447</u>	<u>2,153,314</u>
	<u>\$ 10,956,676</u>	<u>\$ 10,780,872</u>

a. Investments in subsidiaries

(Continued on the next page)

(Continued from previous page)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unlisted companies		
Aurora (Bermuda) Investment Ltd.	\$ 7,606,441	\$ 7,305,999
Aurora Office Automation Corporation	1,050,973	1,035,862
General Integration Technology Co., Ltd.	133,671	137,361
KM Developing Solutions Co., Ltd.	111,880	109,052
Aurora Machinery Equipment (Shanghai) Co., Ltd.	24,821	34,970
Ever Young Biodimension Corporation	<u>3,443</u>	<u>4,314</u>
	<u>\$ 8,931,229</u>	<u>\$ 8,627,558</u>

The percentage of ownership, equities, and voting rights of the Company in subsidiaries as of the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Aurora (Bermuda) Investment Ltd.	88.04%	88.04%
Aurora Office Automation Corporation	91.13%	91.13%
General Integration Technology Co., Ltd.	55.00%	55.00%
KM Developing Solutions Co., Ltd.	70.00%	70.00%
Aurora Machinery Equipment (Shanghai) Co., Ltd.	70.00%	70.00%
Ever Young Biodimension Corporation	26.00%	26.00%

The Company's shareholding in Ever Young Biodimension Corporation is 26%, and General Integration Technology Co., Ltd. holds 25% of Ever Young Biodimension Corporation's shares, totaling over 50% of the voting rights of Ever Young Biodimension Corporation. As the Company has control over Ever Young Biodimension Corporation, it is classified as a subsidiary.

The profit or loss and other comprehensive income of investments accounted for using the equity method and the Company's share in these investments were calculated based on the financial statements audited by the CPAs, except for Aurora Machinery Equipment (Shanghai) Co., Ltd. However, the Company's management believed that the unaudited financial statements of Aurora Machinery Equipment (Shanghai) Co., Ltd. would not lead to significant adjustments.

b. Investments in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Significant associates		
Listed companies		
Huxen Corporation	\$ 1,362,845	\$ 1,444,402
Individually insignificant associates		
Unlisted companies		
Aurora Development Corp.	468,162	494,848
Aurora Telecom Co., Ltd.	<u>194,440</u>	<u>214,064</u>
	<u>\$ 2,025,447</u>	<u>\$ 2,153,314</u>

The percentage of ownership, equities, and voting rights of the Company in associates on the balance sheet date are as follows:

<u>Name of Company</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Huxen Corporation	32.53%	32.53%
Aurora Development Corp.	46.67%	46.67%
Aurora Telecom Co., Ltd.	30.40%	30.40%

Please refer to Note XXXII (Table 5) for the aforementioned associates' nature of business, main business premises, and countries of registration.

The profit or loss and other comprehensive income of investments accounted for using the equity method and the Company's share in these investments were calculated based on the financial statements audited by the CPAs, except for Aurora Telecom Co., Ltd. However, the management believed that the unaudited financial statements of Aurora Telecom Co., Ltd. would not lead to significant adjustments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

<u>Name of Company</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Huxen Corporation	<u>\$ 2,263,560</u>	<u>\$ 2,411,643</u>

All the aforementioned associates are accounted for using the equity method.

The summary of financial information below is based on individual associates' financial statements prepared in accordance with the IFRSs for which adjustments have been made in the Consolidated Financial Statements due to the use of the equity method.

Huxen Corporation

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current Assets	\$ 1,242,354	\$ 1,252,341
Non-current assets	4,780,558	4,958,409
Current Liabilities	(1,159,863)	(1,284,301)
Non-current liabilities	(907,821)	(700,588)
Equity	<u>\$ 3,955,228</u>	<u>\$ 4,225,861</u>
The Company's shareholding ratio	32.53%	32.53%

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interests of the Company	\$ 1,286,635	\$ 1,374,673
Unrealized gains (losses) on transactions with investees	(83,536)	(90,038)
Goodwill	<u>159,746</u>	<u>159,767</u>
Investment carrying amount	<u>\$ 1,362,845</u>	<u>\$ 1,444,402</u>

	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 1,415,637</u>	<u>\$ 1,415,003</u>
Net income	\$ 561,175	\$ 549,456
Other comprehensive income	(326,072)	<u>16,770</u>
Total comprehensive income	<u>\$ 235,103</u>	<u>\$ 566,226</u>
Dividends received from the associate	<u>\$ 164,537</u>	<u>\$ 169,238</u>

Information on individually insignificant associates is summarized below:

	<u>2022</u>	<u>2021</u>
The Company's share of:		
Net income	\$ 28,345	\$ 3,965
Other comprehensive income	(<u>53,533</u>)	<u>1,837</u>
Total comprehensive income	(<u>\$ 25,188</u>)	<u>\$ 5,802</u>

c. Share of profit or loss and other comprehensive income of subsidiaries and associates accounted for using the equity method are as follows:

1) Share of profit (loss) of subsidiaries and associates accounted for using the equity method:

	<u>2022</u>		<u>2021</u>	
	<u>Profit or Loss of Investee</u>	<u>Investment Profit or Loss Recognized by the Company</u>	<u>Profit or Loss of Investee</u>	<u>Investment Profit or Loss Recognized by the Company</u>
Aurora (Bermuda) Investment Ltd.	\$ 660,853	\$ 602,079	\$ 810,020	\$ 743,776
Aurora Office Automation Corporation	293,330	199,713	281,230	186,769
General Integration Technology Co., Ltd.	7,960	4,378	14,946	8,306
KM Developing Solutions Co., Ltd.	36,039	25,228	34,864	24,405
Aurora Machinery Equipment (Shanghai) Co., Ltd.	(15,282)	(10,697)	(8,273)	(5,791)
Ever Young Biodimension Corporation	(3,352)	(871)	115	30
Huxen Corporation	561,175	182,549	549,456	178,738
Aurora Development Corp.	102,093	47,970	50,149	23,405
Aurora Telecom Co., Ltd.	(64,555)	(<u>19,624</u>)	(63,946)	(<u>19,440</u>)
		<u>\$ 1,030,725</u>		<u>\$ 1,140,198</u>

2) Share of other comprehensive income of subsidiaries and associates accounted for using the equity method:

	<u>2022</u>		<u>2021</u>	
	<u>Other Comprehensive Income of Investee</u>	<u>Other Comprehensive Income Recognized by the Company</u>	<u>Other Comprehensive Income of Investee</u>	<u>Other Comprehensive Income Recognized by the Company</u>
Aurora (Bermuda) Investment Ltd.	\$ 124,647	\$ 109,740	(\$ 66,220)	(\$ 58,300)
Aurora Office Automation Corporation	(157,184)	(7,720)	3,201	(7,332)
General Integration Technology Co., Ltd.	235	129	(135)	(73)
Aurora Machinery Equipment (Shanghai) Co., Ltd.	784	549	(450)	(315)

Huxen Corporation	(326,072)	(106,071)	16,770	5,455
Aurora Development Corp.	(114,706)	(<u>53,533</u>)	3,935	<u>1,837</u>
		(<u>\$ 56,906</u>)		(<u>\$ 58,728</u>)

10. Property, plant, and equipment

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
For self-use	\$ 529,092	\$ 542,159
Operating lease	<u>241,232</u>	<u>234,137</u>
	<u>\$ 770,324</u>	<u>\$ 776,296</u>

a. For self-use

	Self-owned Land	Housing and Construction	Machinery	Office Equipment	Total
<u>Cost</u>					
Balance as of January 1, 2022	\$ 424,697	\$ 173,556	\$ 65,289	\$ 88,266	\$ 751,808
Addition	-	-	3,915	6,713	10,628
Inventories transferred to property, plant, and equipment	-	-	-	1,921	1,921
Disposal and obsolescence	-	-	(11,739)	(17,436)	(29,175)
Balance as of December 31, 2022	<u>424,697</u>	<u>173,556</u>	<u>57,465</u>	<u>79,464</u>	<u>735,182</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2022	-	118,801	35,413	55,435	209,649
Depreciation expenses	-	3,715	7,368	14,273	25,356
Disposal and obsolescence	-	-	(11,739)	(17,176)	(28,915)
Balance as of December 31, 2022	-	<u>122,516</u>	<u>31,042</u>	<u>52,532</u>	<u>206,090</u>
Net amount as of December 31, 2022	<u>\$ 424,697</u>	<u>\$ 51,040</u>	<u>\$ 26,423</u>	<u>\$ 26,932</u>	<u>\$ 529,092</u>
<u>Cost</u>					
Balance as of January 1, 2021	\$ 424,697	\$ 173,556	\$ 61,092	\$ 97,858	\$ 757,203
Addition	-	-	6,497	5,086	11,583
Inventories transferred to property, plant, and equipment	-	-	-	818	818
Disposal and obsolescence	-	-	(2,300)	(15,496)	(17,796)
Balance as of December 31, 2021	<u>424,697</u>	<u>173,556</u>	<u>65,289</u>	<u>88,266</u>	<u>751,808</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2021	-	114,529	30,842	53,219	198,590
Depreciation expenses	-	4,272	6,871	17,671	28,814
Disposal and obsolescence	-	-	(2,300)	(15,455)	(17,755)
Balance as of December 31, 2021	-	<u>118,801</u>	<u>35,413</u>	<u>55,435</u>	<u>209,649</u>
Net amount as of December 31, 2021	<u>\$ 424,697</u>	<u>\$ 54,755</u>	<u>\$ 29,876</u>	<u>\$ 32,831</u>	<u>\$ 542,159</u>

No indication of impairment was identified in 2022 and 2021.

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Housing and Construction

Warehouses	20 years
Plants and buildings	40~55 years
Mechanical and electrical engineering	25~30 years
Housing improvements	30~34 years
Machinery	2~16 years
Office Equipment	1~15 years

b. Operating leases - office equipment

	<u>2022</u>	<u>2021</u>
<u>Cost</u>		
Beginning balance	\$ 801,230	\$ 777,082
Inventories transferred to property, plant, and equipment	148,484	125,425
Property, plant, and equipment transferred to inventories	(34,779)	(31,256)
Disposal and obsolescence	(<u>78,979</u>)	(<u>70,021</u>)
Ending balance	<u>835,956</u>	<u>801,230</u>
<u>Accumulated depreciation</u>		
Beginning balance	567,093	532,643
Depreciation expenses	135,660	130,016
Property, plant, and equipment transferred to inventories	(29,373)	(25,885)
Disposal and obsolescence	(<u>78,656</u>)	(<u>69,681</u>)
Ending balance	<u>594,724</u>	<u>567,093</u>
Ending net amount	<u>\$ 241,232</u>	<u>\$ 234,137</u>

For the Company's MFPs through operating leases, the lease period is 1 to 6 year(s). Lessees do not have preferential rights to acquire the MFPs at the expiration of the lease period.

The total lease payments (excluding revenue from printing services) to be received in the future for operating leases are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 27,287	\$ 23,282
Year 2	13,895	16,476
Year 3	8,580	6,130
Year 4	5,133	2,732
Year 5	1,592	811
Year 6	<u>33</u>	<u>37</u>
	<u>\$ 56,520</u>	<u>\$ 49,468</u>

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Leased assets (MFPs)

Used MFPs	1~2 year(s)
New MFPs	3~5 years

- c. For the amount of property, plant, and equipment pledged as collateral, please refer to Note XXVIII.

11. Lease Agreements

- a. Right-of-use assets

	<u>Land and Buildings</u>	<u>Transportation Equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 244,440	\$ 34,816	\$ 279,256
Addition	62,864	7,538	70,402
Disposal and obsolescence	(<u>106,162</u>)	(<u>9,809</u>)	(<u>115,971</u>)
Balance as of December 31, 2022	<u>201,142</u>	<u>32,545</u>	<u>233,687</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2022	104,141	18,268	122,409
Depreciation expenses	80,432	12,849	93,281
Disposal and obsolescence	(<u>86,992</u>)	(<u>9,660</u>)	(<u>96,652</u>)
Balance as of December 31, 2022	<u>97,581</u>	<u>21,457</u>	<u>119,038</u>
Net amount as of December 31, 2022	<u>\$ 103,561</u>	<u>\$ 11,088</u>	<u>\$ 114,649</u>
<u>Cost</u>			
Balance as of January 1, 2021	\$ 206,473	\$ 33,218	\$ 239,691
Addition	111,429	8,174	119,603
Disposal and obsolescence	(<u>73,462</u>)	(<u>6,576</u>)	(<u>80,038</u>)

Balance as of December 31, 2021	<u>244,440</u>	<u>34,816</u>	<u>279,256</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	69,279	11,636	80,915
Depreciation expenses	75,141	12,731	87,872
Disposal and obsolescence	(<u>40,279</u>)	(<u>6,099</u>)	(<u>46,378</u>)
Balance as of December 31, 2021	<u>104,141</u>	<u>18,268</u>	<u>122,409</u>
Net amount as of December 31, 2021	<u>\$ 140,299</u>	<u>\$ 16,548</u>	<u>\$ 156,847</u>

b. Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 59,652</u>	<u>\$ 78,661</u>
Non-current	<u>\$ 56,073</u>	<u>\$ 79,269</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land and Buildings	0.691%~0.789%	0.762%~0.789%
Transportation Equipment	0.691%~0.789%	0.762%~0.789%

c. Major lease activities and terms

The Company leases land, buildings, and transportation equipment for operations, and the lease term is between 1 to 5 year(s). When the lease term ends, the Company has no preferential rights to purchase the leased vehicles and business premises.

d. Other lease information

For agreements on operating leases for the leasing out of property, plant, and equipment and investment property, please refer to Notes X and XII.

	<u>2022</u>	<u>2021</u>
Short-term lease expenses	(<u>\$ 3,053</u>)	(<u>\$ 2,936</u>)
Total cash flows on lease		
- Repayment of lease liabilities	(\$ 92,993)	(\$ 87,448)
- Interest expenses paid	(<u>1,075</u>)	(<u>1,227</u>)
	<u>(\$ 94,068)</u>	<u>(\$ 88,675)</u>

The Company selects to apply the recognition exemptions to leases of parking spaces that qualify as short-term leases and cloud service platforms. Consequently, the Company does not recognize any right-of-use assets or lease liabilities for the said leases.

12. Investment properties

	2022			2021		
	Land	Housing and Construction	Total	Land	Housing and Construction	Total
<u>Cost</u>						
Beginning balance	\$ 57,970	\$ 26,571	\$ 84,541	\$ 57,970	\$ 26,571	\$ 84,541
Ending balance	<u>57,970</u>	<u>26,571</u>	<u>84,541</u>	<u>57,970</u>	<u>26,571</u>	<u>84,541</u>
<u>Accumulated depreciation</u>						
Beginning balance	-	13,523	13,523	-	13,048	13,048
Depreciation expenses	-	474	474	-	475	475
Ending balance	<u>-</u>	<u>13,997</u>	<u>13,997</u>	<u>-</u>	<u>13,523</u>	<u>13,523</u>
Ending net amount	<u>\$ 57,970</u>	<u>\$ 12,574</u>	<u>\$ 70,544</u>	<u>\$ 57,970</u>	<u>\$ 13,048</u>	<u>\$ 71,018</u>

The investment property is subject to a lease term of 2 years. Lessees have no preferential right to purchase the investment property at the end of the lease term.

The total amount of lease payments to be collected in the future for investment property on operating lease is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 4,080	\$ 4,070
Year 2	340	4,080
Year 3	<u>-</u>	<u>340</u>
	<u>\$ 4,420</u>	<u>\$ 8,490</u>

Lease commitments for lease periods beginning after the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments for investment properties	<u>\$ -</u>	<u>\$ 8,160</u>

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Main buildings 55 years

For the amount of investment property pledged as collateral, please refer to Note XXVIII.

The fair value of the investment property was assessed by the management with reference to the prevailing market information as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value	<u>\$ 85,400</u>	<u>\$ 85,372</u>

13. Intangible assets

a. Goodwill

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Carrying amount</u>		
Goodwill	<u>\$ 38,147</u>	<u>\$ 38,147</u>

No indication of impairment of goodwill was identified in 2022 and 2021.

b. Other intangible assets

	<u>2022</u>			<u>2021</u>		
	<u>Trademark Right</u>	<u>Computer Software</u>	<u>Total</u>	<u>Trademark Right</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>						
Beginning balance	\$ 808	\$ 22,406	\$ 23,214	\$ 808	\$ 19,338	\$ 20,146
Addition	-	7,441	7,441	-	6,599	6,599
Disposal and obsolescence	-	(5,317)	(5,317)	-	(3,531)	(3,531)
Ending balance	<u>808</u>	<u>24,530</u>	<u>25,338</u>	<u>808</u>	<u>22,406</u>	<u>23,214</u>
<u>Accumulated amortization</u>						
Beginning balance	808	11,846	12,654	786	8,892	9,678
Amortization expenses	-	6,921	6,921	22	6,485	6,507
Disposal and obsolescence	-	(5,288)	(5,288)	-	(3,531)	(3,531)
Ending balance	<u>808</u>	<u>13,479</u>	<u>14,287</u>	<u>808</u>	<u>11,846</u>	<u>12,654</u>
Ending net amount	<u>\$ -</u>	<u>\$ 11,051</u>	<u>\$ 11,051</u>	<u>\$ -</u>	<u>\$ 10,560</u>	<u>\$ 10,560</u>

No indication of impairment of assets above was identified in 2022 and 2021.

Amortization expenses are calculated on a straight-line basis over the following useful lives:

Trademark Right	20 years
Computer Software	1~10 year(s)

14. Other current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for goods	\$ 64,766	\$ 70,470
Prepaid expenses	3,646	3,927
Temporary payments	2,309	3,088
Tax overpaid retained for offsetting the future tax payable	<u>135</u>	<u>135</u>
	<u>\$ 70,856</u>	<u>\$ 77,620</u>

15. Loans

a. Short-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit loans	\$ 1,400,000	\$ 3,050,000
Loans for material purchase	<u>-</u>	<u>75,822</u>
	<u>\$ 1,400,000</u>	<u>\$ 3,125,822</u>
Credit loans		
NTD	1.57% ~ 2.00%	0.66% ~ 0.73%
Loans for material purchase		
USD	-	0.64% ~ 0.76%

1) Please refer to Note XXVIII for assets pledged as collateral for the above-mentioned loans.

2) Please refer to Note XXIX (II) for guaranteed notes issued to financial institutions.

b. Short-term notes and bills payable

The outstanding short-term bills payable as of the balance sheet date are as follows:

December 31, 2022

<u>Guarantor/Accepting Institution</u>	<u>Nominal Amount</u>	<u>Discounted Amount</u>	<u>Carrying amount</u>	<u>Range of Interest Rate</u>	<u>Collateral</u>
<u>Commercial paper payable</u>					
DAH CHUNG BILLS FINANCE CORP.	\$ 200,000	(\$ 48)	\$ 199,952	1.928%	None
MEGA BILLS FINANCE CO., LTD.	100,000	(16)	99,984	1.928%	None
TAIWAN FINANCE CORPORATION	100,000	(26)	99,974	1.928%	None
Bank of Taiwan	<u>350,000</u>	<u>(209)</u>	<u>349,791</u>	1.820%	None
	<u>\$ 750,000</u>	<u>(\$ 299)</u>	<u>\$ 749,701</u>		

c. Long-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Secured loans</u>		
Bank loans (1)	\$ 1,450,000	\$ -
<u>Unsecured loans</u>		
Bank loans (2)	<u>500,000</u>	<u>650,000</u>
	<u>\$ 1,950,000</u>	<u>\$ 650,000</u>

- 1) Loans are secured by pledge of land and buildings held by the Company (see Note XXVIII), with interest accruing at floating rates and the remaining maturity period of not more than 2 years as of December 31, 2022. The rate range was 1.54%~1.60% per annum. Interest is paid on a monthly basis, and the principal is paid at maturity for subsequent borrowing.
- 2) Unsecured loans are bank loans at floating rates. As of December 31, 2022 and 2021, the rate ranges were 1.48% and 0.71%~0.825% per annum, respectively. Interest is paid on a monthly basis, and the principal is paid at maturity for subsequent borrowing.

16. Accounts Payable

The payment period averages 2 months. The Company has financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

17. Other Liabilities

- a. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and bonuses payable	\$ 164,425	\$ 164,397
Business taxes payable	14,161	11,414
Holiday benefits payable	415	360
Related parties	-	41,281
Others	<u>46,294</u>	<u>48,340</u>
	<u>\$ 225,295</u>	<u>\$ 265,792</u>

Other payables - related parties are monthly payments of rental collected from lessees by the Company on behalf of related parties.

- b. Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Temporary credits	\$ 30,922	\$ 59,759
Receipts under custody	<u>3,416</u>	<u>3,285</u>
	<u>\$ 34,338</u>	<u>\$ 63,044</u>

18. Post-retirement Benefit Plan

- a. Defined contribution plans

The Company adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

- b. Defined benefit plans

The pension system adopted by the Company under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date.

The Company allocates 2% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company has no right over its investment and administration strategies.

The amounts of defined benefit plans included in the parent company only balance sheets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 428,797	\$ 449,934
Fair value of plan assets	(<u>48,251</u>)	(<u>37,040</u>)
Net defined benefit liabilities	<u>\$ 380,546</u>	<u>\$ 412,894</u>

Changes in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
January 1, 2022	<u>\$ 449,934</u>	(<u>\$ 37,040</u>)	<u>\$ 412,894</u>
Service costs			
Service costs for the current period	417	-	417
Interest expenses (income)	<u>2,812</u>	(<u>299</u>)	<u>2,513</u>
Recognized in profit or loss	<u>3,229</u>	(<u>299</u>)	<u>2,930</u>
Remeasurements			
Return on plan assets (excluding interest income calculated by a discount rate)	-	(2,677)	(2,677)
Actuarial losses - changes in demographic assumptions	1,980	-	1,980
Actuarial gains- changes in financial assumptions	(19,986)	-	(19,986)
Actuarial losses - experience adjustments	<u>6,290</u>	<u>-</u>	<u>6,290</u>
Recognized in other comprehensive income	(<u>11,716</u>)	(<u>2,677</u>)	(<u>14,393</u>)
Contribution by the employer	\$ -	(\$ 20,885)	(\$ 20,885)
Benefits paid on plan assets	(<u>12,650</u>)	<u>12,650</u>	<u>-</u>
December 31, 2022	<u>\$ 428,797</u>	(<u>\$ 48,251</u>)	<u>\$ 380,546</u>
January 1, 2021	<u>\$ 446,204</u>	(<u>\$ 36,203</u>)	<u>\$ 410,001</u>
Service costs			
Service costs for the current period	494	-	494
Interest expenses (income)	<u>2,231</u>	(<u>235</u>)	<u>1,996</u>
Recognized in profit or loss	<u>2,725</u>	(<u>235</u>)	<u>2,490</u>
Remeasurements			
Return on plan assets (excluding interest income calculated by a discount rate)	-	(331)	(331)

Actuarial losses - changes in demographic assumptions	11,642	-	11,642
Actuarial gains - changes in financial assumptions	(5,418)	-	(5,418)
Actuarial losses - experience adjustments	<u>15,482</u>	<u>-</u>	<u>15,482</u>
Recognized in other comprehensive income	<u>21,706</u>	(<u>331</u>)	<u>21,375</u>
Contribution by the employer	-	(20,972)	(20,972)
Benefits paid on plan assets	(<u>20,701</u>)	<u>20,701</u>	<u>-</u>
December 31, 2021	<u>\$ 449,934</u>	(<u>\$ 37,040</u>)	<u>\$ 412,894</u>

The Company has the following risks owing to the implementation of the pension system under the Labor Standards Act:

- 1) Investment risks: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Company shall not be lower than interest on a two-year time deposit at a local bank.
- 2) Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
- 3) Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.375%	0.625%
Average long-term salary adjustment rate	2.25%	2%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
Increase by 0.25%	(<u>\$ 9,403</u>)	(<u>\$ 10,794</u>)
Decrease by 0.25%	<u>\$ 9,714</u>	<u>\$ 11,173</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 9,455</u>	<u>\$ 10,825</u>
Decrease by 0.25%	(<u>\$ 9,200</u>)	(<u>\$ 10,513</u>)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Expected amount of contribution within 1 year	<u>\$ 20,822</u>	<u>\$ 21,861</u>
Average duration of defined benefit obligations	8.9 years	9.7 years

19. Equity

- a. Capital stock

Common stock

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>
Share capital authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>236,202</u>	<u>236,202</u>
Share capital issued	<u>\$ 2,362,025</u>	<u>\$ 2,362,025</u>

b. Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>		
Premium on conversion of corporate bonds	\$ 742,679	\$ 931,641
Treasury share transactions	3,333	3,333
Donations	938	938
Disposal of the Company's shares by subsidiaries recognized as treasury share transactions	54,838	54,838
Difference between the actual price from acquiring or disposing of shares held in subsidiaries and the book value	1,219	-
<u>May only be used to offset deficits</u>		
Recognized value of changes in equity of ownership of subsidiaries (2)	7,913	7,913
Dividends that are not collected before the designated date	9,569	7,948
Cash dividends received from the Company for shares of the Company held by subsidiaries	960,741	892,411
<u>May not be used for any purpose</u>		
Employees stock option	<u>40,247</u>	<u>40,247</u>
	<u>\$ 1,821,477</u>	<u>\$ 1,939,269</u>

- 1) This type of capital surplus may be used to cover loss or issue cash or replenish capital when there is no loss, but capital replenishment is restricted to the ratio of actual capital stock each year.

- 2) This type of capital surplus recognized as equity transaction effect due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares, or as adjustment value of capital surplus from subsidiary recognized by the Company using the equity method.

c. Retained earnings and dividend policy

If the Company has a net profit for the current year, it shall first use the profit to pay income taxes and make up for any accumulated losses, and then set aside 10% as a legal reserve. Any excessive balance may be reserved or transferred to be a special reserve pursuant to relevant laws. Any remaining balance in retained earnings may be appropriated for dividends in accordance with a proposal for appropriation of earnings as approved by the Board of Directors and submit it to the shareholders' meeting for distribution of shareholder dividends. Please refer to Note XXI (VI) for the employee compensation policy.

Legal reserve should be contributed until its balance reaches the Company's total paid-in capital stock. The legal reserve may be used to make up for losses. When the Company has no loss, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated in the form of cash, in addition to being transferred to share capital.

The Company appropriates or reserves special reserve in accordance with the Official Letter No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated or reversal Following Adoption of IFRSs."

As the industry into which the Company falls is currently in a stage of steady growth, demand for capital has lowered. In the future, operating results will be returned to shareholders as many as possible. In consideration of business development, financial conditions, capital expansion, and shareholders' equity, the Company will distribute dividends in a combination of stock and cash, where cash dividends will account for more than 10% of the dividends distributed for the year.

The shareholders' meetings which approved the distribution of earnings for years ended December 31, 2021 and 2020 were held on June 9, 2022 and July 15, 2021, respectively; the distributions of earnings are as follows:

	Distribution of Earnings		Dividends Per Share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 137,065	\$ 148,431		
Cash dividends	1,228,253	1,346,355	\$ 5.20	\$ 5.70

In addition, the 2022 and 2021 Annual Shareholders' Meeting approved the distribution of cash dividends (NT\$0.8 per share and NT\$0.3 per share) from capital surplus - stock issuance premium of NT\$188,962 thousand and 70,860 thousand, respectively.

On March 13, 2023, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2022 as follows:

	Distribution of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 131,404	
Cash dividends	1,110,152	\$ 4.70

The distribution of earnings for the year ended December 31, 2022 is subject to the resolution in the shareholders' meeting on June 19, 2023.

d. Special reserve arising from first-time application of IFRSs

Special reserve arising from first-time application of IFRSs is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Special reserve	<u>\$ 331,624</u>	<u>\$ 331,624</u>

The amount recorded as cumulative translation adjustments transferred to retained earnings was NT\$452,517 thousand. As the increase in retained earnings arising from first-time application of IFRSs was insufficient, special reserve was only set aside for the increase in retained earnings arising from application, NT\$331,624 thousand.

Where relevant assets are subsequently used, disposed of or reclassified, the original proportion of special reserve may be reversed for the distribution of earnings. Special reserve that should be set aside upon first-time application of IFRSs may be used to make up losses in subsequent years. Special reserve should be set aside for the deficit until there is a profit in subsequent years and the reasons for the provision of special reserve are resolved.

e. Other equity items

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Exchange differences on translation of financial statements of foreign operations		
Attributable to the Company	(\$ 511,191)	(\$ 621,480)
Associates accounted for using the equity method	(<u>43,021</u>)	(<u>60,695</u>)
	(<u>554,212</u>)	(<u>682,175</u>)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
Subsidiaries and associates accounted for using the equity method	<u>477,910</u>	<u>655,933</u>
	(<u>76,302</u>)	(<u>26,242</u>)

1) Exchange differences on translation of financial statements of foreign operations

Exchange differences on translation of foreign operations' net assets denominated in functional currencies into the Company's presentation currency (NTD) are directly recognized in other comprehensive income as exchange differences on translation of financial statements of foreign operations. The cumulative exchange differences on translation of financial statements of foreign operations are reclassified to profit or loss upon disposal of foreign operations.

	<u>2022</u>	<u>2021</u>
Beginning balance	(<u>\$682,175</u>)	(<u>\$614,633</u>)
Incurred this year		

	<u>2022</u>	<u>2021</u>
Exchange differences on translation of foreign operations	110,289	(58,615)
Share of associates accounted for using the equity method	<u>17,674</u>	<u>(8,927)</u>
Other comprehensive income	<u>127,963</u>	<u>(67,542)</u>
Ending balance	<u>(\$554,212)</u>	<u>(\$682,175)</u>

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	<u>2022</u>	<u>2021</u>
Beginning balance	<u>\$655,933</u>	<u>\$643,330</u>
Incurred this year		
Unrealized gains (losses)		
Share of subsidiaries and associates accounted for using the equity method	<u>(195,880)</u>	<u>12,603</u>
Other comprehensive income	<u>(195,880)</u>	<u>12,603</u>
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	<u>17,857</u>	<u>-</u>
Ending balance	<u>\$477,910</u>	<u>\$655,933</u>

f. Treasury shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shares of the Company held by subsidiaries	<u>\$791,826</u>	<u>\$791,826</u>

1) Information on subsidiaries holding the Company's shares on the balance sheet date is as follows:

	<u>December 31, 2022</u>				
	<u>The Company's Shareholding (%)</u>	<u>Number of Shares (in Thousands)</u>	<u>Amount of Treasury Shares</u>	<u>Current Market Value</u>	<u>Reason</u>
Aurora Office Automation Corporation	91.13	12,496	\$ 791,826	\$ 973,500	To maintain credit and shareholders' equity
	<u>December 31, 2021</u>				
	<u>The Company's Shareholding (%)</u>	<u>Number of Shares (in Thousands)</u>	<u>Amount of Treasury Shares</u>	<u>Current Market Value</u>	<u>Reason</u>
Aurora Office Automation Corporation	91.13	12,496	\$ 791,826	\$1,122,212	To maintain credit and shareholders' equity

- 2) Treasury shares held by the Company may be neither pledged nor assigned rights such as dividend appropriation and voting rights in accordance with the Securities and Exchange Act. Subsidiaries holding the Company's shares, which are considered treasury shares, are bestowed shareholders' rights, except for the rights to participate in any share issuance for cash and to vote.

20. Revenue

- a. Breakdown of revenue from contracts with customers

	<u>2022</u>	<u>2021</u>
<u>Product category</u>		
Office Equipment	\$ 1,986,711	\$ 1,977,618
Office furniture	1,279,462	1,254,182
Others	<u>56,376</u>	<u>53,329</u>
	<u>\$ 3,322,549</u>	<u>\$ 3,285,129</u>

- b. Contract balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable (Note VII)	\$ 63,296	\$ 74,211
Accounts receivable (including related parties) (Note VII)	207,399	202,372
Contract liabilities	150,799	179,273

Changes in contract liabilities are mainly due to timing difference between performance obligations and customer payment.

The amounts of contract liabilities at the beginning of the period and previously fulfilled that were recognized in revenue for the years ended December 31, 2022 and 2021 were NT\$168,905 thousand and NT\$131,377 thousand, respectively.

21. Net Income

- a. Other income

	<u>2022</u>	<u>2021</u>
Rental income		
- Investment properties	\$ 4,813	\$ 4,788
Income from consultancy	76,451	77,888
Other income	<u>4,348</u>	<u>4,253</u>
	<u>\$ 85,612</u>	<u>\$ 86,929</u>

Income from consultancy represents the fees received by the Company from related parties for rendering consulting services.

b. Other gains and losses

	<u>2022</u>	<u>2021</u>
Loss on disposal of property, plant, and equipment	(\$ 366)	(\$ 323)
Gains on lease modifications	295	601
Net foreign exchange gains (losses)	(848)	262
Miscellaneous expenses	(1,093)	(2,229)
	<u>(\$ 2,012)</u>	<u>(\$ 1,689)</u>

c. Finance costs

	<u>2022</u>	<u>2021</u>
Interest on bank loans	\$ 41,919	\$ 24,790
Lease interest	1,075	1,227
Imputed interest on deposits	<u>6</u>	<u>6</u>
	<u>\$ 43,000</u>	<u>\$ 26,023</u>

d. Depreciation and amortization expenses

	<u>2022</u>	<u>2021</u>
Property, plant, and equipment	\$ 161,016	\$ 158,830
Right-of-use assets	93,281	87,872
Investment properties	474	475
Intangible assets	<u>6,921</u>	<u>6,507</u>
	<u>\$ 261,692</u>	<u>\$ 253,684</u>

Depreciation expenses by function

Operating costs	\$ 145,346	\$ 139,691
Operating expenses	108,951	107,011
Non-operating income and expenses	<u>474</u>	<u>475</u>
	<u>\$ 254,771</u>	<u>\$ 247,177</u>

Amortization expenses by function

Operating costs	\$ 178	\$ 186
Operating expenses	<u>6,743</u>	<u>6,321</u>
	<u>\$ 6,921</u>	<u>\$ 6,507</u>

e. Employee benefits

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 808,591	\$ 820,265
Retirement benefits (Note XVIII)		
Defined contribution plans	34,386	34,470
Defined benefit plans	<u>2,930</u>	<u>2,490</u>
Total employee benefit expenses	<u>\$ 845,907</u>	<u>\$ 857,225</u>
By function		
Operating costs	\$ 38,674	\$ 43,328
Operating expenses	<u>807,233</u>	<u>813,897</u>
	<u>\$ 845,907</u>	<u>\$ 857,225</u>

f. Employee compensation

The Company sets aside 1%~10% of income before tax for a year as employee compensation. Employee compensation for the years ended December 31, 2022 and 2021 was resolved by the Board of directors on March 13, 2023 and March 16, 2022:

Estimated percentage

	<u>2022</u>	<u>2021</u>
Employee compensation	1%	1%

Amount

	<u>2022</u>	<u>2021</u>
Employee compensation	\$ 15,310	\$ 16,370

If there is still any change in the amount after the annual financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates in the following year.

The amounts of employee compensation distributed for the years ended December 31, 2021 and 2020 and those recognized in the parent company only financial statements are consistent.

Information on employee compensation resolved by the Board of Directors is available on the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

22. Income Tax

- a. Major components of income tax expenses (benefits) recognized in profit or loss are as follows:

	<u>2022</u>	<u>2021</u>
Current income tax		
Accrued this year	\$ 172,500	\$ 181,551
Adjustments from previous years	<u>1</u>	<u>-</u>
	<u>172,501</u>	<u>181,551</u>
Deferred income tax		
Accrued this year	<u>27,397</u>	<u>42,347</u>
Income tax expense recognized in profit or loss	<u>\$ 199,898</u>	<u>\$ 223,898</u>

Reconciliation between accounting income and current income tax expenses is as follows:

	<u>2022</u>	<u>2021</u>
Income before tax	<u>\$ 1,509,266</u>	<u>\$ 1,615,437</u>
Income tax expenses calculated at the statutory rate	\$ 301,853	\$ 323,087
Fees that cannot be deducted from taxes	-	1
Tax-exempted income	(91,794)	(84,331)
Unrecognized deductible temporary difference	(10,158)	(14,859)
Adjustments of current income tax expenses in previous years	1	-
Others	(4)	-
Income tax expense recognized in profit or loss	<u>\$ 199,898</u>	<u>\$ 223,898</u>

b. Income tax recognized in other comprehensive income

	<u>2022</u>	<u>2021</u>
<u>Deferred income tax</u>		
Accrued this year - remeasurements of defined benefit plans	<u>\$ 2,879</u>	(<u>\$ 4,275</u>)

c. Current income tax liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Tax credit receivable	\$ <u>44,322</u>	\$ <u>-</u>
Current income tax liabilities		
Income tax payable	\$ <u>93,739</u>	\$ <u>42,340</u>

d. Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
<u>Deferred income tax assets</u>				
Temporary differences				
Deferred revenue	\$ 18,008	(\$ 1,300)	\$ -	\$ 16,708
Loss allowances	585	(219)	-	366
Loss on inventory write-down	3,959	(715)	-	3,244
Holiday benefits payable	72	11	-	83
Book-tax difference in pensions	9,435	(3,591)	-	5,844
Defined benefit plans	<u>49,099</u>	<u>-</u>	<u>(2,879)</u>	<u>46,220</u>
	<u>\$ 81,158</u>	<u>(\$ 5,814)</u>	<u>(\$ 2,879)</u>	<u>\$ 72,465</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Share of profit or loss of subsidiaries accounted for using the equity method	\$298,634	\$ 21,673	\$ -	\$320,307
Unrealized exchange gains	<u>90</u>	<u>(90)</u>	<u>-</u>	<u>-</u>
	<u>\$298,724</u>	<u>\$ 21,583</u>	<u>\$ -</u>	<u>\$320,307</u>

2021

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
<u>Deferred income tax assets</u>				
Temporary differences				
Deferred revenue	\$ 18,472	(\$ 464)	\$ -	\$ 18,008
Loss allowances	274	311	-	585
Loss on inventory write-down	2,168	1,791	-	3,959
Holiday benefits payable	73	(1)	-	72
Book-tax difference in pensions	13,131	(3,696)	-	9,435
Defined benefit plans	<u>44,824</u>	<u>-</u>	<u>4,275</u>	<u>49,099</u>
	<u>\$ 78,942</u>	<u>(\$ 2,059)</u>	<u>\$ 4,275</u>	<u>\$ 81,158</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Share of profit or loss of subsidiaries accounted for using the equity method	\$258,429	\$ 40,205	\$ -	\$298,634
Unrealized exchange gains	<u>7</u>	<u>83</u>	<u>-</u>	<u>90</u>
	<u>\$258,436</u>	<u>\$ 40,288</u>	<u>\$ -</u>	<u>\$298,724</u>

- e. Amount of temporary differences in unrecognized deferred income tax liabilities related to investments

As of December 31, 2022 and 2021, the taxable temporary differences related to investments in subsidiaries not recognized as deferred income tax liabilities were NT\$810,987 thousand and NT\$799,350 thousand, respectively.

- f. Income tax assessment

The Company's corporate income tax returns have been assessed by the Tax Authorities until 2020. There is no difference between the assessment result and the filing.

23. Earnings per Share

Net income and weighted average number of common shares used for calculation of earnings per share are as follows:

Net income

	2022	2021
Net income	<u>\$ 1,309,368</u>	<u>\$ 1,391,539</u>

Number of Shares

	Unit: Thousand shares	
	<u>2022</u>	<u>2021</u>
Weighted average number of common shares used for calculation of basic earnings per share	224,814	224,814
Effect of potentially dilutive common shares:		
Employee compensation	<u>237</u>	<u>222</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>225,051</u>	<u>225,036</u>

If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

24. Capital Risk Management

The Company manages capital management under the precondition for sustainable development to ensure that it is able to maximize the benefit for its shareholders by optimizing debt and equity.

The management reviews the capital structure of the Company from time to time in light of the economic environment and business considerations. According to the management's opinions and statutory requirements, the Company balances the overall capital structure through the payment of dividends, issuance of shares, and financing.

25. Non-Cash Flow Information-based Trading

The acquisition of property, plant, and equipment by the Company during the years ended December 31, 2022 and 2021 that affected both cash and non-cash items is as follows:

	<u>2022</u>	<u>2021</u>
Inventories transferred to property, plant, and equipment	<u>\$ 150,405</u>	<u>\$ 126,243</u>
Property, plant, and equipment transferred to inventories	<u>\$ 5,406</u>	<u>\$ 5,371</u>

26. Financial instruments

- a. Information on fair value - financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value.

b. Category of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 458,875	\$ 558,638
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	4,454,466	4,208,247

Note 1. The balance includes cash, accounts receivable, other receivables, refundable deposits, and other financial assets at amortized cost.

Note 2. The balance includes short-term loans, short-term notes and bills payable, accounts payable, other payables (excluding employee benefits payable and business tax payable), long-term loans, guarantee deposits received, and other financial liabilities at amortized cost.

c. Financial risk management objectives and policies

The main financial instruments of the Company include equity instrument investments, accounts receivable, accounts payable, loans, and lease liabilities. The financial management department of the Company provides services for the business units, coordinates the operation of the domestic financial market, and supervises and manages financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the level and scope of risks. Such risk includes market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

1) Market risk

The main financial risks the Company is exposed to in the business activities are foreign exchange risk and interest rate risk.

Market risk in relation to the Company's financial instruments and its management and measurement approaches remain unchanged.

a) Foreign exchange risk

For the monetary assets and liabilities of the Company denominated in non-functional currencies on the balance sheet date, please refer to Note XXXI.

Sensitivity analysis

The Company is mainly impacted by the exchange rate fluctuations in USD.

The sensitivity analysis below indicates the amount of decrease/increase in net income before tax arising from foreign exchange losses/gains on net monetary assets and liabilities when the New Taiwan dollar (functional currency) against each foreign currency appreciated by 3% for the years ended December 31, 2022 and 2021. When the New Taiwan dollar depreciated, its impact on net income before tax was the reverse equivalent amount. A sensitivity rate of 3% is used internally when foreign exchange risk is reported to the management. It also represents the management's assessment on the reasonably possible scope of foreign exchange rates.

Impact of USD

	<u>2022</u>	<u>2021</u>
Profit or loss	(\$ 117)	\$ 2,275

The impact of profit or loss was mainly attributable to the demand deposits and loans for material purchasing denominated in USD that were still outstanding and not hedged in cash flows on the balance sheet date. The Company's sensitivity to the exchange rate of USD decrease in the current period due to the increased in the net liability denominated in USD held by the Company.

b) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Company exposed to interest rate risk on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
- Financial liabilities	\$ 115,725	\$ 157,930
Cash flow interest rate risk		
- Financial assets	101,122	157,463
- Financial liabilities	1,950,000	650,000

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of non-derivative instruments to the interest rates at balance sheet date. The rate of change adopted is 25 basis points increase/decrease in the interest rate, which also represents the management's assessment on the reasonably possible scope of the interest rate.

If the interest rate increased or decreased by 25 basis points, the Company's net income before tax in 2022 and 2021 would have decreased or increased by NT\$4,622 thousand and NT\$1,231 thousand, respectively, with all other variables remaining constant. This is mainly attributable to the exposure to the risks of interest rates of the Company's deposits and long-term loans.

2) Credit risk

Credit risk refers to risk that causes the financial loss of the Company due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the Company's largest credit risk exposure from a counterparty's failure to fulfill obligations came from the carrying amount of financial assets recognized in the parent company only balance sheets.

The Company uses publicly obtainable financial information and past transaction records to grade main customers while monitoring its credit risk exposure and credit ratings of the counterparties.

The Company's credit risk is concentrated on the top 10 customers, accounting for 7% and 10% and of the total accounts receivable as of December 31, 2022 and 2021, respectively.

3) Liquidity risk

The Company supports the operations and reduces the impact of fluctuating cash flows by managing and maintaining sufficient cash. The management of the Company supervises the use of the credit line and ensures compliance with the terms of the loan contracts.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to repay.

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or within 1 Month	1~3 Month(s)	3~12 Months	1~5 Year(s)
<u>Non-derivative financial liabilities</u>					
Zero-interest-bearing liabilities		\$ 210,713	\$ 138,760	\$ 4,140	\$ 1,152
Lease liabilities		6,472	12,706	43,145	66,823
Variable-rate instruments	1.54%	-	-	-	1,950,000
Instruments with fixed interest rates	1.79%	<u>899,701</u>	<u>1,050,000</u>	<u>200,000</u>	<u>-</u>
		<u>\$ 1,116,886</u>	<u>\$ 1,201,466</u>	<u>\$ 247,285</u>	<u>\$ 2,017,975</u>

December 31, 2021

	Weighted Average Effective Rate (%)	Payment on Sight or within 1 Month	1~3 Month(s)	3~12 Months	1~5 Year(s)
<u>Non-derivative financial liabilities</u>					
Zero-interest-bearing liabilities		\$ 133,050	\$ 295,171	\$ 3,914	\$ 290
Lease liabilities		6,992	13,891	57,852	79,796
Variable-rate instruments	0.77%	-	-	-	650,000
Instruments with fixed interest rates	0.70%	<u>1,605,412</u>	<u>1,520,410</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,745,454</u>	<u>\$ 1,829,472</u>	<u>\$ 61,766</u>	<u>\$ 730,086</u>

<u>Line of credit</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unsecured banking facilities		
- Amount utilized	\$ 2,707,395	\$ 3,869,714
- Amount not utilized	<u>4,742,605</u>	<u>3,964,886</u>
	<u>\$ 7,450,000</u>	<u>\$ 7,834,600</u>
Secured banking facilities		
- Amount utilized	\$ 1,450,000	\$ -
- Amount not utilized	<u>-</u>	<u>920,000</u>
	<u>\$ 1,450,000</u>	<u>\$ 920,000</u>

27. Related Party Transactions

In addition to those disclosed in other notes, the transactions between the Company and related parties are as follows:

a. Names and relations of related parties

<u>Related Party</u>	<u>Relationship with the Company</u>
Aurora Holdings Incorporated (Aurora Holdings)	Investor of significant influence
Aurora Office Equipment Co., Ltd. Shanghai (AOE)	Subsidiary
Aurora (China) Co., Ltd. (AOF)	Subsidiary
Aurora Office Automation Sales Co., Ltd. Shanghai (AOA)	Subsidiary
Aurora Office Automation Corporation (Aurora Office Automation)	Subsidiary
General Integration Technology Co., Ltd. (General Integration)	Subsidiary
(Continued on the next page)	
(Continued from previous page)	
<u>Related Party</u>	<u>Relationship with the Company</u>
Ever Young BioDimension (Ever Young)	Subsidiary
KM Developing Solutions Co., Ltd. (KM Developing)	Subsidiary
Aurora Home Furniture Co., Ltd. (Aurora Home)	Subsidiary
Aurora Telecom Co., Ltd. (Aurora Telecom)	Associate
Huxen Corporation (Huxen)	Associate
Aurora Development Corp. (Aurora Development)	Associate
Aurora Leasing Corporation (Aurora Leasing)	Other related party
Y. T. Chen Sustainable Management Foundation (Sustainable Foundation)	Other related party

Aurora Interior Design Co., Ltd. (Aurora Interior Design)

Other related party

Aurora Corp. of America(ACA)

Other related party

b. Operating revenue

<u>Type/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Aurora Leasing	\$ 333,792	\$ 356,907
Subsidiary	183,137	187,397
Other related party	34,904	14,885
Associate	18,717	20,948
Investor of significant influence	<u>822</u>	<u>183</u>
	<u>\$ 571,372</u>	<u>\$ 580,320</u>

Sales by the Company to related parties are made based on the market price, with payments collected within 1~4 month(s).

c. Purchase of goods

Type/Name of Related Party	2022	2021
Subsidiary	\$ 60,972	\$ 59,152
Other related party	43,721	40,997
Associate	<u>315</u>	<u>579</u>
	<u>\$ 105,008</u>	<u>\$ 100,728</u>

Purchases from related parties are made by the Company based on the market price, with payments made in cash within 1~3 month(s).

d. Other income

Type/Name of Related Party	2022	2021
Huxen	\$ 32,441	\$ 32,363
Aurora Office Automation	21,347	21,276
Aurora Leasing	20,542	22,875
Other related party	1,200	900
Associate	912	475
Subsidiary	<u>10</u>	<u>-</u>
	<u>\$ 76,452</u>	<u>\$ 77,889</u>

Other income mainly represents income from consulting services rendered to related parties by the Company.

e. Operating expenses

Type/Name of Related Party	2022	2021
Investor of significant influence	\$ 2,345	\$ 2,130
Associate	1,240	2,810
Other related party	948	821
Subsidiary	<u>777</u>	<u>762</u>
	<u>\$ 5,310</u>	<u>\$ 6,523</u>

Operating expenses represent expenses paid to related parties for advertising and consulting services rendered.

f. Receivables from related parties

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Accounts receivable	Aurora Leasing	\$ 55,422	\$ 56,599
	AOF	14,647	10,189
	Other related party	1,068	-
	Associate	78	831
	Subsidiary	<u>2</u>	<u>347</u>
		<u>\$ 71,217</u>	<u>\$ 67,966</u>
Other receivables	Associate	\$ 4,316	\$ 4,034
	Subsidiary	2,508	2,457
	Other related party	<u>1,578</u>	<u>1,521</u>
		<u>\$ 8,402</u>	<u>\$ 8,012</u>

The outstanding amount of receivables from related parties is not collateralized. No loss allowances were set aside for receivables from related parties for the years ended December 31, 2022 and 2021.

Other receivables represent receivables and purchase allowances arising from advance payments between the Company and related parties.

g. Payables to related parties

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Accounts payable	Other related party	\$ 1,515	\$ 664
	Associate	52	50
	Subsidiary	<u>9</u>	<u>20</u>
		<u>\$ 1,576</u>	<u>\$ 734</u>
Other payables	Aurora Leasing	\$ 38,791	\$ 41,133
	Subsidiary	72	64
	Associate	65	-
	Subsidiary	60	73
	Investor of significant influence	<u>9</u>	<u>11</u>
		<u>\$ 38,997</u>	<u>\$ 41,281</u>

h. Acquisition of property, plant, and equipment

Type/Name of Related Party	Price	
	2022	2021
Associate	\$ 600	\$ 55
Subsidiary	<u>147</u>	<u>146</u>
	<u>\$ 747</u>	<u>\$ 201</u>

The transaction prices of the aforesaid transactions are determined according to market conditions.

i. Disposal of properties, plants and equipment

Type/Name of Related Party	Disposal proceeds		Disposal (losses) profits	
	2022	2021	2022	2021
Other related party	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

j. Acquisition of intangible assets

Type/Name of Related Party	Acquisition proceeds	
	2022	2021
Subsidiary	<u>\$ 31</u>	<u>\$ -</u>

k. Lease agreements

Type/Name of Related Party	2022	2021
<u>Acquisition of right-of-use assets</u>		
Aurora Plaza	\$ 13,572	\$ 2,004
Aurora Office Automation	8,053	11,975
Associate	<u>17</u>	<u>28</u>
	<u>\$ 21,642</u>	<u>\$ 14,007</u>

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Lease liabilities - current	Investor of significant influence	\$ 12,985	\$ 15,412
	Associate	2,290	12,461
	Subsidiary	<u>2,289</u>	<u>3,976</u>
		<u>\$ 17,564</u>	<u>\$ 31,849</u>
Lease liabilities - non-current	Investor of significant influence	\$ 5,627	\$ 9,047
	Subsidiary	<u>1,150</u>	<u>6,021</u>
		<u>\$ 6,777</u>	<u>\$ 15,068</u>

Type/Name of Related Party	2022	2021
<u>Interest expenses</u>		
Investor of significant influence	\$ 182	\$ 255
Associate	71	149
Subsidiary	<u>26</u>	<u>44</u>
	<u>\$ 279</u>	<u>\$ 448</u>

The Company leased offices from related parties for the years ended December 31, 2022 and 2021, respectively, with the lease terms of 1 to 5 years; the rent is payable on a monthly basis and the terms are not materially different from those of the general clients.

l. Lease agreements

Operating lease

The total lease payments to be received in the future are as follows:

Type/Name of Related Party	2022	2021
Other related party	\$ 4,622	\$ 9,175
Subsidiary	<u>-</u>	<u>36</u>
	<u>\$ 4,622</u>	<u>\$ 9,211</u>

Rental income is as follows:

Type/Name of Related Party	2022	2021
Other related party	\$ 4,765	\$ 4,704
Subsidiary	<u>36</u>	<u>72</u>
	<u>\$ 4,801</u>	<u>\$ 4,776</u>

The rental of office buildings leased by the Company to related parties is charged on a monthly basis according to general market conditions.

m. Others

Accounting Subject	Type/Name of Related Party	December 31, 2022	December 31, 2021
Refundable deposits	Investor of significant influence	\$ 3,255	\$ 2,590
	Associate	<u>3,818</u>	<u>3,818</u>
		<u>\$ 7,073</u>	<u>\$ 6,408</u>
Guarantee deposits received	Y. T. Chen Foundation	\$ 680	\$ 660
	Aurora Interior Design	<u>124</u>	<u>100</u>
		<u>\$ 804</u>	<u>\$ 760</u>

n. Remuneration to the management

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 32,356	\$ 29,993
Retirement benefits	<u>847</u>	<u>926</u>
	<u>\$ 33,203</u>	<u>\$ 30,919</u>

The remuneration to directors and the management is determined by the Remuneration Committee based on personal performances and market trends.

28. Pledged Assets

The following assets of the Company have been provided for financial institutions as collateral for loans:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant, and equipment	\$ 263,259	\$ 266,974
Investment properties	<u>70,544</u>	<u>71,018</u>
	<u>\$ 333,803</u>	<u>\$ 337,992</u>

29. Significant Contingent Liabilities and Unrecognized Contract Commitments

- a. Unused letters of credit outstanding as of December 31, 2022 amounted to US\$1,430 thousand.
- b. Guarantee notes issued by the Company to financial institutions for short-term and long-term loans as of December 31, 2022 amounted to NT\$7,050,000 thousand.
- c. Guaranteed notes issued by the Company under warranty contracts or for business needs as of December 31, 2022 amounted to NT\$26,571 thousand.
- d. Guaranteed notes received by the Company for business operations as of December 31, 2022 amounted to NT\$126 thousand.
- e. Performance bonds issued by banks for the Company as of December 31, 2022 amounted to NT\$13,421 thousand.
- f. Unrecognized contractual commitments of the Company for purchases of goods as of December 31, 2022 amounted to NT\$28,817 thousand.
- g. Significant contracts of the Company are disclosed as follows:

Type of Contract	Category of Product	Contracting Party	Contract Duration	Contract Content	Restrictions
Distribution Contract	Office Equipment	SHARP CORPORATION	2022.04.01-2023.03.31 (Automatic extension by one year upon expiry)	Sharp photocopiers	1. Exclusive distribution 2. Non-compete

30. Significant Events after the Balance Sheet Date: None.

31. Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence

The following information is aggregated by the foreign currencies other than the functional currency of the Company and the exchange rates between foreign currencies and the functional

currency are disclosed. The significant impact on assets and liabilities recognized in foreign currencies is as follows: Unit: Foreign currency/NT\$ thousand

December 31, 2022

	Foreign currencies	Exchange Rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 127	30.71 (USD:NTD)	\$ 3,889
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
RMB	1,760,015	4.408 (RMB:NTD)	7,631,262

December 31, 2021

	Foreign currencies	Exchange Rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
RMB	\$ 1,723,784	4.344 (RMB:NTD)	\$ 7,340,969
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,734	27.68 (USD:NTD)	75,822

Realized and unrealized foreign exchange gains and losses that have significant impact on the Company are recognized in other gains and losses. Please refer to Note XXI (II).

32. Supplementary Disclosures

a. Information on significant transactions:

- 1) Loans provided for others: None.
- 2) Endorsements/guarantees provided for others: Table 1.
- 3) Securities held at end of period (excluding investments in subsidiaries and associates): Table 2.
- 4) Accumulated purchase or sale of the same securities amounting to NT\$300 million or 20% of paid in capital or more: Table 3.
- 5) Acquisition of property amounting to NT\$300 million or 20% of paid in capital or more: None.

- 6) Disposal of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
 - 7) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-up capital or more: Table 4.
 - 8) Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more: None.
 - 9) Derivatives transactions: None.
- b. Information on invested companies: Table 5.
- c. Information on investments in mainland China:

(Continued on the next page)

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- 1) Information on any investee company in mainland China (name, main business activities, paid in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 6.
 - 2) Major transactions with any investee company in mainland China directly or indirectly through a third region, and their prices, payment terms, unrealized gains (losses), and other information: Table 7.
- d. Information on major shareholders (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held): Table 8.

Aurora Corporation

Endorsement/Guarantee for Others
For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars, unless stated otherwise)

No. (Note 1)	Name of endorser/guarantor	The endorsed party		Limits of Endorsement and guarantee for a single enterprise (Note 3)	Maximum balance of endorsement and guarantee of current term	Balance of endorsement and guarantee at end of term	Actual utilized amount	Amount of endorsement/ guarantee secured by properties	Accumulated ratio of the amount of endorsement and guarantee in the net worth of financial statements of the most recent term (%)	Maximum limits of endorsement/ guarantee (Note 3)	Endorsement and guarantee provided by the Company to the subsidiary (Note 4)	As a subsidiary's endorsements /guarantees toward its parent company (Note 4)	Endorsement and guarantee in Mainland China (Note 4)	Note
		Name of Company	Relationship (Note 2)											
1	Aurora (China) Co., Ltd.	Aurora (Jiangsu) Development Co., Ltd.	4	\$ 6,276,617	\$ 883,600	\$ 883,600	\$ 203,193	\$ -	12.12%	\$ 6,276,617	N	N	Y	

Note 1: The No. column is described as follows:

- (1) "0" for the issuer.
- (2) Investees are numbered from 1 onwards by the company.

Note 2: The relationships between the party providing endorsements/guarantees and the one receiving them are divided into the following 7 types. Simply indicate the type:

- (1) Companies with current business
- (2) Companies that the Company directly and indirectly holds more than 50% of their shares with voting rights.
- (3) Companies that directly and indirectly hold more than 50% of the shares of the Company with voting rights.
- (4) Companies that the Company directly and indirectly holds at least 90% of their shares with voting rights.
- (5) Counterparts required for undertaken projects or companies that are each other's guarantors as required in a contract as joint builders.
- (6) Companies endorsed/guaranteed by all sponsoring shareholders because of the joint investment relationships according to their shareholding ratio.
- (7) Counterparts that are each other's joint guarantors to ensure fulfillment of a sales contract for pre-sold housing according to the requirements of the Consumer Protection Act.

Note 3: The total amount of endorsement/guarantee specified in the "Endorsement and Guarantee Regulations" of the Company shall not exceed the net worth of the current term and that to a single enterprise shall be limited at NTD6,276,617 thousand.

Note 4: Y is provided only for endorsement and guarantee from a TWSE/TPEX parent company to a subsidiary, endorsement and guarantee from a subsidiary to a TWSE/TPEX parent company and endorsement and guarantee in Mainland China.

Aurora Corporation

Securities Held at End of Period

December 31, 2022

(In Thousands of New Taiwan Dollars)

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Accounting Subject	Ending Balance				Remark
				Number of Shares (in Thousand Shares or Thousand Units)	Carrying amount	Shareholding (%)	Fair Value (Note 1)	
Aurora Office Automation Corporation	Stock							
	Aurora Corporation	The Company	Financial assets at fair value through other comprehensive income - current	3,290	\$ 256,322	1.39	\$ 256,322	Notes 1 and 2
	Aurora Corporation	The Company	Financial assets at fair value through other comprehensive income - non-current	9,206	717,178	3.90	717,178	Notes 1 and 2
KM Developing Solutions Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,284	63,953	-	63,953	Note 1
Aurora (China) Co., Ltd.	Bank SinoPac - large certificates of deposits	None	Financial assets at amortized cost - current	-	221,134	-	221,134	
	Bank of China - large certificates of deposits	None	Financial assets at amortized cost - current	-	146,098	-	146,098	
	Shanghai Bank - large certificates of deposits	None	Financial assets at amortized cost - current	-	233,475	-	233,475	
	Nanjing Bank - large certificates of deposits	None	Financial assets at amortized cost - current	-	2,037,003	-	2,037,003	
Aurora Office Automation Sales Co., Ltd. Shanghai	Bank of China - large certificates of deposits	None	Financial assets at amortized cost - current	-	234,263	-	234,263	
	Cathay United Bank - large certificates of deposits	None	Financial assets at amortized cost - current	-	135,499	-	135,499	
	Industrial Bank - large certificates of deposits	None	Financial assets at amortized cost - current	-	588,421	-	588,421	
	Minsheng Bank - large certificates of deposits	None	Financial assets at amortized cost - current	-	232,709	-	232,709	
Aurora Office Equipment Co., Ltd. Shanghai	Bank of China - large certificates of deposits	None	Financial assets at amortized cost - current	-	331,661	-	331,661	
	Bank of Communications - large certificates of deposits	None	Financial assets at amortized cost - current	-	146,099	-	146,099	
Aurora (Bermuda) Investment Ltd.	Taishin International Bank - time deposits	None	Financial assets at amortized cost - current	-	10,579	-	10,579	

Note 1. Market prices of stocks with open market prices refer to the closing prices as of December 31, 2022. Market prices of open-end funds refer to the net asset value of the funds on the balance sheet date.

Note 2. The Company's shares held by subsidiaries are treated as treasury shares.

Note 3. For information on investments in subsidiaries and associates, please refer to Tables 5 and 6.

Aurora Corporation

**Accumulated Purchase or Sale of the Same Securities Amounting to NT\$300 Million or 20% of Paid-in Capital or More
For the Year Ended December 31, 2022**

Unit: NT\$ thousand or thousand shares (unless stated otherwise)

Company Name	Type and Name of Securities	Ledger Accounting Subject	Counterparty	Relationship	Transaction Currency	Beginning of Period		Reclassification		Purchase		Sale			Increase/Decrease		Ending Balance		
						Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares (in Thousand Shares or Thousand Units)	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Number of Shares (in Thousand Shares or Thousand Units)	Amount	Number of Shares	Amount
Aurora Office Automation Sales Co., Ltd. Shanghai	Income-contributing Fast Track	Financial assets at fair value through profit or loss - current	Industrial Bank	None	RMB	-	\$ -	-	\$ -	-	\$ 375,000	-	\$ 375,878	\$ 375,000	\$ 878	-	\$ -	-	\$ -
Aurora Office Equipment Co., Ltd. Shanghai	Gold Snow Globe Stable Profit No. 1	Financial assets at fair value through profit or loss - current	Industrial Bank	None	RMB	-	-	-	-	-	80,000	-	80,134	80,000	134	-	-	-	-
Aurora (China) Co., Ltd.	Structured deposits	Financial assets at fair value through profit or loss - current	Bank Sinopac	None	RMB	-	-	-	-	-	100,000	-	100,732	100,000	732	-	-	-	-
Aurora (Jiang Su) Enterprise Development Co., Ltd.	Structured deposits	Financial assets at fair value through profit or loss - current	Bank of Nanjing	None	RMB	-	-	-	-	-	145,000	-	146,087	145,000	1,087	-	-	-	-
	Ri Ri Ju Xin	Financial assets at fair value through profit or loss - current	Bank of Nanjing	None	RMB	-	-	-	-	-	97,000	-	97,345	97,000	345	-	-	-	-

Aurora Corporation

**Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-up Capital or More
For the Year Ended December 31, 2022**
(In Thousands of New Taiwan Dollars)

Company	Counterparty	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Notes and Accounts Receivable (Payable) (%) (Note)	
Aurora Corporation	Aurora Leasing Corporation	Huxen's subsidiary (associate)	Sales	(\$ 333,792)	(10%)	Due within 60 days	According to market conditions, no material difference	Due within 60 days	\$ 55,422	20%	
Aurora Office Automation Corporation	Aurora Leasing Corporation	Huxen's subsidiary (associate)	Sales	(206,532)	(24%)	Due within 60 days	According to market conditions, no material difference	Due within 60 days	37,322	34%	
Aurora Office Automation Sales Co., Ltd. Shanghai	Huxen (China) Co., Ltd.	Huxen's subsidiary (associate)	Sales	(888,274)	(29%)	Due within 120 days	According to market conditions, no material difference	Due within 120 days	-	-	
Aurora Office Equipment Co., Ltd. Shanghai	AURORA CORP OF AMERICA	Other related party	Sales	(1,068,759)	(76%)	Due within 120 days	According to market conditions, no material difference	Due within 120 days	55,330	72%	

Note: The above percentage is calculated as the ratio of the balance of notes and accounts receivable (payable) with related parties to the balance of total notes and accounts (payable).

Aurora Corporation

**Information on Investee Companies
For the Year Ended December 31, 2022**
(In Thousands of New Taiwan Dollars)

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period	Investment Profit (Loss) Recognized	Distribution of Dividends by Investee		Remark
				Ending Balance for the Current Period	Ending Balance for the Previous Period	Number of Shares	Shareholding (%)	Carrying amount			Stock Dividends	Cash Dividends	
Aurora Corporation	Aurora (Bermuda) Investment Ltd.	Bermuda	Investment holding	\$ 2,177,439	\$ 2,177,439	67,350	88.04	\$ 7,606,441	\$ 660,853	\$ 602,079	\$ -	\$ 412,596	Subsidiary
	Aurora Office Automation Corporation	Taiwan	Import/export and wholesale of MFPs	2,091,992	2,091,992	82,278	91.13	1,050,973	293,330	199,713	-	246,833	Subsidiary
	General Integration Technology Co., Ltd.	Taiwan	Manufacturing of molds and machinery and wholesale of precision instruments	112,500	112,500	5,465	55.00	133,671	7,960	4,378	-	8,197	Subsidiary
	KM Developing Solutions Co., Ltd.	Taiwan	Wholesale and retail of information software, computers, and office equipment	70,000	70,000	7,000	70.00	111,880	36,039	25,228	-	22,400	Subsidiary
	Ever Young Biodimension Corporation	Taiwan	Wholesale of precision instruments	8,580	8,580	858	26.00	3,443	(3,352)	(871)	-	-	Subsidiary
	Huxen Corporation	Taiwan	Agency of MFPs and communications products	826,645	826,645	47,011	32.53	1,362,845	561,175	182,549	-	164,537	Investee accounted for using the equity method
	Aurora Development Corp.	Taiwan	Development of land and office buildings	140,000	140,000	32,498	46.67	468,162	102,093	47,970	-	21,123	Investee accounted for using the equity method
	Aurora Telecom Co., Ltd.	Taiwan	Sales of mobile phones and accessories and internet access	191,833	191,833	13,165	30.40	194,440	(64,555)	(19,624)	-	-	Investee accounted for using the equity method
Aurora Office Automation Corporation	Huxen Corporation	Taiwan	Agency of MFPs and communications products	359,451	359,451	11,170	7.73	519,202	561,175	43,379	-	39,095	Investee of Aurora Office Automation accounted for using the equity method
General Integration Technology Co., Ltd.	Ever Young Biodimension Corporation	Taiwan	Wholesale of precision instruments	8,250	8,250	825	25.00	3,313	(3,352)	(838)	-	-	Investee of General Integration accounted for using the equity method

Aurora Corporation

Information on Investments in Mainland China
For the Year Ended December 31, 2022

Unit: NT\$ thousand, US\$ thousand, and RMB thousand unless specified otherwise

Investee Company	Main Business Activities	Paid-in Capital	Method of Investments	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Ownership (%)	Investment Profit (Loss) Recognized for the Period (Note 2)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Aurora (China) Investment Co., Ltd.	Investment holding	\$ 2,569,980 (US\$ 76,500)	Note 1 (2)	\$ 2,177,439 (US\$ 67,350)	\$ -	\$ -	\$ 2,177,439 (US\$ 67,350)	\$ 662,723	88.04	\$ 583,462 Note 2 (2)	\$ 8,867,018	\$ 119,855
Aurora Office Equipment Co., Ltd. Shanghai	Production and sales of MFPs	1,121,340 (US\$ 33,000)	Note 1 (2)	Note 3	-	-	Note 3	34,867	88.04	30,697 Note 2 (2)	1,186,197	37,879
Aurora (China) Co., Ltd.	Manufacturing and sale of office furniture	1,007,266 (US\$ 30,000)	Note 1 (2)	Note 3	-	-	Note 3	624,925	88.04	550,184 Note 2 (2)	6,155,966	297,776
Aurora Office Automation Sales Co., Ltd. Shanghai	Sales, lease, and agency of Aurora brand products	1,603,064 (RMB\$350,000)	Note 1 (2)	Note 3	-	-	Note 3	255,241	88.04	224,714 Note 2 (2)	1,976,719	357,230
Aurora (Shanghai) Cloud Technology Co., Ltd.	Sale of printing and office equipment and furniture and consulting service	47,110 (RMB\$ 10,000)	Note 1 (3)	Note 3	-	-	Note 3	12,877	88.04	(10,176) Note 2 (2)	23,019	-
Huxen (China) Co., Ltd.	Sales, maintenance, and lease of printers	1,922,054 (RMB\$400,000)	Note 1(1)	583,044 (RMB\$120,000)	-	-	583,044 (RMB\$120,000)	75,404	27.34	22,621 Note 2 (2)	686,077	-
Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.	Sales, lease, and maintenance of 3D printers	114,700 (RMB\$ 25,000)	Note 1 (3)	Note 3	-	-	Note 3	(18,550)	17.61	22,621 Note 2 (2)	3,253	-
Aurora Home Furniture Co., Ltd.	Production and sales of furniture	243,020 (RMB\$ 50,000)	Note 1 (3)	Note 3	-	-	Note 3	18,996	88.04	16,725 Note 2 (2)	255,325	38,623
Aurora Machinery Equipment (Shanghai) Co., Ltd.	Wholesale of mechanical and electronic equipment, internet communication equipment, and computer software and hardware	112,549 (RMB\$ 25,000)	Note 1(1)	112,549 (RMB\$ 25,000)	-	-	112,549 (RMB\$ 25,000)	(15,282)	86.50	(10,697) Note 2 (2)	24,821	-
Aurora (Jiang Su) Enterprise Development Co., Ltd.	Reinvestment and property lease	1,322,900 (RMB\$300,000)	Note 1 (2)	Note 3	-	-	Note 3	(66)	88.04	(29) Note 2 (2)	1,340,111	4,453
Aurora (Shanghai) Electronic Commerce Co., Ltd.	Sales on e-commerce platforms	43,250 (RMB\$ 10,000)	Note 1 (2)	Note 3	-	-	Note 3	(708)	61.63	(436) Note 2 (2)	(24,389)	-

Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period (Note 4)	Amount of Investments Authorized by Investment Commission, M.O.E.A. (Note 4)	Ceiling on Amount of Investments Stipulated by Investment Commission, M.O.E.A. (Note 5)
\$2,837,032 (US\$ 67,350 + RMB\$ 145,000)	\$ 2,881,734 (US\$ 67,350 + RMB\$ 145,000)	\$5,330,408

Note 1. Methods of investments are divided into the following three types. Specify the type.

1. Direct investment in mainland China.
2. Investment in mainland China through Aurora (Bermuda) Investment Ltd.
3. Others.

Note 2. Investment profit (loss) recognized for the period:

1. Indicate if no investment profit (loss) is recognized as an investee is under preparation.
2. Indicate if investment profit (loss) is recognized on the following basis:
 - (1) Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China.
 - (2) Financial statements audited by the parent company's CPAs in Taiwan.
 - (3) Others.

Note 3. The Company invested in Aurora (China) Investment Co., Ltd. directly through Aurora (Bermuda) Investment Ltd. (with 88.04% equity held by the Company) established in Bermuda. Aurora (China) Investment Co., Ltd. then invested in Aurora (Jiang Su) Enterprise Development Co., Ltd., Aurora Office Equipment Co., Ltd. Shanghai, and Aurora (China) Co., Ltd. Then, Aurora (China) Co., Ltd. invested in Aurora Office Automation Sales Co., Ltd. Shanghai, Aurora Home Furniture Co., Ltd., Aurora (Shanghai) Cloud Technology Co., Ltd., and Aurora (Shanghai) Electronic Commerce Co., Ltd. Then, Aurora Office Automation Sales Co., Ltd. Shanghai invested in Chongqing Gonggangzhihui Additive Manufacturing Technology Research Institute Co., Ltd.

Note 4. Based on the prevailing exchange rate approved by the Investment Commission, Ministry of Economic Affairs, the accumulated amount of investments remitted from Taiwan to mainland China in the foreign currency at the end of the period did not exceed the amount of investments in the foreign currency approved by the Investment Commission.

Note 5. The net worth of the Group as of December 31, 2022 was NT\$8,884,013 thousand. In accordance with the "Directions Governing the Examination of Investment or Technical Cooperation in Mainland China," the cap amount should be NT\$5,330,408 thousand (NT\$8,884,013 thousand x 60%).

Aurora Corporation

Major Transactions with Any Investee Company in mainland China Directly or Indirectly through a Third Region, and Their Prices, Payment terms, Unrealized Gains (Losses), and Other Information For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Investee Company	Relationship with the Company	Type of Transaction	Amount	Transaction Term			Notes and Accounts Receivable (Payable)		Unrealized gains (losses)	Remark
				Price	Payment Terms	Difference with General Transactions	Balance	Percentage (%) (Note)		
Aurora Office Automation Sales Co., Ltd. Shanghai	The Company's sub-subsiidiary	Sales	(\$ 888,274)	According to market conditions	Due within 120 days	No material difference	\$ -	-	\$ -	
Aurora Office Equipment Co., Ltd. Shanghai	The Company's sub-subsiidiary	Sales	(1,068,759)	According to market conditions	Due within 120 days	No material difference	55,330	72%	-	

Note: The above percentage is calculated based on the ratio of the balance of notes and accounts receivable (payable) with related parties to the balance of the Company's notes and accounts receivable (payable).

Aurora Corporation**Information on Major Shareholders
December 31, 2022**

Name of Major Shareholders	Shareholding	
	Shares	Percentage of Ownership (%)
Aurora Holdings Incorporated	101,856,312	43.12%
Chen Yung-Tai	21,667,000	9.17%
Aurora Leasing Corporation	20,791,276	8.80%
Aurora Office Automation Corporation	12,496,797	5.29%
Nisheng Investment Co., Ltd.	12,320,000	5.21%

Note 1. The major shareholders in this table are shareholders holding more than 5% of the common and preferred shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2. If a shareholder delivers its shareholdings 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 including their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

§ STATEMENTS OF SIGNIFICANT ACCOUNTING SUBJECTS§

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Aurora Corporation

Statement of Notes Receivable

December 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Others (Note)	payment for goods	\$ 63,296
Less: loss allowance		<u>-</u>
		<u>\$ 63,296</u>

Note: The balance of each item does not exceed 5% of the balance of this account.

Aurora Corporation

Statement of Accounts Receivable/Accounts Receivable - Related Parties

December 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Non-related party		
Company A	payment for goods	\$ 7,815
Others (Note)	"	130,889
Less: loss allowance		<u>2,522</u>
		<u>\$136,182</u>
Related party		
Aurora Leasing Corporation	payment for goods	\$ 55,422
AOF	"	14,647
Others (Note)	"	<u>1,148</u>
		<u>\$ 71,217</u>

Note: The balance of each item does not exceed 5% of the balance of this account.

Aurora Corporation

Statement of other receivables

December 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Accounts receivable	\$ 8,398
Others (Note)	<u>14,861</u>
Total	<u>\$ 23,259</u>

Note: The balance of each item does not exceed 5% of the balance of this account.

Aurora Corporation

**Statement of Changes in Investments Accounted for Using the Equity Method
For the Year Ended December 31, 2022**

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name of Investee	Beginning balance		Increase (Note 1)		Decrease (Note 2)		Investment Profit (Loss)	Deferred Unrealized Gains	Ending balance			Market Value/Net Equity Value (Note 3)		Guarantee or Pledge	Remark	
	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount			Number of Shares (in Thousands)	Percentage of Ownership (%)	Amount	Unit Price	Total			
Listed companies																
Huxen Corporation	47,011	\$ 1,444,402	-	\$ -	-	\$ 270,608	\$ 182,549	\$ 6,502	47,011	32.53	\$ 1,362,845	48.15	\$ 2,263,560	None	-	
Unlisted companies																
Aurora (Bermuda) Investment Ltd.	67,350	7,305,999	-	110,959	-	412,596	602,079	-	67,350	88.04	7,606,441	114.73	7,727,140	None	-	
Aurora Office Automation Corporation	82,278	1,035,862	-	68,330	-	252,932	199,713	-	82,278	91.13	1,050,973	24.04	1,978,363	None	-	
General Integration Technology Co., Ltd.	5,465	137,361	-	129	-	8,197	4,378	-	5,465	55	133,671	19.04	104,047	None	-	
KM Developing Solutions Co., Ltd.	7,000	109,052	-	-	-	22,400	25,228	-	7,000	70	111,880	15.98	111,880	None	-	
Aurora Machinery Equipment (Shanghai) Co., Ltd.	17,500	34,970	-	548	-	-	(10,697)	-	17,500	70	24,821	1.42	24,821	None	-	
Ever Young Biodimension Corporation	858	4,314	-	-	-	-	(871)	-	858	26	3,443	4.02	3,446	None	-	
Aurora Development Corp.	32,498	494,848	-	-	-	74,656	47,970	-	32,498	46.67	468,162	14.39	467,835	None	-	
Aurora Telecom Co., Ltd.	13,165	214,064	-	-	-	-	(19,624)	-	13,165	30.4	194,440	5.06	66,612	None	-	
		<u>\$ 10,780,872</u>		<u>\$ 179,966</u>		<u>\$ 1,041,389</u>	<u>\$ 1,030,725</u>	<u>\$ 6,502</u>			<u>\$ 10,956,676</u>		<u>\$ 12,747,704</u>			

Note 1. The increase of Aurora (Bermuda) Investment Ltd. for the current term is the \$109,740 thousand adjusted for the cumulative conversion of long-term investments in foreign currency equities and \$1,219 thousand-worth of variation in the equities of investees recognized according to the shareholding ratio. The increase of Aurora Office Automation Corporation for the current term is the \$68,330 thousand-worth of cash dividends of Aurora Office Automation Corporation being considered as treasury stock dividends. The increase of General Integration Technology Co., Ltd. for the current term is the \$129 thousand-worth of variation in the equities of investees recognized according to the shareholding ratio. The increase of Aurora Machinery (Shanghai) Co., Ltd. for the current term is the \$548 thousand adjusted for the cumulative conversion of long-term foreign currency equity investments.

Note 2. The decrease of Huxen Corporation for the current term is the \$164,537 thousand-worth cash dividends received from investees and the \$106,071 thousand-worth of variation in the equities of investees recognized according to the shareholding ratio. The decrease of Aurora (Bermuda) Investment Ltd. for the current term is the \$412,596 thousand-worth of cash dividends received from investees. The decrease of Aurora Office Automation Corporation for the current term is the \$246,833 thousand-worth of cash dividends received from investees and \$6,099 thousand-worth of variation in the equities of investees recognized according to their shareholding ratio. The decrease of Km Developing Solutions Co., Ltd. for the current term is the cash dividends received from investees. The decrease of Aurora Development Corp. for the current term is the \$21,123 thousand-worth of cash dividends received from investees and the \$53,533 thousand-worth of variance in the equities of investees recognized according to the shareholding ratio.

Note 3. Market price refers to the closing price on December 31, 2022. Net equity value is mainly based on the financial statements of the investee and the Company's shareholding percentage.

Aurora Corporation

Statement of Short-term Loans
December 31, 2022

(In Thousands of New Taiwan Dollars)

Type of Loans	Description	Ending balance	Contract Period (YYYY/MM/DD)	Interest Rate	Line of credit	Pledge or Guarantee
Credit loans						
	Taipei Fubon Bank	\$ 200,000	2022/11/21 – 2023/05/19	1.80%	500,000	Promissory note
	Bank of China	500,000	2022/12/09 – 2023/02/17	1.83%	500,000	"
	E.Sun Bank	150,000	2022/12/16 – 2023/01/13	1.69%	150,000	"
	First Commercial Bank	100,000	2022/11/22 – 2023/02/20	1.59%	250,000	"
	Bank of Communications	300,000	2022/12/21 – 2023/02/21	1.57%	300,000	"
	Land Bank of Taiwan	150,000	2022/12/21 – 2023/03/21	2.00%	400,000	"
	Taipei Fubon Bank	<u>\$ 1,400,000</u>				"

Aurora Corporation

Statement of Accounts Payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Non-related party		
Company B	payment for goods	\$ 17,725
Others (Note)	"	288,018
Related party		
Others (Note)	payment for goods	<u>1,576</u>
		<u>\$307,319</u>

Note: The balance of each item does not exceed 5% of the balance of this account.

Aurora Corporation

Statement of Long-term Loans
December 31, 2022

(In Thousands of New Taiwan Dollars)

Creditor	Summary	Borrowing Amount	Contract Period (YYYY/MM/DD)	Interest Rate (%)	Pledge or Guarantee
Yuanta Commercial Bank	Secured borrowings(interest payable on a monthly basis, principal repayable in one lump sum on maturity)	\$ 1,243,000	2022/11/29 – 2024/05/14	1.54%	For promissory notes and collaterals, refer to Note XXVIII
Yuanta Commercial Bank	Secured borrowings(interest payable on a monthly basis, principal repayable in one lump sum on maturity)	207,000	"	1.60%	
Yuanta Commercial Bank	Secured borrowings(interest payable on a monthly basis, principal repayable in one lump sum on maturity)	<u>500,000</u>	2022/12/06 – 2024/05/14	1.48%	Promissory note
		<u>\$ 1,950,000</u>			

Aurora Corporation**Statement of Net Operating Revenue
For the Year Ended December 31, 2022**

(In Thousands of New Taiwan Dollars)

Item	Quantity (Set)	Amount
MFPs	193,983	\$ 649,279
System furniture		1,279,462
Rental and revenue from printing service		743,234
Other commodities		56,376
Supplies		<u>594,198</u>
		<u>\$ 3,322,549</u>

Aurora Corporation

Statement of Operating Costs
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of self-produced goods sold	
Manufacturing overheads	
Direct raw materials consumed	
Inventory at beginning of period	\$ 23,723
Purchase	202,861
Others	(171)
Less: inventory at end of period	(19,295)
Total direct raw materials consumed	207,118
Director labor	21,209
Manufacturing overheads	53,441
Manufacturing costs	281,768
Add: work-in-process at beginning of period	6,538
Less: work-in-process at end of period	(6,786)
	<u>281,520</u>
Acquired cost of sales	
Add: finished products at beginning of period	604,120
Purchase	1,506,275
Less: finished products at end of period	(555,063)
Self-use, leased assets, and other expenses	(152,142)
	<u>1,403,190</u>
Cost of goods sold	1,684,710
Rental and service costs	3,049
Depreciation expenses - leased assets	135,660
Operating costs	<u>\$ 1,823,419</u>

Aurora Corporation

Statement of Operating Expenses
For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount		
	Selling and marketing expenses	General and administrative expenses	Expected credit impairment loss (gain)
Salary expenses	\$ 441,726	\$ 229,730	\$ -
Insurance expenses	48,021	22,493	-
Depreciation expenses	41,959	66,992	-
Others (Note)	136,830	81,628	(1,044)
	<u>\$ 668,536</u>	<u>\$ 400,843</u>	<u>(\$ 1,044)</u>

Note: The balance of each item does not exceed 5% of the balance of this account.

Aurora Corporation

Statement of Employee Benefits and Depreciation and Amortization Expenses by Function
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	2022				2021			
	Operation Costs	Operation Expenses	Non-operation Expenses	Total	Operation Costs	Operation Expenses	Non-operation Expenses	Total
Employee benefits (Note)								
Salaries	\$ 27,646	\$ 563,852	\$ -	\$ 591,498	\$ 30,086	\$ 572,071	\$ -	\$ 602,157
Labor and health insurance	4,285	67,994	-	72,279	4,880	68,524	-	73,404
Pensions	1,400	35,916	-	37,316	1,593	35,367	-	36,960
Remuneration Paid to Directors	-	10,861	-	10,861	-	10,861	-	10,861
Others	5,343	128,610	-	133,953	6,769	127,074	-	133,843
	<u>\$ 38,674</u>	<u>\$ 807,233</u>	<u>\$ -</u>	<u>\$ 845,907</u>	<u>\$ 43,328</u>	<u>\$ 813,897</u>	<u>\$ -</u>	<u>\$ 857,225</u>
Depreciation	<u>\$ 145,346</u>	<u>\$ 108,951</u>	<u>\$ 474</u>	<u>\$ 254,771</u>	<u>\$ 139,691</u>	<u>\$ 107,011</u>	<u>\$ 475</u>	<u>\$ 247,177</u>
Amortization	<u>\$ 178</u>	<u>\$ 6,743</u>	<u>\$ -</u>	<u>\$ 6,921</u>	<u>\$ 186</u>	<u>\$ 6,321</u>	<u>\$ -</u>	<u>\$ 6,507</u>

Note 1. As of December 31, 2022 and 2021, the number of employees of the Company was 1,006 and 1,034, respectively. The number of directors who did not concurrently serve as employees was 6 and, respectively.

Note 2. For companies whose shares are listed on the TWSE/TPEX, the following information should also be disclosed:

(1) The average employee benefits expense for the current year is NT\$835 thousand ("Total employee benefit expenses for the current year - Total Directors' remuneration" / "Number of employees for the current year - Number of Directors who do not concurrently serve as employees")

The average employee benefits expense for the previous year is NT\$823 thousand ((Total employee benefit expenses for the previous year - Total Directors' remuneration) / (Number of employees for the previous year - Number of Directors who do not concurrently serve as employees))

(2) The average employee salary expense for the current year is NT\$591 thousand (Total employee salary expenses for the current year / (Number of employees for the current year - Number of Directors who do not concurrently serve as employees))

The average employee salary expense for the previous year was NT\$586 thousand (Total salary expense for the previous year / (Number of employees in the previous year - Number of Directors who do not concurrently serve as employees)).

(3) Change in average employee salary expense is 0.85% ((Average employee salary expense of the current year - Average employee salary expense of the previous year) / Average employee salary expense of the previous year).

(4) The Company has established the Audit Committee; therefore, no supervisors were hired and there is no remuneration for supervisors.

Note 3. The Company's remuneration policy:

(1) Directors: They are all remunerated in accordance with the relevant provisions of the Company's Articles of Incorporation. Their remuneration is approved based on the principle of fairness and impartiality, as well as the performance of each member. The remuneration is determined by the resolutions of the Board of Directors.

(2) Managerial officers: The payment standard and combination are divided into fixed and variable remuneration. Fixed remuneration is ratified based on the responsibility of the position and company-wide operational goals, while variable remuneration is paid based on the achieved operating performance and contribution.

(Continued on the next page)

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(3) Employees: Their salary consists of fixed and variable salary. Fixed salary is determined based on the value created by the job positions, their level of professionalism and complexity, and their experience in their job positions, etc., with reference to the salary level of the industry.

The variable salary includes year-end bonuses, appraisal bonuses, and profits distributed to the employees, which are allocated by the Board of Directors based on the Company's annual profitability.

(4) Employee salary adjustment: In accordance with the Company's performance appraisal method, the salary adjustment range is determined by factors such as the assessment indicators of the employees' job responsibilities and the degree of accomplishment of the work plan every year. The direct supervisors of the employees are tasked to perform comprehensive assessment to decide the range of salary adjustment while considering the Company's operating environment.

Relationship between Operating Performance and Remuneration

Remuneration of the Company is based on the results of operating performance to align individual performances with the overall operating performance.

- f. The Company and its related companies had financial turnover difficulties in the most recent year and as of the date of publication of the annual report, the impact on the financial situation of the Company: None.

7. Review of Financial Conditions and Operating Results and Risk Matters

a. Financial Situation:

Comparative Analysis of Financial Position

Unit: NT\$ thousand

Item	Year	Year 2021	Year 2022	Increase (Decrease)	
				Amount	%
Current Assets		10,657,461	10,267,201	(390,260)	(3.66)
Property, plant, and equipment		2,543,920	2,763,328	219,408	8.62
Intangible assets		195,088	191,030	(4,058)	(2.08)
Other Assets		4,854,625	5,042,364	187,739	3.87
Total Assets		18,251,094	18,263,923	12,829	0.07
Current Liabilities		7,000,463	5,620,340	(1,380,123)	(19.71)
Long-term Loans		1,130,000	2,552,734	1,422,734	125.91
Other Liabilities		1,193,997	1,206,836	12,839	1.08
Total Liabilities		9,324,460	9,379,910	55,450	0.59
Capital Stock		2,362,025	2,362,025	0	0.00
Capital surplus		1,939,269	1,821,477	(117,792)	(6.07)
Retained earnings		4,112,289	4,198,072	85,783	2.09
Other Equity		513,051	502,439	(10,612)	(2.07)
Total Equity		8,926,634	8,884,013	(42,621)	(0.48)

- **Analysis of changes in percentage increase or decrease exceeding 20%:** Increase in long-term borrowings: Mainly due to the change of short-term borrowings to long-term borrowings.
- Effect of changes in financial position: There is no significant effect on the financial position.
- **Future response plan: Not applicable.**

b. Financial Performance:

Comparative Analysis of Financial Performance

Unit: NT\$ thousand

Item	Year	Year 2021	Year 2022	Increase (decrease)	
				Amount	%
Total Operating Revenue		13,607,432	12,596,436	(1,010,996)	(7.43)
decrease: Return of goods sold		21,270	13,463	(7,807)	(36.70)
Sales Allowance		8,905	6,648	(2,257)	(25.35)
Net Operating Revenue		13,577,257	12,576,325	(1,000,932)	(7.37)
Operating Costs		7,567,572	7,031,430	(536,142)	(7.08)
Gross Profit		6,009,685	5,544,895	(464,790)	(7.73)
Realized (unrealized) sales profit		29,006	30,389	1,383	4.77
Net Gross Profit		6,038,691	5,575,284	(463,407)	(7.67)
Operating Expenses		4,569,998	4,352,802	(217,196)	(4.75)
Operating Income		1,468,693	1,222,482	(246,211)	(16.76)
Non-operating Income and Expenses		551,706	587,716	36,010	6.53
Income before Tax		2,020,399	1,810,198	(210,201)	(10.40)
Income Tax Expense		494,168	388,571	(105,597)	(21.37)
Net Income		1,526,231	1,421,627	(104,604)	(6.85)

- **Analysis of changes in the percentage of increase or decrease of more than 20%:** Decrease in income tax expenses: Mainly due to the decrease in pre-tax income.
- **The expected sales volume and its basis, the impact on the Company's future financial operations and the corresponding plan:** Please refer to the "Letter to Shareholders".

c. Cash Flow:

1) Cash Flow Analysis for the Current Year

Unit: NT\$ thousand

Item \ Year	Year 2021	Year 2022	Increase (decrease) in amount	%
Cash and Cash Equivalents at Beginning of Year	5,444,125	2,693,853	(2,750,272)	(50.52)
Net Cash Flows Generated from Operating Activities	1,573,927	799,664	(774,263)	(49.19)
Net Cash Flows Used in Investing Activities	(2,588,333)	(170,697)	2,417,636	(93.41)
Net Cash Flows Used in Financing Activities	(1,650,283)	(1,217,597)	432,686	(26.22)
Effect of Exchange Rate Changes	(85,583)	114,760	200,343	(234.09)
Cash and Cash Equivalents at End of Year	2,693,853	2,219,983	(473,870)	(17.59)

- a) The decrease in net cash generated from operating activities was due to the increase of cash outflow in accounts payable and cash used for income tax and the decrease in net profit before tax.
 - b) The decrease in cash used in investing activities was mainly due to the increase in cash flow generated from time deposits.
 - c) The decrease in net cash flow used in financing activities was mainly due to the increase in borrowings.
- 2) Improvement plan and liquidity analysis for illiquidity: there is no illiquidity situation of cash.
- 3) Cash liquidity analysis the next year

Cash at Beginning of Year	Net Cash Flows from Operating Activities	Annual Cash Out Flow	Cash Surplus (Deficit)	Remedies for insufficient cash	
				Investment Plan	Financing plan
2,219,983	1,074,290	(1,179,792)	2,114,481	—	—

d. Effect of significant capital expenditures on financial operations in the most recent year:

- 1) The operation of significant capital expenditures in the last two years and the source of funds and the nature of capital expenditures to be invested in the next five years: None.
- 2) Expected Potential Productive Gains:
 - a) Estimated increase in production and sales volume, value and gross profit: not applicable.

b) Other benefit statement: Not applicable.

e. The most recent annual reinvestment policy, the main reasons for its profit or loss, the improvement plan and the investment plan for the next year:

1) The Company's reinvestment policy:

Aurora mainly reinvests in businesses which closely correlate to Aurora's major lines of business or high-performing businesses with promising prospects. The company's overall investment evaluation, implementation and control are in accordance with the company's the "Procedures for Acquisition or Disposal of Assets"

2) The investment income recognized by the Company under the equity method in 2022 was NT\$273,185 thousand, which was mainly due to the recognition of the profit of the invested company.

3) Improvement plan and investment plan for the next year:

The Company will continue to focus on its business operations and has no investment plans for the coming year, except for capital expenditures to expand the scale of operations.

f. Analysis and assessment of risk matters for the most recent year and as of the date of publication of the annual report:

1) The impact of interest rate, exchange rate changes and inflation on the company's profit and loss and future countermeasures

a) Changes in interest rates: Most of the domestic interest rates are floating interest rates. The US Federal Reserve Board has adopted a series of interest rate hike policies to curb inflation, driving central banks around the world to start raising their interest rates together, and resulting in an increase in the interest costs of financing debts. The Company pays close attention to the market trends and will lock most of the borrowings in fixed interest rates, further reducing the impact of interest rate changes on the Company.

b) Exchange rate movements: The Company's foreign currency liabilities are mainly denominated in United States dollars. It will closely observe the exchange rate market dynamics and take appropriate hedging operations.

c) Inflation: The Company's sales are mainly in the domestic market. The Accounting Office predicts that the economic growth rate in 2023 will be about 2.12%. The price situation is expected to be stable. Inflationary pressures should be effectively controlled without significantly affecting the Company's profit or loss.

2) Policies for engaging in high-risk, high-profile investments, lending of funds to others, endorsement guarantees and derivative commodity transactions, main reasons for profits or

losses and future response measures:

- a) The Company does not engage in high-risk, high-risk investment.
 - b) The Company has the "Procedure for Lending Funds to Other Parties and or Guarante", the "Procedures for Endorsement and Guarantee" and the "Procedures for Acquisition or Disposal of Assets", which are actually handled in accordance with the regulations when performing such operations, and the risk control and internal audit are also conducted.
- 3) Future R&D plans and estimated R&D expenses: please refer to [5. Operation Overview].
- 4) The impact of important domestic and foreign policies and legal changes on the company's financial business and countermeasures:

The financial operations of Aurora were not affected by important policies adopted and changes in the legal environment at home and abroad.

- 5) The impact of technological changes (including information security risks) and industrial changes on the company's financial business and countermeasures:

The financial operations of Aurora were not affected by any developments in science and technology.

- 6) The impact of corporate image change on corporate crisis management and countermeasures:

The financial operations of Aurora were not affected by any changes in the corporate image.

- 7) Expected benefits, possible risks and countermeasures of M&A:

Aurora did not engage in any mergers and acquisitions.

- 8) Expected Benefits, Possible Risks and Countermeasures for Plant Expansion:

Aurora did not engage in any plant expansion.

- 9) Risks and countermeasures faced by centralized purchases or sales:

The company sells KONICA MINOLTA and SHARP company's office machine products to achieve economies of scale, resulting in the company's purchase amount of about 31% of the company's total purchase; the two parties also have OEM and distribution contracts, so there is little impact on the company's risks.

- 10) The impact, risks and countermeasures on the Company of a substantial transfer or exchange of equity by a director or a major shareholder holding more than ten percent:

No major quantity of shares belonging to a director or shareholder holding greater than a 10% stake in Aurora was transferred or otherwise changed hands.

11) Impact, risks and countermeasures of changes in operating rights on the Company:

There was no change in governance personnel or top management of Aurora.

12) Significant litigation, non-litigation or administrative contentious events, the results of which may have a material effect on shareholders' equity or the price of securities: None.

13) Other important risks and countermeasures: None.

g. Other important matters: None.

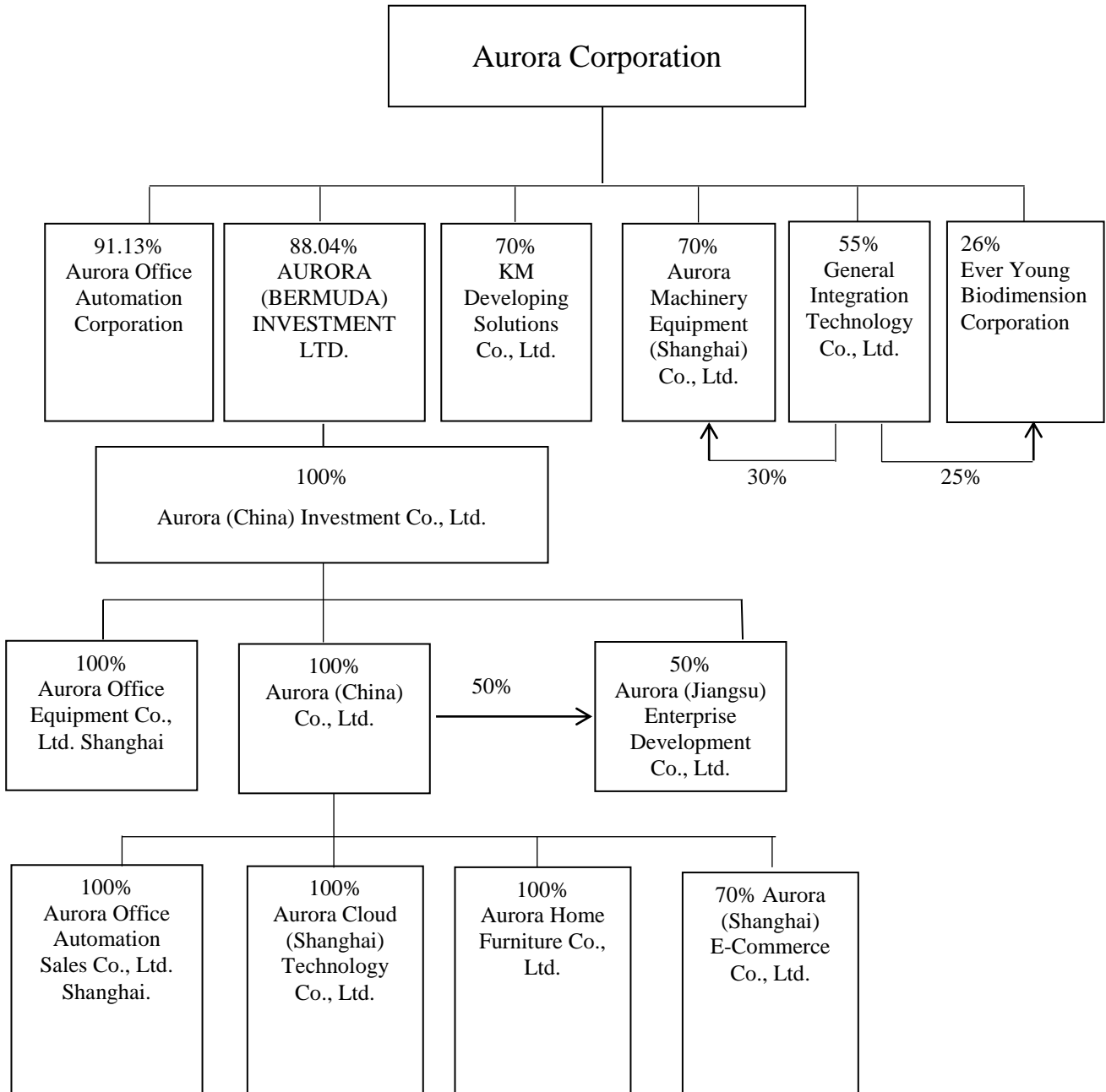
8. Special Notes

a. Information on Affiliates

1) Consolidated Business Report of Affiliates

a) Relationship enterprise organization chart

Data Date: December 31, 2022



b) Basic information of all related enterprises

December 31, 2022

Unit: NT\$ thousand

Name of Company	Date of Incorporation	Address	Actual paid-in capital	Main Business or Products
Aurora Office Automation Corporation	1975.11.07	13F, No. 2, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City	NT\$902,902 thousand	Import and export trade and wholesale of business machines
AURORA(BERMUDA) INVESTMENT LTD.	1995.04.28	Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	USD 76,500 thousand	Investment holding
Aurora (China) Investment Co., Ltd.	1999.04.23	Floor 36-37, No. 99 Insert a tag (Alt+1), Fucheng Road, Pudong New Area, Shanghai, China	USD 76,500 thousand	Investment holding
Aurora Office Equipment Co., Ltd. Shanghai	1993.08.31	No. 388, Jiaxin Road, Malu Town, Jiading District, Shanghai, China	USD 33,000 thousand	Manufacturing and sales of business machines.
Aurora (China) Co., Ltd.	2000.01.25	No. 369 Shenxia Road, Jiading District, Shanghai, China	USD 30,000 thousand	Manufacturing and sale of office furniture
Aurora Office Automation Sales Co., Ltd. Shanghai.	2003.11.03	No. 399 Hujiafu Road, Jiading District, Shanghai, China	RMB 350,000 thousand	Sales, leasing and agency sales of Aurora branded merchandise
Aurora Cloud (Shanghai) Technology Co., Ltd.	2016.11.11	Room 294H, Building 2, No. 750, Linyuan Street, Zhujing Town, Jinshan District, Shanghai, China	RMB 10,000 thousand	Sale of printing and office equipment and furniture and consulting service
Aurora Home Furniture Co., Ltd.	2012.08.20	No. 388, Jiaxin Road, Malu Town, Jiading District, Shanghai, China	RMB 50,000 thousand	Production and sale of furniture
General Integration Technology Co., Ltd.	1992.08.11	No. 343, Chongqing Rd., Xitun Dist., Taichung City	NT\$ 99,360 thousand	Wholesale of molds, machinery manufacturing and precision instruments.
KM Developing Solutions Co., Ltd.	2016.04.01	16F, No. 2, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City	NT\$100,000 thousand	Wholesale and retail of information software, computers, and office equipment
Ever Young Biodimension Corporation	2016.11.17	No. 343, Chongqing Rd., Xitun Dist., Taichung City	NT\$ 33,000 thousand	Wholesale of precision instruments
Aurora Machinery Equipment (Shanghai) Co., Ltd.	2018.08.03	Room 522, No. 1, Keelung Road, China (Shanghai) Pilot Free Trade Zone	RMB 25,000 thousand	Wholesale of mechanical and electronic equipment, internet communication equipment, and computer software and hardware
Aurora (Jiangsu) Enterprise Development Co., Ltd.	2019.05.16	North of Bihua Road and west of Jindu Road, Nantong High-tech Industrial Development Zone	RMB 300,000 thousand	Reinvestment and property lease
Aurora (Shanghai) E-Commerce Co., Ltd.	2015.12.16	Room 299A, Building 2, No. 750, Linyuan Street, Zhujing Town, Jinshan District, Shanghai	RMB 10,000 thousand	E-platform

c) It is presumed that there is control over the same shareholder information as the affiliated person: None.

d) The industry covered by the overall relationship enterprise's business: providing complete services for the trading and manufacturing industry.

e) Information on the directors, supervisors and general manager of each related enterprise:

December 31, 2022
Unit: NT\$ thousand; shares; %

Name of Company	Job Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding ratio
Aurora Office Automation Corporation	Chairman Supervisor President	Representative of Aurora Corporation: Chen Zhensheng Ya-Ling Lin Lin Chin-Pao	82,277,763	91.13%
AURORA (BERMUDA) INVESTMENT LTD.	Chairman Director Director	Yuan Hui-Hua Chen Yung-tai Wu Chun	USD 67,350	88.04%
Aurora (China) Investment Co., Ltd.	Chairman Director Director Supervisor	Yuan Hui-Hua Chen Yung-tai Wu Chun Ma Chih-Hsien	USD 76,500	100.00%
Aurora Office Equipment Co., Ltd. Shanghai.	Chairman Director Director Supervisor	Yuan Hui-Hua Chen Yung-tai Wu Chun Ma Chih-Hsien	USD 33,000	100.00%
Aurora (China) Co., Ltd.	Chairman Director Director Supervisor	Yuan Hui-Hua Chen Yung-tai Chou Chi-Cheng Ma Chih-Hsien	USD 30,000	100.00%
Aurora Office Automation Sales Co., Ltd. Shanghai.	Chairman Director Director Supervisor	Yuan Hui-Hua Chen Yung-tai Chou Chi-Cheng Wu Chun	RMB 350,000	100.00%
Aurora Cloud (Shanghai) Technology Co., Ltd.	Chairman Supervisor	Wu Chun Ma Chih-Hsien	RMB 10,000	100.00%
Aurora Home Furniture Co., Ltd.	Chairman Director Director Supervisor	Lo Wan-Jen Yuan Hui-Hua Chou Chi-Cheng Ma Chih-Hsien	RMB 50,000	100.00%
Aurora (Jiangsu) Enterprise Development Co., Ltd.	Chairman Director Director Supervisor	Yuan Hui-Hua Chou Chi-Cheng Lo Wan-Jen Wu Jun	RMB 300,000	100.00%
General Integration Technology Co., Ltd.	Chairman Director Director Supervisor	Chi Chung-Nan Representative of Aurora Corporation: Yuan Hui-Hua Representative of Aurora Corporation: Ma Chih-Hsien Chen Li-Chen	5,464,800	55.00%
KM Developing Solutions Co., Ltd.	Chairman Director Director Supervisor	Representative of Aurora Corporation: Ma Chih-Hsien Representative of Aurora Corporation: Yuan Hui-Hua Japanese Company Konica MINOLTA, Inc Representative: Koji Yoshida Chen Cheng-Sen	7,000,000	70.00%

Name of Company	Job Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding ratio
Ever Young Biodimension Corporation	Chairman	Yang Li-Hui	1,683,000	51.00%
	Director	Representative of Aurora Corporation: Yuan Hui-Hua		
	Director	Representative of Aurora Corporation: Ma Chih-Hsien		
	Director	Representative of General Integration Technology Co., Ltd.: Ji Chongnan		
	Director	Representative of General Integration Technology Co., Ltd.: Zhang Min male Nan		
	Director	Fang Hsin-Yuan		
	Director Supervisor Supervisor	Wang Hsu-Wen Chen Li-Chen Chen Yi-Wen		
Aurora Machinery Equipment (Shanghai) Co., Ltd.	Chairman	Chi Chung-Nan	RMB 25,000 thousand	100.00%
	Director	Yuan Hui-Hua		
	Director	Chou Chi-Cheng		
	Supervisor	Ma Chih-Hsien		
Aurora (Shanghai) E-Commerce Co., Ltd.	Chairman	Yuan Hui-Hua	RMB 5,000 thousand	70.00%
	Supervisor	Chen Chi		

f) Operational overview of each affiliated company

December 31, 2022

Unit: NT\$ thousand

Name of Company	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Profit or Loss (after tax)	Earnings Per Share (NT\$) (after tax)
AURORA (BERMUDA) INVESTMENT LTD.	2,328,350	11,346,815	2,559,434	8,787,381	8,180,807	521,622	660,853	8.64
Aurora Office Automation Corporation	902,902	3,100,525	929,601	2,170,924	851,627	171,548	293,330	3.25
General Integration Technology Co., Ltd.	99,360	327,061	137,885	189,176	169,616	14,300	7,960	0.80

Name of Company	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Profit or Loss (after tax)	Earnings Per Share (NT\$) (after tax)
KM Developing Solutions Co., Ltd.	100,000	248,283	88,455	159,828	287,863	44,781	36,039	3.60
Ever Young Biodimension Corporation	33,000	27,768	14,514	13,254	17,493	(3,264)	(3,352)	(1.02)
Aurora Machinery Equipment (Shanghai) Co., Ltd.	112,549	35,452	0	35,452	2,335	(13,131)	(15,282)	(0.61)

Note: AURORA (BERMUDA) INVESTMENT LTD. A summary of the disclosed operations is included in the Consolidated Financial Statements. The subsidiaries are as follows:

Aurora (China) Investment Co., Ltd. and its subsidiaries;

- (1) Aurora (China) Co., Ltd.
- (2) Aurora Office Equipment Co., Ltd. Shanghai
- (3) Aurora (Jiangsu) Enterprise Development Co., Ltd.
- (4) Aurora Office Automation Sales Co., Ltd. Shanghai
- (5) Aurora Cloud (Shanghai) Technology Co., Ltd.
- (6) Aurora Home Furniture Co., Ltd.
- (7) Aurora (Shanghai) E-Commerce Co., Ltd.

2) Consolidated Financial Statements of Affiliates

Declaration of Consolidated Financial Statements of Affiliates

In the year of 2022 (from January 1 to December 31, 2022), according to the "Standards for the Preparation of Related Business Consolidated Financial Statements and Related Business Reports", companies that should be included in the preparation of related business consolidated financial statements and According to IFRS 10, the companies that should be included in the preparation of the consolidated financial report of the parent and subsidiary are the same, and the relevant information that should be disclosed in the consolidated financial statement of the related enterprise has been disclosed in the previous consolidated financial report of the parent and subsidiary, and will not be prepared separately Consolidated financial statements of related companies.

Sincerely,

Company name: Aurora Corporation

Person in charge: Yuan Hui-hua

March 13, 2023

3) Related enterprise report: None.

- b. As of the date of publication of the latest annual and annual reports, the status of the handling of private placement securities: None.
- c. As of the printing date of the latest annual and annual reports, the subsidiary held or disposed of the company's shares:

Unit: NT\$ thousand; shares; %

Name of Subsidiary	Paid-in Capital	Source of Capital	Shareholding percentage of the company (%)	Date of Acquisition or Disposal	Amount and Number of Shares Acquired	Amount and Number of Shares Disposed of	Investment Income	Shares Held and Amount Up to the Date of Publication of the Annual Report	Pledge	Making of Endorsements/ Guarantees to Subsidiary	Loaning of Funds to Subsidiary
Aurora Office Automation Corporation	NT\$ 902,902 thousand	Private capital	91.13%	As of the date of publication of the Annual Report	-	-	-	12,496,797 shares 1,000,993	-	-	-

- d. Other necessary supplementary notes: None.
- e. Events that have a significant impact on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act occurred in the most recent year and up to the date of publication of the annual report: None.

Aurora Corporation

Chairman of the Board: Yuan Hui-hua