

**CHENG UEI PRECISION INDUSTRY CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2022 AND 2021**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
MARCH 31, 2022 AND 2021 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 22000029

To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and subsidiaries (the "Group") as at March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Notes 4(3) and 6(8), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Those statements reflect total assets of NT\$20,444,764 thousand and NT\$22,232,326 thousand, constituting 24.09% and 28.49% of the consolidated total assets, and total liabilities of NT\$4,815,900 thousand and NT\$5,489,865 thousand, constituting 9.19% and 11.22% of the consolidated total liabilities as at March

31, 2022 and 2021, and total comprehensive income of NT\$15,264 thousand and NT\$536,427 thousand, constituting 1.47% and (2,376.62%) of the consolidated total comprehensive income (loss) for the three months then ended. As explained in Note 6(8), certain investments accounted for using equity method were assessed and disclosed shares of profit or loss of associates and joint ventures accounted for using equity method as of March 31, 2022 and 2021 based on the financial statements which were not reviewed by independent auditors. The balance of investment accounted for under equity method was NT\$3,677,437 thousand and NT\$3,662,370 thousand, constituting 4.33% and 4.69% of consolidated total assets as of March 31, 2022 and 2021, respectively, and the share of profit of associates and joint ventures accounted for under equity method was NT\$26,962 thousand and NT\$29,233 thousand, constituting 2.59% and (129.52%) of consolidated total comprehensive income (loss) for the three months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Emphasis of Matter –significant unresolved litigation involving investments accounted for using equity method

As described in Note 9(1)C to the consolidated financial statements, Fugang Electric (Maanshan) Co., Ltd., a subsidiary of the Group, has a lawsuit with Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. On November 19, 2021, Ma’anshan Intermediate People’s Court in Anhui Province rendered a first-instance decision, affirming that Fugang Electric (Maanshan) Co., Ltd. shall pay principal amounting to RMB 274,450 thousand and interest amounting to RMB

139,488.9 thousand, based on the amount agreed in the court’s judgement and interest calculated until the date when the principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement. On December 7, 2021, Fugang Electric (Maanshan) Co., Ltd. filed a second instance appeal with the Higher People’s Court of Anhui Province to request to modify or remand the decision in accordance with the laws. The case is scheduled to be heard in the Higher People’s Court of Anhui Province on May 11, 2022. On March 17, 2022, Fugang Electric (Maanshan) Co., Ltd. filed an administrative litigation with the Ma’anshan Intermediate People’s Court in Anhui Province against the People’s Government of Ma’anshan Municipality, the Administrative Committee of Ma’anshan Economic and Technological Development Zone and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. pursuant to Article 12 of the “Administrative Procedure Law of the People’s Republic of China”. As of the financial reporting date, the possible result of this litigation cannot be determined, therefore our opinion is not modified in respect of this matter.

Lin, Se-Kai

Liang Yi Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

June 29, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

| ASSETS | Notes | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | |
|-----------------------|---|----------------|----|----------------------|------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| CURRENT ASSETS | | | | | | | |
| 1100 | Cash and cash equivalents | \$ 9,201,055 | 11 | \$ 8,707,603 | 10 | \$ 8,803,326 | 11 |
| 1136 | Current financial assets at amortised cost | 6(3) and 8 | | 2,831,895 | 3 | 5,710,318 | 7 |
| 1140 | Current contract assets | 6(24) | | 3,590,185 | 4 | 217,074 | - |
| 1150 | Notes receivable, net | | | 33,398 | - | 26,541 | - |
| 1170 | Accounts receivable, net | 6(4) | | 11,868,115 | 14 | 12,217,354 | 16 |
| 1180 | Accounts receivable, net - related parties | 7 | | 521,467 | 1 | 593,569 | 1 |
| 1200 | Other receivables | 6(5) | | 293,927 | 1 | 328,089 | 1 |
| 1210 | Other receivables - related parties | 7 | | 121,842 | - | 119,875 | - |
| 1220 | Current income tax assets | 6(31) | | 5,055 | - | 14,106 | - |
| 130X | Inventories | 6(6) | | 16,876,440 | 20 | 15,465,338 | 20 |
| 1410 | Prepayments | 6(7) | | 4,473,753 | 5 | 1,028,491 | 1 |
| 1460 | Non-current assets or disposal groups classified as held for sale, net | 6(13) | | - | - | - | - |
| 1470 | Other current assets | 8 | | 1,047,080 | 1 | 39,159 | - |
| 11XX | TOTAL CURRENT ASSETS | | | <u>50,864,212</u> | <u>60</u> | <u>44,563,240</u> | <u>57</u> |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 12(3) | | 1,202,481 | 1 | 1,198,722 | 1 |
| 1535 | Non-current financial assets at amortised cost | 6(3) and 8 | | 149,814 | - | 145,932 | - |
| 1550 | Investments accounted for under the equity method | 6(8) | | 4,841,246 | 6 | 4,943,687 | 6 |
| 1600 | Property, plant and equipment, net | 6(9) | | 21,604,979 | 26 | 20,729,767 | 27 |
| 1755 | Right-of-use assets | 6(10) and 7 | | 2,084,788 | 2 | 1,667,881 | 2 |
| 1760 | Investment property, net | 6(11) | | 576,705 | 1 | 577,623 | 1 |
| 1780 | Intangible assets | 6(12) | | 1,701,913 | 2 | 1,636,798 | 2 |
| 1840 | Deferred income tax assets | 6(31) | | 310,992 | - | 551,302 | 1 |
| 1915 | Prepayments for business facilities | | | 1,011,971 | 1 | 1,545,212 | 2 |
| 1990 | Other non-current assets, others | 8 | | 525,196 | 1 | 479,999 | 1 |
| 15XX | TOTAL NON-CURRENT ASSETS | | | <u>34,010,085</u> | <u>40</u> | <u>33,476,923</u> | <u>43</u> |
| 1XXX | TOTAL ASSETS | | | <u>\$ 84,874,297</u> | <u>100</u> | <u>\$ 78,040,163</u> | <u>100</u> |

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

| LIABILITIES AND EQUITY | Notes | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | | |
|--|--|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| CURRENT LIABILITIES | | | | | | | | |
| 2100 | Short-term borrowings | 6(14) | \$ 10,197,706 | 12 | \$ 4,224,848 | 5 | \$ 3,230,209 | 4 |
| 2110 | Short-term notes and bills payable | 6(15) | 477,869 | 1 | 1,596,522 | 2 | 577,903 | 1 |
| 2130 | Current contract liabilities | 6(24) | 849,813 | 1 | 603,767 | 1 | 1,020,126 | 1 |
| 2150 | Notes payable | | 40,034 | - | 150 | - | 5,911 | - |
| 2170 | Accounts payable | | 12,862,796 | 15 | 16,895,026 | 20 | 14,091,371 | 18 |
| 2180 | Accounts payable - related parties | 7 | 122,885 | - | 172,107 | - | 126,115 | - |
| 2200 | Other payables | 6(16) and 7 | 4,697,262 | 6 | 4,617,534 | 6 | 5,650,370 | 7 |
| 2230 | Current income tax liabilities | 6(31) | 442,164 | 1 | 555,374 | 1 | 696,780 | 1 |
| 2280 | Current lease liabilities | 7 | 201,972 | - | 158,525 | - | 196,914 | - |
| 2320 | Long-term liabilities, current portion | 6(18) | 296,970 | - | 302,694 | - | 502,657 | 1 |
| 2365 | Current refund liabilities | | 187,168 | - | 226,274 | - | 230,630 | - |
| 2399 | Other current liabilities, others | | 533,674 | 1 | 601,242 | 1 | 454,635 | 1 |
| 21XX | TOTAL CURRENT LIABILITIES | | <u>30,910,313</u> | <u>37</u> | <u>29,954,063</u> | <u>36</u> | <u>26,783,621</u> | <u>34</u> |
| NON-CURRENT LIABILITIES | | | | | | | | |
| 2530 | Corporate bonds payable | 6(17) | 6,579,516 | 8 | 6,578,570 | 8 | 6,575,753 | 9 |
| 2540 | Long-term borrowings | 6(18) | 11,457,239 | 13 | 11,176,423 | 14 | 12,589,034 | 16 |
| 2570 | Deferred income tax liabilities | 6(31) | 989,223 | 1 | 933,548 | 1 | 856,695 | 1 |
| 2580 | Non-current lease liabilities | 7 | 693,960 | 1 | 247,637 | - | 250,442 | - |
| 2600 | Other non-current liabilities | 6(8)(19) | 1,768,272 | 2 | 1,735,142 | 2 | 1,878,998 | 3 |
| 25XX | TOTAL NON-CURRENT LIABILITIES | | <u>21,488,210</u> | <u>25</u> | <u>20,671,320</u> | <u>25</u> | <u>22,150,922</u> | <u>29</u> |
| 2XXX | TOTAL LIABILITIES | | <u>52,398,523</u> | <u>62</u> | <u>50,625,383</u> | <u>61</u> | <u>48,934,543</u> | <u>63</u> |
| EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT | | | | | | | | |
| Capital stock | | | | | | | | |
| 3110 | Common stock | 6(20) | 5,123,269 | 6 | 5,123,269 | 6 | 5,123,269 | 7 |
| Capital reserve | | | | | | | | |
| 3200 | Capital surplus | 6(21) | 10,252,986 | 12 | 10,252,875 | 12 | 9,861,882 | 11 |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(22) | 3,197,654 | 4 | 3,197,654 | 4 | 3,002,026 | 4 |
| 3320 | Special reserve | | 2,036,346 | 2 | 2,036,346 | 3 | 2,334,534 | 3 |
| 3350 | Unappropriated earnings | | 4,794,701 | 6 | 5,547,850 | 7 | 4,526,999 | 6 |
| Other equity | | | | | | | | |
| 3400 | Other equity interest | 6(23) | (1,783,881) | (3) | (2,601,651) | (4) | (2,255,511) | (3) |
| Treasury shares | | | | | | | | |
| 3500 | Treasury shares | 6(21) | (272,066) | - | (272,066) | - | (272,066) | - |
| 31XX | Equity attributable to owners of the parent | | <u>23,349,009</u> | <u>27</u> | <u>23,284,277</u> | <u>28</u> | <u>22,321,133</u> | <u>28</u> |
| 36XX | Non-controlling interests | | <u>9,126,765</u> | <u>11</u> | <u>9,216,611</u> | <u>11</u> | <u>6,784,487</u> | <u>9</u> |
| 3XXX | TOTAL EQUITY | | <u>32,475,774</u> | <u>38</u> | <u>32,500,888</u> | <u>39</u> | <u>29,105,620</u> | <u>37</u> |
| Significant contingent liabilities and unrecognised contract commitments | | | | | | | | |
| Significant events after the balance sheet date | | | | | | | | |
| 3X2X | TOTAL LIABILITIES AND EQUITY | | <u>\$ 84,874,297</u> | <u>100</u> | <u>\$ 83,126,271</u> | <u>100</u> | <u>\$ 78,040,163</u> | <u>100</u> |

The accompanying notes are an integral part of these consolidated financial statements.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

| | Items | Notes | Three months ended March 31 | | | |
|------|--|--------------------|-----------------------------|---------------|----------------------|--------------|
| | | | 2022 | | 2021 | |
| | | | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(24)(25) and 7 | \$ 17,760,230 | 100 | \$ 19,874,162 | 100 |
| 5000 | Operating costs | 6(6)(29)(30) and 7 | (15,953,514) | (90) | (17,768,382) | (90) |
| 5900 | Gross profit | | <u>1,806,716</u> | <u>10</u> | <u>2,105,780</u> | <u>10</u> |
| | Operating expenses | 6(29)(30) | | | | |
| 6100 | Sales and marketing expenses | | (462,539) | (2) | (481,250) | (2) |
| 6200 | General and administrative expenses | | (892,264) | (5) | (812,984) | (4) |
| 6300 | Research and development expenses | | (512,469) | (3) | (583,776) | (3) |
| 6450 | Expected credit gain | 12(2) | <u>17,817</u> | <u>-</u> | <u>31,764</u> | <u>-</u> |
| 6000 | Total operating expenses | | (<u>1,849,455</u>) | (<u>10</u>) | (<u>1,846,246</u>) | (<u>9</u>) |
| 6900 | Operating income | | (<u>42,739</u>) | <u>-</u> | <u>259,534</u> | <u>1</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(25) | 15,655 | - | 21,364 | - |
| 7010 | Other income | 6(26) and 7 | 101,671 | 1 | 130,394 | 1 |
| 7020 | Other gains and losses | 6(27) | 161,684 | 1 | (2,482) | - |
| 7050 | Finance costs | 6(28) | (82,248) | (1) | (83,720) | - |
| 7060 | Share of profit of associates and joint ventures accounted for under the equity method | 6(8) | <u>48,485</u> | <u>-</u> | <u>43,224</u> | <u>-</u> |
| 7000 | Total non-operating income and expenses | | <u>245,247</u> | <u>1</u> | <u>108,780</u> | <u>1</u> |
| 7900 | Income before income tax | | 202,508 | 1 | 368,314 | 2 |
| 7950 | Income tax expense | 6(31) | (<u>53,150</u>) | <u>-</u> | (<u>166,884</u>) | (<u>1</u>) |
| 8200 | Net income | | <u>\$ 149,358</u> | <u>1</u> | <u>\$ 201,430</u> | <u>1</u> |

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

| | Items | Notes | Three months ended March 31 | | | | |
|------|--|-------|-----------------------------|------|--------------|------|--|
| | | | 2022 | | 2021 | | |
| | | | AMOUNT | % | AMOUNT | % | |
| | Other comprehensive (loss) income, net | | | | | | |
| | Components of other comprehensive (loss) income that will not be reclassified to profit or loss | | | | | | |
| 8316 | Unrealized gain on equity instrument at fair value through other comprehensive income | 6(2) | (\$ 18,375) | - | \$ 39,000 | - | |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss | | - | - | 5,883 | - | |
| 8310 | Total components of other comprehensive (loss) income that will not be reclassified to profit or loss | | (18,375) | - | 44,883 | - | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | | |
| 8361 | Exchange differences arising on translation of foreign operations | | 1,076,509 | 6 | (323,862) | (1) | |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | | 39,957 | - | (5,008) | - | |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | 6(31) | (206,197) | (1) | 59,986 | - | |
| 8360 | Total components of other comprehensive loss that will be reclassified to profit or loss | | 910,269 | 5 | (268,884) | (1) | |
| 8300 | Other comprehensive income (loss), net | | \$ 891,894 | 5 | (\$ 224,001) | (1) | |
| 8500 | Total comprehensive (loss) income for the period | | \$ 1,041,252 | 6 | (\$ 22,571) | - | |
| | Net income attributable to: | | | | | | |
| 8610 | Shareholders of the parent | | \$ 15,341 | - | \$ 25,427 | - | |
| 8620 | Non-controlling interests | | 134,017 | 1 | 176,003 | 1 | |
| | Total | | \$ 149,358 | 1 | \$ 201,430 | 1 | |
| | Total comprehensive (loss) income attributable to: | | | | | | |
| 8710 | Shareholders of the parent | | \$ 833,111 | 5 | (\$ 193,738) | (1) | |
| 8720 | Non-controlling interests | | 208,141 | 1 | 171,167 | 1 | |
| | Total | | \$ 1,041,252 | 6 | (\$ 22,571) | - | |
| | Basic earnings per share (in dollars) | | | | | | |
| 9750 | Total basic earnings per share | 6(32) | \$ | 0.03 | \$ | 0.05 | |
| | Diluted earnings per share (in dollars) | | | | | | |
| 9850 | Total diluted earnings per share | 6(32) | \$ | 0.03 | \$ | 0.05 | |

The accompanying notes are an integral part of these consolidated financial statements.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

| | | Equity attributable to owners of the parent | | | | | | | | | | |
|--|--|---|----------------------|---------------------|-------------------------|---|---|---------------------|---|--------------------------|---------------------|----------------------|
| | | Retained Earnings | | | | | Other equity interest | | | | | |
| Notes | Common stock | Capital reserve | Legal reserve | Special reserve | Unappropriated earnings | Exchange differences on translation of foreign financial statements | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Treasury shares | Total equity attributable to shareholders of the parent | Non-controlling interest | Total equity | |
| Three months ended March 31, 2021 | | | | | | | | | | | | |
| | Balance at January 1, 2021 | \$ 5,123,269 | \$ 9,828,746 | \$ 3,002,026 | \$ 2,334,534 | \$ 5,782,390 | (\$ 1,730,123) | (\$ 306,223) | (\$ 272,066) | \$ 23,762,553 | \$ 6,321,335 | \$ 30,083,888 |
| | Net income for the period | - | - | - | - | 25,427 | - | - | - | 25,427 | 176,003 | 201,430 |
| | Other comprehensive income (loss) 6(23) | - | - | - | - | - | (239,944) | 20,779 | - | (219,165) | (4,836) | (224,001) |
| | Total comprehensive income (loss) | - | - | - | - | 25,427 | (239,944) | 20,779 | - | (193,738) | 171,167 | (22,571) |
| | Changes in ownership interests in subsidiaries | - | 394 | - | - | - | - | - | - | 394 | (9) | 385 |
| | Difference between proceeds from acquisition or disposal of subsidiary and book value 6(21) | - | 32,504 | - | - | - | - | - | - | 32,504 | (280) | 32,224 |
| | Changes in net equity of associates and joint ventures accounted for under the equity method 6(21) | - | 238 | - | - | - | - | - | - | 238 | 290 | 528 |
| | Cash dividend 6(22) | - | - | - | - | (1,280,818) | - | - | - | (1,280,818) | - | (1,280,818) |
| | Changes in non-controlling interest | - | - | - | - | - | - | - | - | - | 291,984 | 291,984 |
| | Balance at March 31, 2021 | <u>\$ 5,123,269</u> | <u>\$ 9,861,882</u> | <u>\$ 3,002,026</u> | <u>\$ 2,334,534</u> | <u>\$ 4,526,999</u> | <u>(\$ 1,970,067)</u> | <u>(\$ 285,444)</u> | <u>(\$ 272,066)</u> | <u>\$ 22,321,133</u> | <u>\$ 6,784,487</u> | <u>\$ 29,105,620</u> |
| Three months ended March 31, 2022 | | | | | | | | | | | | |
| | Balance at January 1 | \$ 5,123,269 | \$ 10,252,875 | \$ 3,197,654 | \$ 2,036,346 | \$ 5,547,850 | (\$ 2,129,042) | (\$ 472,609) | (\$ 272,066) | \$ 23,284,277 | \$ 9,216,611 | \$ 32,500,888 |
| | Net income for the period | - | - | - | - | 15,341 | - | - | - | 15,341 | 134,017 | 149,358 |
| | Other comprehensive income (loss) 6(23) | - | - | - | - | - | 824,788 | (7,018) | - | 817,770 | 74,124 | 891,894 |
| | Total comprehensive income (loss) | - | - | - | - | 15,341 | 824,788 | (7,018) | - | 833,111 | 208,141 | 1,041,252 |
| | Changes in net equity of associates and joint ventures accounted for under the equity method 6(21) | - | 111 | - | - | - | - | - | - | 111 | 35 | 146 |
| | Cash dividend 6(22) | - | - | - | - | (768,490) | - | - | - | (768,490) | - | (768,490) |
| | Changes in non-controlling interest | - | - | - | - | - | - | - | - | - | (298,022) | (298,022) |
| | Balance at March 31, 2022 | <u>\$ 5,123,269</u> | <u>\$ 10,252,986</u> | <u>\$ 3,197,654</u> | <u>\$ 2,036,346</u> | <u>\$ 4,794,701</u> | <u>(\$ 1,304,254)</u> | <u>(\$ 479,627)</u> | <u>(\$ 272,066)</u> | <u>\$ 23,349,009</u> | <u>\$ 9,126,765</u> | <u>\$ 32,475,774</u> |

The accompanying notes are an integral part of these consolidated financial statements.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

| | Notes | Three months ended March 31 | |
|---|----------------------|-----------------------------|---------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 202,508 | \$ 368,314 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation (including investment property) | 6(9)(10)(11)(27)(29) | 870,079 | 787,515 |
| Amortisation | 6(12)(29) | 22,587 | 26,878 |
| Expected credit gain | 12(2) | (17,817) | (31,764) |
| Interest expense | 6(28) | 82,248 | 83,720 |
| Interest income | 6(25) | (15,655) | (21,364) |
| Share of profit of associates accounted for using the equity method | 6(8) | (48,485) | (43,224) |
| (Gain) loss on disposal of property, plant and equipment | 6(27) | (2,744) | 326 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Contract assets | | (373,732) | (112,483) |
| Notes receivable | | 13,476 | 8,582 |
| Accounts receivable | | 4,518,513 | 4,124,862 |
| Accounts receivable from related parties | | (208,562) | 10,136 |
| Other receivables | | 18,634 | (124,490) |
| Other receivables from related parties | | (3,323) | (8,301) |
| Inventories | | (1,397,180) | (2,192,029) |
| Prepayments | | (1,060,464) | 138,608 |
| Other current assets | | 40,994 | 88,490 |
| Other non-current assets | | 6,364 | (15,168) |
| Changes in operating liabilities | | | |
| Contract liabilities | | 246,045 | 123,350 |
| Notes payable | | 39,884 | 5,756 |
| Accounts payable | | (4,032,230) | (3,429,900) |
| Accounts payables to related parties | | (49,222) | (34,610) |
| Other payables | | (583,628) | (392,413) |
| Refund liabilities | | (39,105) | (3,540) |
| Other current liabilities | | (67,568) | (124,917) |
| Other non-current liabilities | | 33,130 | (51,561) |
| Cash outflow generated from operations | | (1,805,253) | (819,227) |
| Interest received | | 15,655 | 21,364 |
| Interest paid | | (66,830) | (69,698) |
| Income tax paid | | (98,230) | (96,191) |
| Net cash flows used in operating activities | | (1,954,658) | (963,752) |

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

| | Notes | Three months ended March 31 | |
|--|-------|-----------------------------|----------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of financial assets at fair value through other comprehensive income | 12(3) | (\$ 90,120) | (\$ 173,760) |
| Proceeds from disposal of investments accounted for under the equity method | | - | 13,868 |
| Acquisitions of subsidiaries and acquisition of assets of other companies (net of cash acquired) | 6(34) | (199,214) | - |
| Financial assets at amortised cost | | (578,288) | 697,697 |
| Acquisitions of property, plant and equipment | 6(35) | (584,079) | (419,543) |
| Proceeds from disposal of property, plant and equipment | | 11,184 | 11,740 |
| Acquisitions of intangible assets | 6(12) | (5,034) | (9,504) |
| Proceeds from disposal of intangible assets | 6(12) | - | 385 |
| Increase in prepayments for business facilities | | (159,657) | (753,823) |
| Increase in guarantee deposits paid | | (969,282) | (20,636) |
| Increase in prepayments for investments | 6(8) | (120,000) | - |
| Net cash flows used in investing activities | | (2,694,490) | (653,576) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from short-term borrowings | 6(36) | 13,383,951 | 9,649,817 |
| Repayments of short-term borrowings | 6(36) | (7,411,093) | (10,760,286) |
| (Decrease) increase in short-term notes and bills payable | 6(36) | (1,118,653) | 190,681 |
| Proceeds from long-term borrowings | 6(36) | 3,421,000 | 4,824,593 |
| Repayment of long - term borrowings | 6(36) | (3,145,908) | (4,558,670) |
| Repayment of lease liabilities | 6(36) | (67,989) | (59,929) |
| Proceeds from disposal of ownership investments in subsidiaries | 6(33) | - | 690,000 |
| Net cash flows from (used in) financing activities | | 5,061,308 | (23,794) |
| Effect of change in exchange rates | | 81,292 | (549,092) |
| Net increase (decrease) in cash and cash equivalents | | 493,452 | (2,190,214) |
| Cash and cash equivalents at beginning of period | | 8,707,603 | 10,993,540 |
| Cash and cash equivalents at end of period | | \$ 9,201,055 | \$ 8,803,326 |

The accompanying notes are an integral part of these consolidated financial statements.

CHENG UEI PRECISION INDUSTRY CO.,LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Unaudited)

1. HISTORY AND ORGANIZATION

Cheng Uei Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on July 14, 1986 and has begun operations on July 31, 1986. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacture of cable assemblies, connectors, battery packs, and power modules. Effective September 1999, the shares of the Company were listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 5, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IFRS 3, ‘Reference to the conceptual framework’ | January 1, 2022 |
| Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’ | January 1, 2022 |
| Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’ | January 1, 2022 |
| Annual improvements to IFRS Standards 2018–2020 | January 1, 2022 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</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 by International Accounting Standards Board |
| IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments to IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’ | January 1, 2023 |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’ | January 1, 2023 |
| Amendments to IAS 1, ‘Disclosure of accounting policies’ | January 1, 2023 |
| Amendments to IAS 8, ‘Definition of accounting estimates’ | January 1, 2023 |
| Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’ | January 1, 2023 |

The Group continues to evaluate the impact of the above standards and interpretations on its financial condition and financial performance. The quantitative impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional descriptions that are set out below, the rest of the principal accounting policies applied in the preparation of these consolidated financial statements are the same as those disclosed in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards 34, “Interim Financial Reporting”.
- B. The consolidated financial statements as of and for the three months ended March 31, 2022 should be read together with the consolidated financial statements as of and for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.

c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation for the current period financial statements and the 2021 consolidated financial statements is the same.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|------------------|--|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| The Company | CU International Ltd. (CU) | Manufacture of electronic telecommunication components and reinvestment business | 100 | 100 | 100 | Note 15,16 |
| The Company | Culink International Ltd. (CULINK) | Reinvestment business | 100 | 100 | 100 | |
| The Company | Foxlink International Investment Ltd. (FII) | General investments holding | 100 | 100 | 100 | Note 15,16 |
| The Company | Fu Uei International Investment Ltd. (FUUI) | General investments holding | 100 | 100 | 100 | Note 15,16 |
| The Company | Darts Technologies Corporation (Darts) | Manufacture of electronic telecommunication and wireless components | 97 | 97 | 97 | |
| The Company | DU Precision Industry Co., Ltd. (DU Precision) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| The Company | Foxlink Technology Ltd. (FOXLINK TECH) | Reinvestment business | 100 | 100 | 100 | |
| The Company | Suntain Co., Ltd. (Suntain) | Electroplating processing services | 100 | 100 | 100 | |
| The Company | SINOBEST BROTHERS LIMITED (SINOBEST) | Reinvestment business | 91.19 | 91.19 | 91.19 | Note 13 |
| The Company | FOXLINK ARIZONA INC. | Energy service management | 100 | - | - | Note 1 |
| CU | Fugang Electronic (Dongguan) Co., Ltd. (FGEDG) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 15,16 |
| CU | New Start Industries Ltd. (NEW START) | Reinvestment business | 100 | 100 | 100 | |
| CU | Fugang Electric (Kunshan) Co., Ltd. (FGEKS) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 15,16 |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|------------------|--|--|-------------------|----------------------|-------------------|----------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CU | Dong Guan Fu Shi Chang Co., Ltd. (FSC) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CU | Culink Tianjin Co., Ltd. (CTJ) | Manufacture of electronic telecommunication components | 25 | 25 | 25 | |
| CU | Dongguan Fuqiang Electronics Co., Ltd. (DGFQ) | Manufacture of electronic telecommunication components | 83.17 | 83.17 | 83.17 | Note 15,16 |
| CU | Foxlink Energy (Tianjin) Ltd. (FETJ) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CU | Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE) | Manufacture of electronic telecommunication components | 49.98 | 49.98 | 49.98 | |
| CU | Solteras Limited | General investments holding | 100 | 100 | 100 | |
| CU | Fushineng Electronics (Kunshan) Co., Ltd. | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CU | Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd. | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CU | Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC) | Manufacture of electronic telecommunication components | 72 | 72 | 72 | |
| CU | Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG) | Manufacture of electronic telecommunication components | 80 | 80 | 80 | |
| CU | Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CU | Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN) | Manufacture of electronic telecommunication components | 32.86 | 32.86 | 32.86 | |
| CU | Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment) | General investments holding | 100 | 100 | 100 | |
| CU | FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA) | Manufacture of electronic telecommunication components | 34.30 | 34.30 | 37.27 | Note 6 |
| CU | Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou) | Manufacture of electronic telecommunication components | 21.62 | 21.62 | 29.63 | Note 8,15,16 |
| NEW START | Foxlink Tianjin Co., Ltd. (FTJ) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| NEW START | Culink Tianjin Co., Ltd. (CTJ) | Manufacture of electronic telecommunication components | 75 | 75 | 75 | |
| NEW START | Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei) | General investments holding | 50 | 50 | 50 | |
| NEW START | Fugang Electric (Xuzhou) Co., Ltd. | Manufacture of electronic telecommunication components | 27.03 | 27.03 | - | Note 8, 15, 16 |
| FTJ | Fuzhan Electronics (Shanghai) Co., Ltd. (FESH) | Manufacture of electronic telecommunication components | 46.93 | 46.93 | 46.93 | |
| FTJ | Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE) | Manufacture of electronic telecommunication components | 50.02 | 50.02 | 50.02 | |
| FTJ | Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC) | Manufacture of electronic telecommunication components | 28 | 28 | 28 | |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|---------------------------|--|---|-------------------|----------------------|-------------------|--------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| FTJ | Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN) | Manufacture of electronic telecommunication components | 50.71 | 50.71 | 50.71 | |
| FTJ | Changde Fubo Intelligent Technology Co., Ltd. (CDFB) | Manufacture and sale of automated equipment | 9.5 | 9.5 | 9.5 | Note 7 |
| KAFE | Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui) | Manufacture | 55.56 | 55.56 | 55.56 | |
| KAFE | Foxlink Automotive Technology Co., Ltd. (FAT) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| CULINK | Pacific Wealth Limited (PACIFIC WEALTH) | Holding company and reinvestment business | 100 | 100 | 100 | |
| CULINK | FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA) | Manufacture of electronic telecommunication components | 65.70 | 65.70 | 62.73 | Note 6 |
| CULINK | FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK) | Manufacture of electronic telecommunication components | 0.73 | 0.73 | 0.73 | |
| CULINK | GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORY SCIENCE INDIA) | Manufacture and sale of the components of communication and consumer electronics | 0.73 | 0.73 | 0.73 | |
| CULINK | FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU) | Manufacture of electronic telecommunication components | 51.35 | 51.35 | 70.37 | Note 8,15,16 |
| PACIFIC WEALTH | Foxlink International Inc. (FOXLINK) | Sales agent | 100 | 100 | 100 | Note 15,16 |
| Kunshan Fugang Investment | Dongguan Fuqiang Electronics Co., Ltd. (DGFO) | Manufacture of electronic telecommunication components | 16.83 | 16.83 | 16.83 | Note 15,16 |
| Kunshan Fugang Investment | Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| Kunshan Fugang Investment | Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN) | Manufacture of electronic telecommunication components | 16.43 | 16.43 | 16.43 | |
| FII | Linkmedia Co., Ltd. (LM) | Manufacture of electronic telecommunication components | - | - | 100 | Note 4 |
| FII | World Circuit Technology Co., Ltd. (WCT) | Manufacture of electronic telecommunication components and flexible printed circuit | 69.56 | 69.56 | 69.56 | |
| FII | Proconn Technology Co., Ltd. (Proconn) | Manufacture of electronic telecommunication components | - | - | 50.03 | Note 4 |
| FII | FIT Holding Co., Ltd. (FIT Holding) | General investments holding | 23.67 | 23.67 | 23.67 | Note 15,16 |
| FII | FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE) | Manufacture of electronic telecommunication components | 11.57 | 13.50 | 29.46 | Note 9 |
| FII | FOXLINK VIETNAM CO., LTD. (FV) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 2 |
| WCT | Value Success Limited (VALUE SUCCESS) | Holding company and reinvestment business | 100 | 100 | 100 | |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|--------------------|--|--|-------------------|----------------------|-------------------|---------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| VALUE SUCCESS | Capital Guardian Limited (CAPITAL) | Holding company and reinvestment business | 100 | 100 | 100 | |
| CAPITAL | World Circuit Technology (Hong Kong) Limited (WCTHK) | Holding company and reinvestment business | 100 | 100 | 100 | |
| WCTHK | Fuzhan Electronics (Shanghai) Co., Ltd. (FESH) | Manufacture of electronic telecommunication components | 53.07 | 53.07 | 53.07 | |
| Darts | Benefit Right Ltd. (BENEFIT) | Reinvestment business | 100 | 100 | 100 | |
| BENEFIT | Power Channel Limited (POWER) | Reinvestment business | 64.25 | 64.25 | 64.25 | |
| DU Precision | CE Link International Ltd. (CELINK) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| FOXLINK TECH | Sinobest Brothers Limited (SINOBEST) | Manufacture of electronic telecommunication components | 8.81 | 8.81 | 8.81 | Note 13 |
| SINOBEST | Foxlink Myanmar Company Limited (FOXLINK MYANMAR) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 5 |
| FUII | Studio A Inc. (Studio A) | Sale of electronic telecommunication components | 51 | 51 | 51 | |
| FUII | VA Product Inc. (VA) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| FUII | Proconn Technology Co., Ltd. (Proconn) | Manufacture of electronic telecommunication components | - | - | 1.30 | Note 4 |
| FUII | Zhi De Investment Co., Ltd. (Zhi De Investment) | General investments holding | 100 | 100 | 100 | Note 15,16 |
| FUII | Shinfox Energy Co., Ltd. (Shinfox) | Mechanical installation and piping engineering | 9.10 | 9.10 | 10.50 | Note 11,15,16 |
| FUII | FIT Holding Co., Ltd. (FIT Holding) | General investments holding | 5.97 | 5.97 | 5.97 | Note 15,16 |
| FUII | FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE) | Manufacture of electronic telecommunication components | 88.43 | 86.50 | 70.54 | Note 9 |
| Zhi De Investment | FIT Holding Co., Ltd. (FIT Holding) | General investments holding | 8.55 | 8.55 | 8.55 | Note 15,16 |
| Studio A | Straight A Inc. (Straight A) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| Studio A | Studio A Technology Limited (Studio A Hong Kong) | Sale of electronic telecommunication components | 51 | 51 | 51 | |
| Studio A | Ashop Co., Ltd. (ASHOP) | Sale of electronic telecommunication components | - | - | - | Note 10 |
| Studio A | Jing Jing Technology Co., Ltd. (Jing Jing) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| Studio A | Junezhe Co., Ltd. (Junezhe) | Dredging industry | 25 | 25 | - | Note 2, 14 |
| Studio A Hong Kong | Studio A Macau Limited (Studio A Macau) | Sale of electronic telecommunication components | - | 100 | 100 | Note 3 |
| Studio A Hong Kong | ASHOP CO., LTD. (ASHOP) | Sale of electronic telecommunication components | 100 | 100 | 100 | Note 10 |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|------------------|--|--|-------------------|----------------------|-------------------|---------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| FGEKS | Kunshan Fugang Electric Trading Co., Ltd. (KFET) | Sale of electronic telecommunication components | 51 | 51 | 51 | |
| KFET | Shanghai Fugang Electric Trading Co., Ltd. (SFET) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| KFET | Kunshan Fu Shi You Trading Co., Ltd. (KFSY) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| KFET | Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| FIT Holding | Power Quotient International Co., Ltd. (PQI) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 15,16 |
| FIT Holding | Foxlink Image Technology Co., Ltd. (Foxlink Image) | Manufacture and sale of image scanners and multifunction printers | 100 | 100 | 100 | Note 15,16 |
| FIT Holding | Glory Science Co., Ltd. (Glory Science) | Manufacture and sale of optical lens components and other products | 100 | 100 | 100 | Note 15,16 |
| FIT Holding | Shih Fong Power Co., Ltd. (Shih Fong) | Energy service management | 16.30 | 16.30 | 16.30 | Note 12 |
| PQI | Power Quotient International (H.K.) Co., Ltd. (PQI H.K.) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| PQI | PQI Japan Co., Ltd. (PQI JAPAN) | Sale of electronic telecommunication components | 100 | 100 | 100 | |
| PQI | Syscom Development Co., Ltd. | Specialized investments holding | 100 | 100 | 100 | |
| PQI | Apix Limited (APIX) | Specialized investments holding | 100 | 100 | 100 | |
| PQI | PQI Mobility Inc. (PQI MOBILITY) | Specialized investments holding | 100 | 100 | 100 | |
| PQI | Power Sufficient International Co., Ltd. (PSI) | Sale of medical instruments | 100 | 100 | 100 | |
| PQI | Shinfox Energy Co. Ltd. (shinfox) | Mechanical installation and piping engineering | 50.18 | 50.18 | 58.74 | Note 11,15,16 |
| SYSCOM | PQI Corporation (PQI USA) | Sale of electronic telecommunication components | - | - | 100 | Note 4 |
| SYSCOM | FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK) | Manufacture of electronic telecommunication components | 99.27 | 99.27 | 99.27 | |
| PQI MOBILITY | Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | Note 15,16 |
| APIX | Sinocity Industries Limited (Sinocity) | Sale of 3C products | 100 | 100 | 100 | Note 5 |
| APIX | Perennial Ace Limited (Perennial) | Specialized investments holding | 100 | 100 | 100 | |
| Shinfox | Foxwell Energy Corporation Ltd. (Foxwell Energy) | Energy service management | 100 | 100 | 100 | Note 15,16 |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|---------------------|---|--|-------------------|----------------------|-------------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| Shinfox | Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas) | Energy service management | 80 | 80 | 80 | |
| Shinfox | Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei) | Supply chain finance energy service management | 100 | 100 | 100 | |
| Shinfox | Foxwell Power Co., Ltd. (Foxwell Power) | Energy service management | 99 | 99 | 100 | |
| Shinfox | Junezhe Co., Ltd. (Junezhe) | Dredging industry | 33.5 | 33.5 | 100 | Note 2,14 |
| Shinfox | Jiuwei Power Co., Ltd. (Jiuwei Power) | Business of natural gas power generation | 100 | 100 | - | Note 2 |
| Shinfox | Elegant Energy TECH Co., Ltd. (Elegant Energy) | Energy service management | 100 | - | - | Note 1 |
| Shinfox | Yuanshan Forest Natural Resources Co., Ltd. (Yuanshan Forest) | Afforestation | 100 | - | - | Note 1 |
| Sinocity Industries | DG LIFESTYLE STORE LIMITED (DG) | Sale of 3C products | 100 | 100 | 100 | Note 5 |
| Perennial | Studio A Technology Limited (Studio A Hong Kong) | Sale of 3C products | 24.50 | 24.50 | 24.50 | |
| PQI YANCHENG | Jiangsu Foxlink New Energy Technology Co., Ltd. (Jiangsu Foxlink) | Manufacture of electronic telecommunication components | 12.90 | 12.90 | 12.90 | |
| PQI YANCHENG | PQI (Xuzhou) New Energy Co., Ltd. | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| Foxlink Image | ACCU-IMAGE TECHNOLOGY LIMITED (AITL) | Manufacture and sale of image scanners and multifunction printers | 100 | 100 | 100 | Note 15,16 |
| Foxlink Image | Shih Fong Power Co., Ltd. (Shih Fong) | Energy service management | 34.70 | 34.70 | 34.70 | Note 12 |
| AITL | POWER CHANNEL LIMITED (POWER) | Holding company and reinvestment business | 35.75 | 35.75 | 35.75 | |
| AITL | Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei) | Manufacture and sale of image scanners and multifunction printers | 100 | 100 | 100 | Note 15,16 |
| AITL | Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ) | Mould development and moulding tool manufacture | 100 | 100 | 100 | |
| AITL | Wei Hai Fu Kang Electric Co., Ltd. (WHFK) | Manufacture and sale of parts and moulds of photocopiers and scanners | 100 | 100 | 100 | |
| AITL | Dong Guan HanYang Computer Co., Ltd. (DGHY) | Manufacture of image scanners and multifunction printers and investment of real estate | 100 | 100 | 100 | |
| Glory Science | GLORY TEK (BVI) CO., LTD. (GLORY TEK) | General investments holding | 100 | 100 | 100 | Note 15,16 |
| GLORY TEK | GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS) | Sales agent | 100 | 100 | 100 | Note 15,16 |
| GLORY TEK | GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA)) | General investments holding | 100 | 100 | 100 | Note 15,16 |

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|-------------------|---|--|-------------------|----------------------|-------------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| GLORY TEK | GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA) | Manufacture and sale of the components of communication and consumer electronics | 99.27 | 99.27 | 99.27 | Note 15,16 |
| GLORY TEK (SAMOA) | Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou) | Production and processing and sale of optical lens components and other products | 100 | 100 | 100 | Note 15,16 |
| GLORY TEK (SAMOA) | Glory Optics (Yancheng) Co., Ltd. (GOYC) | Production and processing and sale of optical lens components and other products | 34.88 | 34.88 | 34.88 | Note 15,16 |
| GLORY OPTICS | Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng) | Production and processing and sale of optical lens components and other products | 100 | 100 | 100 | Note 15,16 |
| Glorytek Yancheng | Yancheng Yaowei Technology Co., Ltd. (YYWT) | Production and processing and sale of optical lens components and other products | 100 | 100 | 100 | Note 15,16 |
| GLORY Suzhou | Glory Optics (Yancheng) Co., Ltd. (GOYC) | Production and processing and sale of optical lens components and other products | 65.12 | 65.12 | 65.12 | Note 15,16 |

Note 1: Investment or incorporation began in 2022.

Note 2: Investment or incorporation began in 2021.

Note 3: Dissolved or liquidated in 2022.

Note 4: Dissolved or liquidated in 2021.

Note 5: With balance sheet date of March 31. For the preparation of consolidated financial statements, the Company had required FOXLINK MYANMAR, and PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date on December 31 to conform to the balance sheet date of the consolidated financial statements.

Note 6: CULINK has participated in Foxlink India's capital increase in 2021. After the capital increment, Foxlink India became a wholly-owned subsidiary of CULINK and CU with 65.70% and 34.30% ownership, respectively.

Note 7: Foxlink Tianjin Co., Ltd. sold 60.5% equity interests of Changde Fubo Intelligent Technology Co., Ltd. in May 2021 and as a result, the Group decreased its share interest down to 9.5%. After the assessment, the Group lost its control and significant influence over Changde Fubo Intelligent Technology Co., Ltd. which was reclassified as financial assets at fair value through other comprehensive income. Please refer to Note 6(3) for details.

Note 8: CULINK and NEW START increased its investments in FG Xuzhou in May 2021. After the capital increment, CULINK, NEW START and CU hold 51.35%, 27.03% and 21.62% ownership in FG Xuzhou, respectively, at a total shareholding ratio of 100% in FG Xuzhou.

Note 9: FII and FUII subsequently invested in FIE in 2021 and 2022. After the capital increment, FII and FUII hold 11.57% and 88.43% ownership in FIE, respectively, at a total shareholding ratio of 100% in FIE.

Note 10: Studio A sold 100% of its shares in ASHOP to Studio A Hong Kong on January 12, 2021, which was classified as a reorganization of entities under common control.

Note 11: Shinfox increased its capital on April 27, 2021 and November 11, 2021. FUII and PQI did not acquire shares proportionally to its interest. As a result, FUII and PQI decreased their share interest from 10.50% to 9.10% and 58.74% to 50.18%, respectively.

Note 12: FIT Holding sold 25% of ownership in Shih Fong in March 2021. As a result, the total ownership of Shih Fong jointly held by FIT Holding and Foxlink Image amounted to 51% with 16.3% and 34.70% ownership, respectively. FIT Holding and Foxlink Image still have control over Shih Fong.

Note 13: FOXLINK TECH invested in SINOBEST on November 27, 2020. After the capital increment, SINOBEST became a wholly-owned subsidiary of FOXLINK TECH and the Company with 8.81% and 91.19% ownership, respectively.

Note 14: Studio A had participated in Junezhe's capital increase in June 2021. Junezhe subsequently increased its capital in August 2021, however, Studio A and Shinfox did not acquire shares proportionally to its interest. After the capital increment, Studio A and Shinfox hold 25% and 33.5% ownership in Junezhe, respectively, for a total shareholding ratio of 58.50% in Junezhe.

Note 15: The financial statements for the three months ended March 31, 2022 were reviewed by the independent auditors of the company.

Note 16: The financial statements for the three months ended March 31, 2021 were reviewed by the independent auditors of the company.

C. Subsidiaries not included in the consolidated financial statements:

| Investor | Subsidiary | Main activity | Ownership(%) | | | Description |
|----------|--|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| FII | Yixin Precision Industry Co., Ltd. (YX) | Manufacture of electronic telecommunication components and electronic machinery equipment | 75 | 75 | 75 | Note 1 |
| Studio A | Tayih Digital Technology Co., Ltd. (TAYIH) | Manufacture of electronic telecommunication components | 60 | 60 | 60 | Note 2 |

Note 1: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on October 5, 2004 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

Note 2: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on July 7, 2010 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

D. Adjustments for subsidiaries with different balance sheet dates:

Sinocity and DG are subsidiaries of PQI in Hong Kong and Macau, respectively, with balance sheet date of March 31. For the preparation of consolidated financial statements, PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform with the balance sheet date of the Group.

FOXLINK MYANMAR is a subsidiary of SINOBEST in Myanmar with balance sheet date of March 31. For the preparation of consolidated financial statements, SINOBEST had required FOXLINK MYANMAR as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform to the balance sheet date of the consolidated financial statements.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2022, December 31, 2021 and March 31, 2021, the non-controlling interest amounted to \$9,126,765, \$9,216,611 and \$6,784,487, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

| Name of subsidiary | Principal place of business | Non-controlling interest | | | | | |
|--------------------|-----------------------------|--------------------------|---------------|-------------------|---------------|----------------|---------------|
| | | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | |
| | | Amount | Ownership (%) | Amount | Ownership (%) | Amount | Ownership (%) |
| FIT Holding | Taiwan | \$ 4,435,986 | 61.81% | \$ 4,534,303 | 61.81% | \$ 4,164,375 | 61.81% |

Summarised financial information of the subsidiaries:

Balance sheets

| | FIT Holding | | |
|-------------------------|----------------|-------------------|----------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Current assets | \$ 18,777,150 | \$ 15,569,224 | \$ 12,261,402 |
| Non-current assets | 9,311,044 | 8,974,612 | 9,428,236 |
| Current liabilities | (12,858,538) | (9,293,411) | (9,632,830) |
| Non-current liabilities | (3,494,366) | (3,259,907) | (3,188,345) |
| Total net assets | \$ 11,735,290 | \$ 11,990,518 | \$ 8,868,463 |

Statements of comprehensive income

| | FIT Holding | |
|---|------------------------------|-------------------|
| | Three months ended March 31, | |
| | 2022 | 2021 |
| Revenue | \$ 2,592,132 | \$ 2,251,001 |
| Profit before income tax | 185,035 | 277,981 |
| Income tax expense | (26,788) | (76,137) |
| Profit for the period from continuing operations | 132,338 | 96,623 |
| Profit from non-controlling interest | 25,909 | 105,221 |
| Profit for the period | 158,247 | 201,844 |
| Other comprehensive (loss) income (net of tax) | (44,163) | 45,137 |
| Total comprehensive income for the period | <u>\$ 114,084</u> | <u>\$ 246,981</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 26,264</u> | <u>\$ 111,121</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |

Statements of cash flows

| | FIT Holding | |
|---|------------------------------|---------------------|
| | Three months ended March 31, | |
| | 2022 | 2021 |
| Net cash used in operating activities | (\$ 2,601,234) | (\$ 23,712) |
| Net cash (used in) provided by investing activities | (2,098,404) | 494,984 |
| Net cash provided by (used in) financing activities | 4,780,223 | (1,059,215) |
| Effect of exchange rates on cash and cash equivalents | 44,739 | 9,880 |
| Increase (decrease) in cash and cash equivalents | 125,324 | (578,063) |
| Cash and cash equivalents, beginning of period | 4,968,346 | 5,148,889 |
| Cash and cash equivalents, end of period | <u>\$ 5,093,670</u> | <u>\$ 4,570,826</u> |

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

No significant changes during the period, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2021.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash on hand and revolving funds | \$ 34,997 | \$ 27,752 | \$ 54,250 |
| Checking accounts and demand deposits | 6,544,753 | 5,713,195 | 4,485,184 |
| Cash equivalents | | | |
| Time deposits | 2,621,305 | 2,866,694 | 4,263,892 |
| Short-term notes and bills | - | 99,962 | - |
| Total | <u>\$ 9,201,055</u> | <u>\$ 8,707,603</u> | <u>\$ 8,803,326</u> |

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets at fair value through other comprehensive income

| <u>Items</u> | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|----------------------|-----------------------|--------------------------|-----------------------|
| Non-current items: | | | |
| Equity instruments | | | |
| Unlisted stocks | \$ 1,908,513 | \$ 1,808,371 | \$ 1,597,080 |
| Valuation adjustment | (706,032) | (692,060) | (398,358) |
| | <u>\$ 1,202,481</u> | <u>\$ 1,116,311</u> | <u>\$ 1,198,722</u> |

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of March 31, 2022, December 31, 2021 and March 31, 2021, the fair value of such investments amounted to \$1,202,481, \$1,116,311 and \$1,198,722, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

| | <u>Three months ended March 31,</u> | |
|--|-------------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | (\$ <u>18,375</u>) | <u>\$ 39,000</u> |

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(3) Financial assets at amortised cost

| <u>Items</u> | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Current items: | | | |
| Repatriation of capital from Taiwan's offshore companies | \$ 78,312 | \$ 76,009 | \$ 178,162 |
| Time deposits maturing over three months | 415,990 | 297,126 | 657,622 |
| Restricted deposits | 627,593 | 16,553 | 607,664 |
| Pledged time deposits | <u>1,710,000</u> | <u>1,868,617</u> | <u>4,266,870</u> |
| | <u>\$ 2,831,895</u> | <u>\$ 2,258,305</u> | <u>\$ 5,710,318</u> |
| Non-current items: | | | |
| Restricted deposits | \$ 14,021 | \$ 14,021 | \$ 15,089 |
| Pledged time deposits | <u>135,793</u> | <u>131,095</u> | <u>130,843</u> |
| | <u>\$ 149,814</u> | <u>\$ 145,116</u> | <u>\$ 145,932</u> |

Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Accounts receivable

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|----------------------|-----------------------|--------------------------|-----------------------|
| Accounts receivable | \$ 11,962,876 | \$ 16,481,390 | \$ 12,303,742 |
| Less: Loss allowance | <u>(94,761)</u> | <u>(111,508)</u> | <u>(86,388)</u> |
| | <u>\$ 11,868,115</u> | <u>\$ 16,369,882</u> | <u>\$ 12,217,354</u> |

A. The information on the Group's ageing analysis of accounts receivable is provided in Note 12(2).

B. As of March 31, 2022, December 31, 2021 and March 31, 2021, accounts receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$16,428,603.

C. The quality information of accounts receivable is based on customers' credit ranking and recoverable period of receivables in order to calculate the accrual of impairment. The Group's internal credit ranking policy is that the Group's business and management segment assesses periodically whether the credit ranking of existing customers is appropriate and adjusts to obtain the latest information when necessary. Customers' credit ranking assessment is based on industrial operating scale, profitability and ranking assessed by financial insurance institutions.

The Group has insured accounts receivable of certain customers and the Group will receive 80%~90% compensation if bad debts occur.

D. The Group does not hold any collateral as security.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Transfer of financial assets

A. The Group entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

| March 31, 2022 | | | | | | | | |
|------------------------------------|---------------------------------|---------------------|--------------|-----------------|-----------------------------|----------------------------------|---------------------|--|
| Purchaser of accounts receivable | Accounts receivable transferred | Amount derecognised | Facilities | Amount advanced | Amount advanced for advance | Interest rate of amount advanced | Collateral Provided | |
| Bank of Taiwan | \$ 181,615 | \$ 181,615 | \$ 4,265,400 | \$ 163,453 | \$ 18,162 | 0.48%~1.08% | None | |
| Citibank | - | - | - | - | - | 1.08%~1.20% | None | |
| Mega International Commercial Bank | 428,753 | 428,753 | 1,431,250 | 385,878 | 42,875 | 1.25% | None | |
| December 31, 2021 | | | | | | | | |
| Purchaser of accounts receivable | Accounts receivable transferred | Amount derecognised | Facilities | Amount advanced | Amount advanced for advance | Interest rate of amount advanced | Collateral Provided | |
| Bank of Taiwan | \$ 454,358 | \$ 454,358 | \$ 4,152,000 | \$ 408,922 | \$ 45,436 | 0.39%~0.58% | None | |
| Citibank | 434,486 | 434,486 | 434,486 | 434,486 | - | 1.08%~1.2% | None | |
| Mega International Commercial Bank | 550,224 | 550,224 | 1,384,000 | 495,202 | 55,022 | 0.95% | None | |
| March 31, 2021 | | | | | | | | |
| Purchaser of accounts receivable | Accounts receivable transferred | Amount derecognised | Facilities | Amount advanced | Amount advanced for advance | Interest rate of amount advanced | Collateral Provided | |
| Bank of Taiwan | \$ 403,834 | \$ 403,834 | \$ 4,280,250 | \$ 363,450 | \$ 40,384 | 0.50% | None | |
| Citibank | 431,216 | 431,216 | 431,216 | 431,216 | - | 1.06%~1.17% | None | |
| Mega International Commercial Bank | 700,296 | 700,296 | 1,426,750 | 630,267 | 70,029 | 0.84% | None | |

B. As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group issued promissory notes to some banks for the factoring agreements signed.

(6) Inventories

| | March 31, 2022 | | |
|--|----------------------|---------------------|----------------------|
| | Cost | Allowance for | |
| | | valuation loss | Book value |
| Raw materials | \$ 9,953,895 | (\$ 392,329) | \$ 9,561,566 |
| Work in progress and semi-finished goods | 2,795,763 | (59,139) | 2,736,624 |
| Finished goods (including merchandise) | 4,733,047 | (268,521) | 4,464,526 |
| Inventory in transit | 113,724 | - | 113,724 |
| | <u>\$ 17,596,429</u> | <u>(\$ 719,989)</u> | <u>\$ 16,876,440</u> |

| | December 31, 2021 | | |
|--|----------------------|---------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| | | | |
| Raw materials | \$ 8,004,897 | (\$ 485,863) | \$ 7,519,034 |
| Work in progress and semi-finished goods | 2,772,536 | (36,351) | 2,736,185 |
| Finished goods (including merchandise) | 5,343,611 | (161,729) | 5,181,882 |
| Inventory in transit | 42,159 | - | 42,159 |
| | <u>\$ 16,163,203</u> | <u>(\$ 683,943)</u> | <u>\$ 15,479,260</u> |

| | March 31, 2021 | | |
|--|----------------------|---------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| | | | |
| Raw materials | \$ 7,119,003 | (\$ 345,814) | \$ 6,773,189 |
| Work in progress | 2,569,259 | (35,960) | 2,533,299 |
| Finished goods (including merchandise) | 6,256,697 | (183,710) | 6,072,987 |
| Inventory in transit | 85,863 | - | 85,863 |
| | <u>\$ 16,030,822</u> | <u>(\$ 565,484)</u> | <u>\$ 15,465,338</u> |

The cost of inventories recognised as expense for the period:

| | Three months ended March 31, | |
|--------------------------------------|------------------------------|----------------------|
| | 2022 | 2021 |
| Cost of inventories sold | \$ 16,031,281 | \$ 17,843,245 |
| Loss on decline in market value | 36,046 | 14,116 |
| Others (revenue from sale of scraps) | (113,813) | (88,979) |
| | <u>\$ 15,953,514</u> | <u>\$ 17,768,382</u> |

(7) Prepayments

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|--|---------------------|---------------------|---------------------|
| Construction prepayment | \$ 2,958,413 | \$ 2,123,863 | \$ - |
| Excess business tax paid (or Net Input VAT) | 753,083 | 852,374 | 485,813 |
| Others | 762,257 | 436,728 | 542,678 |
| | <u>\$ 4,473,753</u> | <u>\$ 3,412,965</u> | <u>\$ 1,028,491</u> |

(8) Investments accounted for under the equity method

| Investee | March 31, 2022 | | December 31, 2021 | |
|--|---------------------|--------------------------|---------------------|--------------------------|
| | Amount | Ownership percentage (%) | Amount | Ownership percentage (%) |
| Central Motion Picture Corporation | \$ 1,713,260 | 17.49% | \$ 1,712,307 | 17.49% |
| Well Shin Technology Co., Ltd. | 1,163,809 | 18.84% | 1,157,286 | 18.84% |
| Sharetronic Data Technology Co., Ltd. | 1,188,340 | 19.94% | 1,123,279 | 19.94% |
| CMPC Cultural & Creative Co., Ltd. | 117,936 | 42.86% | 115,149 | 42.86% |
| Dongguan Banrin Robot Technology Co., Ltd. | 125,850 | 31.03% | 129,169 | 31.03% |
| TEGNA ELECTRONICS PRIVATE LIMITED | 38,982 | 30.00% | 38,117 | 30.00% |
| CYNC Design Co., Ltd. | 9,985 | 15.38% | 9,984 | 15.38% |
| Chung Chia Power Co., Ltd. | 176,222 | 20.00% | 177,038 | 20.00% |
| Synergy Co., Ltd. | 34,955 | 36.76% | 35,845 | 36.76% |
| Microlink Communications Inc. | (21,817) | 21.43% | (21,511) | 21.43% |
| | 4,547,522 | | 4,476,663 | |
| Add: Prepayments for investments | | | | |
| -JOURN TA BROTHERS LIMITED | 151,907 | | 151,907 | |
| Prepayments for investments | | | | |
| - Changpin Wind Power Ltd. | 120,000 | | - | |
| Credit balance of long-term equity investments reclassified to other non-current liabilities | 21,817 | | 21,511 | |
| | <u>\$ 4,841,246</u> | | <u>\$ 4,650,081</u> | |

| Investee | March 31, 2021 | |
|--|---------------------|--------------------------|
| | Amount | Ownership percentage (%) |
| Central Motion Picture Corporation | \$ 1,966,637 | 17.49% |
| Well Shin Technology Co., Ltd. | 1,110,710 | 18.84% |
| Sharetronic Data Technology Co., Ltd. | 1,041,998 | 19.94% |
| Foxwell Energy Co., Ltd. | 213,229 | 14.00% |
| Castles Technology Co., Ltd. | 170,607 | 11.78% |
| CMPC Cultural & Creative Co., Ltd. | 117,474 | 42.86% |
| Dongguan Banrin Robot Technology Co., Ltd. | 121,936 | 31.03% |
| TEGNA ELECTRONICS PRIVATE LIMITED | 39,198 | 30.00% |
| CYNC Design Co., Ltd. | 9,991 | 15.38% |
| Microlink Communications Inc. | (21,577) | 21.43% |
| | 4,770,203 | |
| Add: Prepayments for investments | | |
| -JOURN TA BROTHERS LIMITED | 151,907 | |
| Credit balance of long-term equity investments reclassified to other non-current liabilities | 21,577 | |
| | <u>\$ 4,943,687</u> | |

A. For the three months ended March 31, 2022 and 2021, except for Well Shin Technology Co., Ltd. and Castles Technology Co., Ltd., which were recognised based on their financial statements reviewed by independent auditors, share of the profit or loss of other associates and joint ventures amounting to \$21,523 and \$13,991, respectively, were not reviewed by independent auditors.

B. Associates

(a) The basic information of the associates that are material to the Group is summarised below:

| Company name | Principal place of business | Shareholding ratio | | | Nature of relationship | Methods of measurement |
|------------------------------------|-----------------------------|--------------------|-------------------|----------------|------------------------|------------------------|
| | | March 31, 2022 | December 31, 2021 | March 31, 2021 | | |
| Central Motion Picture Corporation | Taiwan | 17.49% | 17.49% | 17.49% | Note | Equity method |
| Well Shin Technology Co., Ltd. | Taiwan | 18.84% | 18.84% | 18.84% | Note | Equity method |

Note : As the Group's management holds several seats in the Board of Directors of Central Motion Picture Corporation and Well Shin Technology Co., Ltd., the Group is assessed to have significant influence.

(b) Summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

| | Central Motion Picture Corporation | | |
|-----------------------------------|------------------------------------|----------------------|----------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Current assets | \$ 497,085 | \$ 474,618 | \$ 414,742 |
| Non-current assets | 17,056,558 | 17,087,337 | 17,618,919 |
| Current liabilities | (5,087,623) | (5,125,799) | (125,616) |
| Non-current liabilities | (1,258,115) | (1,233,697) | (5,290,442) |
| Total net assets | <u>\$ 11,207,905</u> | <u>\$ 11,202,459</u> | <u>\$ 12,617,603</u> |
| Share in associate's net assets | \$ 1,713,260 | \$ 1,712,307 | \$ 1,966,637 |
| Goodwill | - | - | - |
| Carrying amount of the associates | <u>\$ 1,713,260</u> | <u>\$ 1,712,307</u> | <u>\$ 1,966,637</u> |

| | Well Shin Technology Co., Ltd. | | |
|-----------------------------------|--------------------------------|---------------------|---------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Current assets | \$ 5,851,269 | \$ 5,842,419 | \$ 5,187,233 |
| Non-current assets | 2,517,621 | 2,483,588 | 2,650,143 |
| Current liabilities | (1,784,891) | (1,811,697) | (1,582,310) |
| Non-current liabilities | (601,585) | (566,516) | (550,108) |
| Total net assets | <u>\$ 5,982,414</u> | <u>\$ 5,947,794</u> | <u>\$ 5,704,958</u> |
| Share in associate's net assets | \$ 1,127,220 | \$ 1,120,697 | \$ 1,074,121 |
| Goodwill | 36,589 | 36,589 | 36,589 |
| Carrying amount of the associates | <u>\$ 1,163,809</u> | <u>\$ 1,157,286</u> | <u>\$ 1,110,710</u> |

Statement of comprehensive income

| | | <u>Central Motion Picture Corporation</u> | |
|--|--|---|-------------|
| | | <u>Three months ended March 31,</u> | |
| | | <u>2022</u> | <u>2021</u> |
| Revenue | | \$ 113,584 | \$ 104,045 |
| Profit for the period from continuing operations | | \$ 5,300 | \$ 466 |
| Other comprehensive income, net of tax | | - | - |
| Total comprehensive income | | \$ 5,300 | \$ 466 |
| Dividends received from associates | | \$ - | \$ - |

| | | <u>Well Shin Technology Co., Ltd.</u> | |
|--|--|---------------------------------------|--------------|
| | | <u>Three months ended March 31,</u> | |
| | | <u>2022</u> | <u>2021</u> |
| Revenue | | \$ 1,434,904 | \$ 1,182,820 |
| Profit for the period from continuing operations | | \$ 114,229 | \$ 79,203 |
| Other comprehensive income (loss), net of tax | | 156,898 | (10,262) |
| Total comprehensive income | | \$ 271,127 | \$ 68,941 |
| Dividends received from associates | | \$ - | \$ - |

(c) The carrying amount of the Group's interests in all individually immaterial associates (Note) and the Group's share of the operating results are summarised below:

As of March 31, 2022, December 31, 2021 and March 31, 2021, the carrying amount of the Group's individually immaterial associates amounted to \$1,670,454, \$1,607,070 and \$1,692,856, respectively.

| | | <u>Three months ended March 31,</u> | |
|--|--|-------------------------------------|-------------|
| | | <u>2022</u> | <u>2021</u> |
| Profit for the period from continuing operations | | \$ 119,773 | \$ 117,060 |
| Total comprehensive income | | \$ 119,773 | \$ 117,060 |

Note: Sharetronic Data, Castles, CMPC Cultural & Creative, Microlink, CYNC, Jiangsu Foxlink, Chung Chia Power, Banrin, Synergy, TEGNA and Foxwell Energy.

(d) The fair value of the Group's material associates with quoted market prices is as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--------------------------------|-----------------------|--------------------------|-----------------------|
| Well Shin Technology Co., Ltd. | \$ 1,022,763 | \$ 1,074,013 | \$ 1,232,441 |

C. The Group is the single largest shareholder of Well Shin Technology Co., Ltd. with an 18.84% equity interest. Given that it was a strategic investment, and the Group had no involvement in its substantial operations and the active participation at the last shareholders' meeting by other shareholders, which indicates that the Group has no current ability to direct the relevant activities of Well Shin Technology Co., Ltd., the Group has no control, but only has significant influence, over the investee.

- D. The Group has signed a stock purchase agreement with an individual on May 15, 2014 to purchase all the Company's shares in CMPC amounting to \$150,000 thousand. As of March 31, 2022, uncollected amount was \$141,000 thousand (shown as 'notes receivable') and accrued impairment loss was \$141,000 thousand.
- E. Central Motion Picture Corporation is a litigating party contesting the decision No. 107007 rendered by Ill-gotten Party Assets Settlement Committee on October 9, 2018. Please refer to Note 9(1)A for details on the lawsuit.
- F. The Group gradually sold its equity interests in Castles Technology Co., Ltd. in 2021. As a result, it assessed that it has lost significant influence over the investee after the disposals and subsequently recognised it as financial assets at fair value through other comprehensive income. A gain on disposal of investments amounting to \$110,320 was recognised due to the above transactions.
- G. FIT Holding resigned from the Board of Directors of Foxwell Energy Co., Ltd. on May 20, 2021. As a result, it assessed that it has lost significant influence over the investee and subsequently recognised it as financial assets at fair value through other comprehensive income.

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(9) Property, plant and equipment

| | 2022 | | | | | | |
|---|-------------------|--------------------------|-------------------------|-------------------|---------------------|--------------------------|----------------------|
| | Land | Buildings and structures | Machinery and equipment | Office equipment | Others | Construction-in-progress | Total |
| At January 1 | | | | | | | |
| Cost | \$ 412,428 | \$ 15,758,297 | \$ 14,361,180 | \$ 496,163 | \$ 5,018,465 | \$ 967,680 | \$ 37,014,213 |
| Accumulated depreciation and impairment | - | (3,939,028) | (8,298,577) | (348,110) | (3,403,530) | - | (15,989,245) |
| | <u>\$ 412,428</u> | <u>\$ 11,819,269</u> | <u>\$ 6,062,603</u> | <u>\$ 148,053</u> | <u>\$ 1,614,935</u> | <u>\$ 967,680</u> | <u>\$ 21,024,968</u> |
| Opening net book amount | \$ 412,428 | \$ 11,819,269 | \$ 6,062,603 | \$ 148,053 | \$ 1,614,935 | \$ 967,680 | \$ 21,024,968 |
| Additions | - | - | 262,314 | 13,806 | 56,577 | 132,809 | 465,506 |
| Disposals | - | - | (5,465) | (719) | (2,256) | - | (8,440) |
| Reclassifications | - | 83,108 | 130,350 | 1,234 | 38,812 | 49,303 | 302,807 |
| Depreciation charge | - | (99,809) | (523,927) | (26,937) | (140,868) | - | (791,541) |
| Net exchange differences | - | 372,307 | 172,408 | 14,187 | 52,726 | 51 | 611,679 |
| Closing net book amount | <u>\$ 412,428</u> | <u>\$ 12,174,875</u> | <u>\$ 6,098,283</u> | <u>\$ 149,624</u> | <u>\$ 1,619,926</u> | <u>\$ 1,149,843</u> | <u>\$ 21,604,979</u> |
| At March 31 | | | | | | | |
| Cost | \$ 412,428 | \$ 16,086,320 | \$ 15,095,910 | \$ 528,304 | \$ 5,250,746 | \$ 1,149,843 | \$ 38,523,551 |
| Accumulated depreciation and impairment | - | (3,911,445) | (8,997,627) | (378,680) | (3,630,820) | - | (16,918,572) |
| | <u>\$ 412,428</u> | <u>\$ 12,174,875</u> | <u>\$ 6,098,283</u> | <u>\$ 149,624</u> | <u>\$ 1,619,926</u> | <u>\$ 1,149,843</u> | <u>\$ 21,604,979</u> |

| | 2021 | | | | | | |
|---|-------------------|--------------------------|-------------------------|-------------------|---------------------|--------------------------|----------------------|
| | Land | Buildings and structures | Machinery and equipment | Office equipment | Others | Construction-in-progress | Total |
| At January 1 | | | | | | | |
| Cost | \$ 412,428 | \$ 15,907,527 | \$ 12,450,964 | \$ 475,377 | \$ 5,178,599 | \$ 946,162 | \$ 35,371,057 |
| Accumulated depreciation and impairment | - | (3,406,798) | (7,358,879) | (334,007) | (3,420,950) | - | (14,520,634) |
| | <u>\$ 412,428</u> | <u>\$ 12,500,729</u> | <u>\$ 5,092,085</u> | <u>\$ 141,370</u> | <u>\$ 1,757,649</u> | <u>\$ 946,162</u> | <u>\$ 20,850,423</u> |
| Opening net book amount | \$ 412,428 | \$ 12,500,729 | \$ 5,092,085 | \$ 141,370 | \$ 1,757,649 | \$ 946,162 | \$ 20,850,423 |
| Additions | - | 17,455 | 303,332 | 16,609 | 44,054 | 10,728 | 392,178 |
| Disposals | - | - | (2,836) | (7,232) | (1,998) | - | (12,066) |
| Reclassifications | - | (2,452) | 369,414 | (3,149) | 6,996 | (4,608) | 366,201 |
| Depreciation charge | - | (98,377) | (443,184) | (19,458) | (159,626) | - | (720,645) |
| Net exchange differences | - | (90,378) | (34,902) | (553) | (14,169) | (6,322) | (146,324) |
| Closing net book amount | <u>\$ 412,428</u> | <u>\$ 12,326,977</u> | <u>\$ 5,283,909</u> | <u>\$ 127,587</u> | <u>\$ 1,632,906</u> | <u>\$ 945,960</u> | <u>\$ 20,729,767</u> |
| At March 31 | | | | | | | |
| Cost | \$ 412,428 | \$ 15,793,847 | \$ 12,849,276 | \$ 450,152 | \$ 5,858,305 | \$ 945,960 | \$ 36,309,968 |
| Accumulated depreciation and impairment | - | (3,466,870) | (7,565,367) | (322,565) | (4,225,399) | - | (15,580,201) |
| | <u>\$ 412,428</u> | <u>\$ 12,326,977</u> | <u>\$ 5,283,909</u> | <u>\$ 127,587</u> | <u>\$ 1,632,906</u> | <u>\$ 945,960</u> | <u>\$ 20,729,767</u> |

The Group's property, plant and equipment were pledged to others as collateral, please refer to Note 8 for detailed information.

(10) Leasing arrangements-lessee

A. The Group leases various assets including land, buildings, transportation equipment. Rental contracts are typically made for periods of 2 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|------------------------|--------------------------|------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land | \$ 1,275,616 | \$ 1,253,492 | \$ 1,316,363 |
| Buildings | 802,794 | 319,389 | 347,797 |
| Transportation equipment (Business vehicles) | 6,314 | 4,412 | 3,587 |
| Office equipment (Photocopiers) | 64 | 81 | 134 |
| | <u>\$ 2,084,788</u> | <u>\$ 1,577,374</u> | <u>\$ 1,667,881</u> |

| | <u>Three months ended March 31,</u> | |
|--|-------------------------------------|----------------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 12,848 | \$ 13,556 |
| Buildings | 61,603 | 49,492 |
| Transportation equipment (Business vehicles) | 804 | 562 |
| Office equipment (Photocopiers) | 17 | 17 |
| | <u>\$ 75,272</u> | <u>\$ 63,627</u> |

C. For the three months ended March 31, 2022 and 2021, the additions to right-of-use assets amounted to \$533,387 and \$88,314, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

| | <u>Three months ended March 31,</u> | |
|---------------------------------------|-------------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 2,749 | \$ 2,385 |
| Expense on short-term lease contracts | 12,376 | 25,275 |
| Expense on leases of low-value assets | 411 | 769 |
| Expense on variable lease payments | 14,838 | 14,941 |

E. For the three months ended March 31, 2022 and 2021, the Group's total cash outflow for leases amounted to \$95,614 and \$100,914, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or a counter in a department store and sales generated from electricity sold. For aforementioned contracts, up to 15.52% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$148.

G. Please refer to Note 8 for information of right-of-use assets provided by the Group as collaterals.

(11) Investment property

| | 2022 | | |
|---|-------------------|-----------------------------|-------------------|
| | Land | Buildings and structures | Total |
| At January 1 | | | |
| Cost | \$ 183,076 | \$ 516,422 | \$ 699,498 |
| Accumulated depreciation and impairment | - | (130,715) | (130,715) |
| | <u>\$ 183,076</u> | <u>\$ 385,707</u> | <u>\$ 568,783</u> |
| Opening net book amount | \$ 183,076 | \$ 385,707 | \$ 568,783 |
| Depreciation charge | - | (3,266) | (3,266) |
| Net exchange differences | - | 11,188 | 11,188 |
| Closing net book amount | <u>\$ 183,076</u> | <u>\$ 393,629</u> | <u>\$ 576,705</u> |
| At March 31 | | | |
| Cost | \$ 183,076 | \$ 528,538 | \$ 711,614 |
| Accumulated depreciation and impairment | - | (134,909) | (134,909) |
| | <u>\$ 183,076</u> | <u>\$ 393,629</u> | <u>\$ 576,705</u> |

| | 2021 | | |
|---|-------------------|-----------------------------|-------------------|
| | Land | Buildings and structures | Total |
| At January 1 | | | |
| Cost | \$ 183,076 | \$ 518,891 | \$ 701,967 |
| Accumulated depreciation and impairment | - | (117,895) | (117,895) |
| | <u>\$ 183,076</u> | <u>\$ 400,996</u> | <u>\$ 584,072</u> |
| Opening net book amount | \$ 183,076 | \$ 400,996 | \$ 584,072 |
| Reclassifications | - | (864) | (864) |
| Depreciation charge | - | (3,243) | (3,243) |
| Net exchange differences | - | (2,342) | (2,342) |
| Closing net book amount | <u>\$ 183,076</u> | <u>\$ 394,547</u> | <u>\$ 577,623</u> |
| At March 31 | | | |
| Cost | \$ 183,076 | \$ 515,192 | \$ 698,268 |
| Accumulated depreciation and impairment | - | (120,645) | (120,645) |
| | <u>\$ 183,076</u> | <u>\$ 394,547</u> | <u>\$ 577,623</u> |

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

| | Three months ended March 31, | |
|---|------------------------------|-----------------|
| | 2022 | 2021 |
| Rental income from the lease of the investment property | <u>\$ 4,346</u> | <u>\$ 4,296</u> |
| Direct operating expenses arising from the investment property that generated rental income in the period | <u>\$ 3,266</u> | <u>\$ 3,243</u> |

B. Investment property is stated initially at its cost and is depreciated on a straight-line basis over its estimated useful life. The fair value of the investment property held by the Group as at March 31, 2022, December 31, 2021 and March 31, 2021 was \$1,136,034, \$1,085,686 and \$1,107,716, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, as Level 2 fair value, market prices did not change significantly.

C. There was no impairment loss on investment property.

D. The investment property was not pledged to others as collateral.

| March 31, 2022 | | | | | | |
|--------------------|--------------------------------|-------------------|-----------------|---------------------------|------------------|---------------------|
| | System and peripheral products | 3C product retail | Memory module | Energy service management | Others | Total |
| Taiwan | \$ 715,197 | \$ - | \$ 8,258 | \$ 39,528 | \$ - | \$ 762,983 |
| Hong Kong | - | 390,151 | - | - | - | 390,151 |
| All other segments | - | - | - | - | 11,607 | 11,607 |
| | <u>\$ 715,197</u> | <u>\$ 390,151</u> | <u>\$ 8,258</u> | <u>\$ 39,528</u> | <u>\$ 11,607</u> | <u>\$ 1,164,741</u> |

| December 31, 2021 | | | | | | |
|--------------------|--------------------------------|-------------------|-----------------|---------------------------|------------------|---------------------|
| | System and peripheral products | 3C product retail | Memory module | Energy service management | Others | Total |
| Taiwan | \$ 715,197 | \$ - | \$ 8,258 | \$ - | \$ - | \$ 723,455 |
| Hong Kong | - | 377,272 | - | - | - | 377,272 |
| All other segments | - | - | - | - | 11,607 | 11,607 |
| | <u>\$ 715,197</u> | <u>\$ 377,272</u> | <u>\$ 8,258</u> | <u>\$ -</u> | <u>\$ 11,607</u> | <u>\$ 1,112,334</u> |

| March 31, 2021 | | | | | | |
|--------------------|--------------------------------|-------------------|-------------------|---------------------------|------------------|---------------------|
| | System and peripheral products | 3C product retail | Memory module | Energy service management | Others | Total |
| Taiwan | \$ 715,197 | \$ - | \$ 118,258 | \$ - | \$ - | \$ 833,455 |
| Hong Kong | - | 389,170 | - | - | - | 389,170 |
| All other segments | - | - | - | - | 11,607 | 11,607 |
| | <u>\$ 715,197</u> | <u>\$ 389,170</u> | <u>\$ 118,258</u> | <u>\$ -</u> | <u>\$ 11,607</u> | <u>\$ 1,234,232</u> |

B. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and decisions assisted by independent valuation institutions based on financial budgets approved by the management covering a five-year period. For the three months ended March 31, 2022 and 2021, goodwill was not impaired.

C. The intangible assets were not pledged to others as collateral.

(13) Non-current assets held for sale

On July 31, 2021, the resolution to sell solar photovoltaic equipment, SET ENERGIA S.R.L. Related assets and liabilities were transferred to the disposal group held for sale. As of December 31, 2021, the assets and liabilities of the disposal group classified as held for sale amounted to \$15,999 and \$0, respectively. The transaction was completed in January 2022.

A. Assets of disposal group held for sale:

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|-------------------------------|----------------|-------------------|----------------|
| Property, plant and equipment | <u>\$ -</u> | <u>\$ 15,599</u> | <u>\$ -</u> |

B. There will be no impairment loss recognised as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(14) Short-term borrowings

| Type of borrowings | March 31, 2022 | Interest rate range | Collateral |
|--------------------|----------------------|---------------------|------------|
| Bank borrowings | | | |
| Credit borrowings | \$ 6,144,987 | 0.64%~4.00% | - |
| Secured borrowings | 4,052,719 | 1.15%~2.09% | Note 8 |
| | <u>\$ 10,197,706</u> | | |

| Type of borrowings | December 31, 2021 | Interest rate range | Collateral |
|--------------------|---------------------|---------------------|------------|
| Bank borrowings | | | |
| Credit borrowings | \$ 4,174,848 | 0.51%~1.29% | - |
| Secured borrowings | 50,000 | 1.01% | Note 8 |
| | <u>\$ 4,224,848</u> | | |

| Type of borrowings | March 31, 2021 | Interest rate range | Collateral |
|--------------------|---------------------|---------------------|------------|
| Bank borrowings | | | |
| Credit borrowings | \$ 3,180,209 | 0.51%~4.24% | - |
| Secured borrowings | 50,000 | 1.01% | Note 8 |
| | <u>\$ 3,230,209</u> | | |

(15) Short-term notes and bills payable

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|----------------------------|---------------------|---------------------|--------------------|
| Commercial paper | \$ 478,300 | \$ 1,597,500 | \$ 578,500 |
| Discount amortisation | (431) | (978) | (597) |
| | <u>\$ 477,869</u> | <u>\$ 1,596,522</u> | <u>\$ 577,903</u> |
| Annual interest rate range | <u>1.29%~1.688%</u> | <u>1.22%~1.79%</u> | <u>0.87%~1.64%</u> |

(16) Other payables

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|--|---------------------|---------------------|---------------------|
| Payables on salary and bonus | \$ 1,179,628 | \$ 1,634,734 | \$ 1,027,857 |
| Employees' compensation and remuneration for supervisors and directors | 357,525 | 329,994 | 275,590 |
| Payables on equipment | 328,732 | 447,305 | 556,082 |
| Dividends payable | 768,490 | - | 1,280,817 |
| Others | 2,062,887 | 2,205,501 | 2,510,024 |
| | <u>\$ 4,697,262</u> | <u>\$ 4,617,534</u> | <u>\$ 5,650,370</u> |

(17) Bonds payable

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|---------------------------------|---------------------|---------------------|---------------------|
| Secured corporate bonds | \$ 6,600,000 | \$ 6,600,000 | \$ 6,600,000 |
| Less: Discount on bonds payable | (20,484) | (21,430) | (24,247) |
| | <u>\$ 6,579,516</u> | <u>\$ 6,578,570</u> | <u>\$ 6,575,753</u> |

A. The main terms of the \$3,600,000 2nd secured corporate bonds issued by the Company on July 29, 2020 are as follows:

- (a) Total initial issue amount: \$3,600,000.
 - (b) Issue price: Issue at par value, \$1,000 each.
 - (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
 - (d) Coupon rate: 0.65% fixed per annum.
 - (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
 - (f) Principal repayment method: Pay entire amount at the maturity date.
 - (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
 - (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:
- (a) Total initial issue amount: \$3,000,000.
 - (b) Issue price: Issue at par value, \$1,000 each.
 - (c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
 - (d) Coupon rate: 0.80% fixed per annum.
 - (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
 - (f) Principal repayment method: Pay entire amount at the maturity date.
 - (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
 - (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;

iii. Interest coverage of at least 400%; and

iv. Tangible net equity of at least NT\$15,000,000 thousand.

(18) Long-term borrowings

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Unused credit line | March 31, 2022 |
|--|--|---------------------|--------------------|----------------------|
| Long-term bank borrowings | | | | |
| Bank's unsecured borrowings | | | | |
| Cheng Uei | | | | |
| - including covenants | Borrowing period is from March 2022 to June 2024; pay entire amount when due | 0.85%~0.9% | \$ 3,500,000 | \$ 500,000 |
| - without covenants | Borrowing period is from March 2022 to March 2025; pay entire amount when due | 0.83%~1.4% | 2,275,625 | 4,801,250 |
| FIT Holding | Borrowing period is from September 2021 to February 2024; pay entire amount of principal when due, interest is repayable monthly. | 1.17%~1.45% | 802,000 | 530,000 |
| Foxlink Image | Borrowing period is from June 2021 to March 2024; pay entire amount of principal when due, interest is repayable monthly. | 0.94%~1.23% | 3,602,000 | 1,658,000 |
| PQI | Borrowing period is from December 2021 to February 2024; pay entire amount of principal when due, interest is repayable monthly. | 1.2%~1.25% | 200,000 | 400,000 |
| Glory Science | Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations | 1.04%~1.5% | - | 268,000 |
| Shinfox | Principal is repayable in installments from February 2019 to February 2023. | 1.96% | - | 7,067 |
| Foxwell Energy | Principal is repayable in installments from January 2019 to December 2035. | 1.44%~1.49% | 286,683 | 38,361 |
| Bank's secured borrowings | | | | |
| Foxwell Energy | Principal is repayable in installments from May 2018 to February 2036 | 1.44%~1.68% | 355,881 | 296,531 |
| Glory Science | Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly | 1.11% | - | 55,000 |
| Medium-term and long-term syndicated loans | | | | |
| Cheng Uei | Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired. | 1.01% | 4,800,000 | <u>3,200,000</u> |
| | | | | 11,754,209 |
| Less: Current portion | | | | <u>(296,970)</u> |
| | | | | <u>\$ 11,457,239</u> |

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Unused credit line | December 31, 2021 |
|--|--|---------------------|--------------------|----------------------|
| Long-term bank borrowings | | | | |
| Bank's unsecured borrowings | | | | |
| Cheng Uei | | | | |
| - including covenants | Borrowing period is from April 2021 to April 2024; pay entire amount when due | 0.85% | \$ 3,500,000 | \$ 500,000 |
| - without covenants | Borrowing period is from March 2021 to July 2024; pay entire amount when due | 0.77%~0.92% | 2,304,750 | 4,701,250 |
| FIT Holding | Borrowing period is from September 2021 to November 2023; pay entire amount of principal when due, interest is repayable monthly. | 1.17%~1.2% | 470,000 | 530,000 |
| Foxlink Image | Borrowing period is from March 2021 to December 2023; pay entire amount of principal when due, interest is repayable monthly. | 0.94%~0.98% | 2,968,800 | 1,658,000 |
| PQI | Borrowing period is from July 2021 to July 2023; pay entire amount of principal when due, interest is repayable monthly. | 1.25% | 100,000 | 200,000 |
| Glory Science | Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations | 1.04%~1.5% | 64,000 | 273,000 |
| Shinfox | Principal is repayable in installments from February 2019 to February 2023. | 1.71% | - | 8,976 |
| Foxwell Energy | Principal is repayable in installments from January 2019 to December 2035. | 1.44%~1.49% | 286,721 | 39,188 |
| Bank's secured borrowings | | | | |
| Foxwell Energy | Principal is repayable in installments from May 2018 to February 2036 | 1.44%~1.68% | 371,283 | 303,703 |
| Glory Science | Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly | 1.36% | - | 65,000 |
| Medium-term and long-term syndicated loans | | | | |
| Cheng Uei | Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired. | 1.01% | 4,800,000 | <u>3,200,000</u> |
| | | | | 11,479,117 |
| Less: Current portion | | | | (302,694) |
| | | | | <u>\$ 11,176,423</u> |

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Unused credit line | March 31, 2021 |
|--|--|---------------------|--------------------|----------------------|
| Long-term bank borrowings | | | | |
| Bank's unsecured borrowings | | | | |
| Cheng Uei | | | | |
| - including covenants | Borrowing period is from September 2017 to March 2023; pay entire amount when due | 0.95%~1% | \$ 1,100,000 | \$ 2,900,000 |
| - without covenants | Borrowing period is from December 2017 to November 2023; pay entire amount when due | 0.85%~1.4% | 2,037,475 | 3,781,250 |
| FIT Holding | Borrowing period is from October 2020 to August 2022; pay entire amount of principal when due, interest is repayable monthly. | 1.1%~1.22% | 50,000 | 350,000 |
| Foxlink Image | Borrowing period is from February 2020 to August 2023; pay entire amount of principal when due, interest is repayable monthly. | 0.94%~1.1% | 740,000 | 1,660,000 |
| PQI | Borrowing period is from December 2019 to December 2022; pay principal based on each bank's regulations, interest is repayable monthly. | 1.23%~1.35% | 12,425 | 357,575 |
| Glory Science | Borrowing period is from April 2019 to July 2024; pay principal and interest based on each bank's regulations | 1.04%~1.5% | - | 382,000 |
| Shinfox | Principal is repayable in installments from February 2019 to February 2023. | 1.71%~1.76% | - | 16,094 |
| Foxwell Energy | Principal is repayable in installments from January 2019 to September 2033. | 1.55%~1.76% | 306,737 | 37,692 |
| Bank's secured borrowings | | | | |
| Foxwell Energy | Principal is repayable in installments from May 2018 to December 2034. | 1.49%~1.76% | 217,556 | 332,080 |
| Glory Science | Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly | 1.36% | - | 75,000 |
| Medium-term and long-term syndicated loans | | | | |
| Cheng Uei | Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired. | 1.01% | 4,800,000 | <u>3,200,000</u> |
| | | | | 13,091,691 |
| Less: Current portion | | | | <u>(502,657)</u> |
| | | | | <u>\$ 12,589,034</u> |

A. In November 2020, the Group signed a medium-term syndicated revolving NTD credit facility agreement with the Bank of Taiwan as the lead bank. The terms of agreement are summarised below:

- (a) Duration of loan: The loan period of the agreement was 5 years from the agreement signing date.
- (b) Credit line and draw-down: The credit line was NT\$8,000,000 thousand, which can be drawn down in installments of at least NT\$100,000 thousand per draw-down.

- (c) Principal repayment: The duration of each loan drawn down is either 90 days or 180 days at the Company's option. The Company, if without any default, may submit an application to the banks to draw down a new loan with principal equal to the original loan before its maturity, and the new loan is directly used to repay the original loan. The banks and the Company are not required to make remittances for such draw-down and repayment, which is viewed that the Company has received the new loan on the maturity of original loan.
 - (d) Commitment: The Company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Total equity of at least NT\$15,000,000 thousand.
 - (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.
- B. The Company entered into the borrowing contracts with Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,000 thousand. As of March 31, 2022, the borrowings that have been used amounted to \$500 thousand. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 400%; and
 - (d) Tangible net equity of at least NT\$15,000,000 thousand.
- C. The Company entered into the borrowing contracts with Bank SinoPac, Entie Commercial Bank, Yuanta Commercial Bank, Taishin International Bank and Far Eastern International Bank, and the total credit line is \$2,500 thousand. As of March 31, 2022, the borrowings that have been used amounted to \$943 thousand. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Financial gearing ratio should be below 75%;
 - (d) Interest coverage of at least 400%;
 - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$5,000,000 thousand; and
 - (f) Net asset value of at least NT\$1,800,000 thousand.

D. As of March 31, 2022, the borrowings that have been used amounted to as follows:

| Company | Bank | Credit line | Amount of borrowings used |
|--|---|-------------|---------------------------|
| Cheng Uei | E.Sun Bank | \$ 300,000 | \$ - |
| Cheng Uei | Mizuho Bank | USD 30,000 | 800,000 |
| Cheng Uei | First Bank | 600,000 | 600,000 |
| Cheng Uei | Jih Sun International Bank | 300,000 | 300,000 |
| Cheng Uei | DBS Bank | USD 35,000 | 900,000 |
| Cheng Uei | Export-Import Bank of Republic of China | 480,000 | 301,250 |
| Cheng Uei | Cathay Bank | 500,000 | 500,000 |
| Cheng Uei | Yuanta Commercial Bank Co., Ltd. | 450,000 | 400,000 |
| Cheng Uei | Entie Commercial Bank | 500,000 | 500,000 |
| Cheng Uei | Taiwan Cooperative Bank | 500,000 | - |
| Cheng Uei | United Overseas Bank | USD 10,000 | - |
| Cheng Uei | KGI Bank | 1,000,000 | 500,000 |
| Cheng Uei | Panhsin Bank | 300,000 | - |
| FIT Holding, Foxlink Image, PQI and Glory Science | Jih Sun International Bank | 500,000 | 300,000 |
| FIT Holding and PQI | Hua Nan Commercial Bank | 200,000 | 50,000 |
| Foxlink Image and PQI | Mega International Commercial Bank | 300,000 | 200,000 |
| FIT Holding | Mega International Commercial Bank | 300,000 | 50,000 |
| FIT Holding | Entie Commercial Bank | 200,000 | 80,000 |
| Foxlink Image | E.Sun Bank (Note) | 400,000 | 138,000 |
| Foxlink Image | KGI Bank | 400,000 | 295,000 |
| Foxlink Image | CTBC Bank | 200,000 | - |
| Foxlink Image | Bank of Taiwan | 300,000 | 300,000 |
| Foxlink Image | Hua Nan Commercial Bank | 200,000 | 50,000 |
| Foxlink Image | Taiwan Cooperative Bank | 500,000 | 310,000 |
| Foxlink Image | First Bank | 250,000 | 3,000 |
| Foxlink Image | Cathay Bank (Note) | 300,000 | 200,000 |
| PQI | Hua Nan Commercial Bank | 70,000 | 50,000 |
| PQI | Mega International Commercial Bank | 300,000 | 200,000 |
| PQI | Yuanta Commercial Bank Co., Ltd. | 300,000 | 200,000 |
| Glory Science | Hua Nan Commercial Bank | 90,000 | 90,000 |
| Glory Science | Chang Hwa Bank | 105,000 | 105,000 |
| Glory Science | Export-Import Bank of Republic of China | 128,000 | 128,000 |
| Shinfox | The Shanghai Commercial & Savings Bank | 7,067 | 7,067 |
| Foxwell Energy Corporation Ltd. | Taishin International Bank | 181,308 | 52,838 |
| Foxwell Energy Corporation Ltd. | Mega International Commercial Bank | 213,262 | 213,262 |
| Foxwell Energy Corporation Ltd. | Bank SinoPac | 582,885 | 68,791 |

Note: The credit line was shared by short-term and long-term borrowings and were disclosed in the consolidation.

(19) Pensions

- A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labour standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.
- (b) The pension costs under the abovementioned defined contribution plan for the three months ended March 31, 2022 and 2021 were \$853 and \$571, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$163,701.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a funded defined contribution pension plan (the "New Plan") under the Labour Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's Mainland China subsidiaries have a funded defined contribution plan. Monthly contributions are based on the employees' monthly salaries (the contribution ratio for the three months ended March 31, 2022 and 2021 is between 10.2%~21%) and wages to an independent fund administered by the government in accordance with the pension regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the abovementioned defined contribution pension plan for the three months ended March 31, 2022 and 2021 were \$214,251 and \$203,869, respectively.

(20) Share capital

A. As of March 31, 2022, the Company's authorised common stock was \$7,000,000 (including 50,000,000 shares reserved for the issuance of employees' warrants), and the issued and outstanding shares were both 484,823,940 shares.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held the parent's capital stock for general investment purpose. The company did not purchase more equity instruments after acquiring control over Foxlink Image on October 1, 2018. As of March 31, 2022, December 31, 2021 and March 31, 2021, the detailed information of Foxlink Image's parent equity shares is as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|-----------------|-----------------------|--------------------------|-----------------------|
| Thousand shares | <u>27,503</u> | <u>27,503</u> | <u>27,503</u> |
| Book value | <u>\$ 272,066</u> | <u>\$ 272,066</u> | <u>\$ 272,066</u> |

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

| | 2022 | | | | | |
|---|----------------------|------------------------------------|--|---|---|----------------------|
| | <u>Share premium</u> | <u>Treasury share transactions</u> | <u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u> | <u>Changes in ownership interests in subsidiaries</u> | <u>Change in net equity of associates accounted for under the equity method</u> | <u>Total</u> |
| At January 1 | \$ 9,337,850 | \$ 71,336 | \$ 589,709 | \$ 3,829 | \$ 250,151 | \$ 10,252,875 |
| Adjustments due to not participating in the capital increase of investees proportionately | - | - | - | - | 111 | 111 |
| At March 31 | <u>\$ 9,337,850</u> | <u>\$ 71,336</u> | <u>\$ 589,709</u> | <u>\$ 3,829</u> | <u>\$ 250,262</u> | <u>\$ 10,252,986</u> |

| | 2021 | | | | | |
|---|---------------------|-----------------------------|---|--|--|---------------------|
| | Share premium | Treasury share transactions | Difference between proceeds from acquisition or disposal of subsidiary and book value | Changes in ownership interests in subsidiaries | Change in net equity of associates accounted for under the equity method | Total |
| At January 1 | \$ 9,337,850 | \$ 45,078 | \$ 196,481 | \$ 3,336 | \$ 246,001 | \$ 9,828,746 |
| Adjustments due to not participating in the capital increase of investees proportionately | - | - | 32,504 | 394 | 238 | 33,136 |
| At March 31 | <u>\$ 9,337,850</u> | <u>\$ 45,078</u> | <u>\$ 228,985</u> | <u>\$ 3,730</u> | <u>\$ 246,239</u> | <u>\$ 9,861,882</u> |

(22) Retained earnings

A. Based on the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of remainder shall be proposed by the Board of Directors and be resolved by the shareholders.

The Board of Directors may, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, capital surplus or legal reserve, in whole or in part, in the form of cash. The above distribution is not subject to approval by the shareholders.

B. According to the Company's Articles of Incorporation, no more than 90% of the distributable retained earnings shall be distributed as stockholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

- (c) As of January 1, 2018, the amounts previously set aside by the Company as special reserve for the initial application of IFRSs amounted to \$665,206. Furthermore, the Company did not reverse special reserve to retained earnings for the three months ended March 31, 2022 and 2021 as a result of the use, disposal or reclassification of related assets. As of March 31, 2022, December 31, 2021 and March 31, 2021, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.
- E. On March 24, 2022, the Company's Board of Directors proposed the appropriation of 2021's net income as shown below. Details of the appropriation of 2020's net income which was resolved at the stockholders' meeting on July 15, 2021 are as follows:

| | Three months ended March 31, 2021 | | Three months ended March 31, 2020 | |
|-----------------|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
| | Amount | Dividend per share (NTD) | Amount | Dividend per share (NTD) |
| Legal reserve | \$ 94,372 | \$ - | \$ 195,628 | \$ - |
| Special reserve | 565,304 | - | (298,188) | - |
| Cash dividends | 768,490 | 1.5 | 1,280,818 | 2.5 |
| Total | <u>\$ 1,428,166</u> | <u>\$ 1.5</u> | <u>\$ 1,178,258</u> | <u>\$ 2.5</u> |

As of May 5, 2022, aforementioned appropriation of 2021 earnings, except for cash dividends had been resolved by the Board of Directors (had not been reported to shareholders) on March 24, 2022 and were presented as dividends payable in the financial statements while others had not been resolved by shareholders. Information about earnings distribution of the Company as approved and proposed by the Board of Directors and resolved by the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Other equity items

| | 2022 | | |
|-----------------------------------|---|---|-----------------------|
| | Financial assets at fair value through other comprehensive income | Translation of foreign financial statements | Total |
| At January 1 | (\$ 472,609) | (\$ 2,129,042) | (\$ 2,601,651) |
| Currency translation differences: | | | |
| - Group | (7,018) | - | (7,018) |
| - Associates | - | - | - |
| Valuation adjustment | | | |
| - Group | - | 792,822 | 792,822 |
| - Associates | - | 31,966 | 31,966 |
| At March 31 | <u>(\$ 479,627)</u> | <u>(\$ 1,304,254)</u> | <u>(\$ 1,783,881)</u> |

| | 2021 | | |
|-----------------------------------|---|---|-----------------------|
| | Financial assets at fair value through other comprehensive income | Translation of foreign financial statements | Total |
| At January 1 | (\$ 306,223) | (\$ 1,730,123) | (\$ 2,036,346) |
| Currency translation differences: | | | |
| - Group | 14,896 | - | 14,896 |
| - Associates | 5,883 | - | 5,883 |
| Valuation adjustment | | | |
| - Group | - | (235,937) | (235,937) |
| - Associates | - | (4,007) | (4,007) |
| At March 31 | <u>(\$ 285,444)</u> | <u>(\$ 1,970,067)</u> | <u>(\$ 2,255,511)</u> |

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and generates related revenue in each reportable segment:

| | Three months ended March 31, | |
|---------------------------------|------------------------------|----------------------|
| | 2022 | 2021 |
| Systems and peripheral products | \$ 6,671,562 | \$ 7,837,291 |
| 3C component | 6,643,374 | 7,685,494 |
| 3C product retail | 3,626,185 | 3,774,016 |
| Energy service management | 819,109 | 577,361 |
| Total | <u>\$ 17,760,230</u> | <u>\$ 19,874,162</u> |

B. Unfulfilled construction contracts

Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of March 31, 2022, December 31, 2021 and March 31, 2021 are as follows:

| Year | Year expected to recognise revenue | Contracted amount |
|-------------------|------------------------------------|-------------------|
| March 31, 2022 | 2022~2025 | \$ 53,639,654 |
| December 31, 2021 | 2022~2025 | 54,669,266 |
| March 31, 2021 | 2022~2025 | 53,766,926 |

C. Contract assets and contract liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| Contract assets: | | | |
| Contract assets-construction contracts | \$ 3,590,185 | \$ 3,216,453 | \$ 217,074 |
| Contract liabilities: | | | |
| Contract liabilities-advance sales receipts | 847,484 | 601,474 | 978,938 |
| Contract liabilities-construction contracts | 2,329 | 2,293 | 41,188 |
| Total | <u>\$ 849,813</u> | <u>\$ 603,767</u> | <u>\$ 1,020,126</u> |

(b) Contract assets and liabilities recognised for the aforementioned construction contracts as at March 31, 2022, December 31, 2021 and March 31, 2021 are as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| Aggregate costs incurred plus recognised profits | \$ 4,928,603 | \$ 4,366,249 | \$ 1,158,759 |
| Less: Progress billings | (1,340,747) | (1,152,089) | (982,872) |
| Net balance sheet position for construction in progress | <u>\$ 3,587,856</u> | <u>\$ 3,214,160</u> | <u>\$ 175,887</u> |
| Presented as: | | | |
| Current contract assets | \$ 3,590,185 | \$ 3,216,453 | \$ 215,075 |
| Current contract liabilities | (2,329) | (2,293) | (41,188) |
| Total | <u>\$ 3,587,856</u> | <u>\$ 3,214,160</u> | <u>\$ 173,887</u> |

(c) Revenue recognised that was included in the contract liability balance at the beginning of the period:

| | <u>Three months ended March 31,</u> | |
|---|-------------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | | |
| Sales revenue received in advance | <u>\$ 47,466</u> | <u>\$ 171,984</u> |

D. Please refer to Note 9 for the information of significant construction contracts of the Group.

(25) Interest income

| | <u>Three months ended March 31,</u> | |
|------------------------------------|-------------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| Interest income from bank deposits | <u>\$ 15,655</u> | <u>\$ 21,364</u> |

(26) Other income

| | Three months ended March 31, | |
|---------------------|------------------------------|-------------------|
| | 2022 | 2021 |
| Rental revenue | \$ 4,346 | \$ 4,296 |
| Other revenue-other | 97,325 | 126,098 |
| | <u>\$ 101,671</u> | <u>\$ 130,394</u> |

(27) Other gains and losses

| | Three months ended March 31, | |
|--|------------------------------|-------------------|
| | 2022 | 2021 |
| Gain (loss) on disposal of property, plant and equipment | \$ 2,744 | (\$ 326) |
| Gain on disposal of investments | - | 3,617 |
| Net currency exchange gains | 167,010 | 2,691 |
| Depreciation charge on investment property | (3,266) | (3,243) |
| Other gains and losses | (4,804) | (5,221) |
| | <u>\$ 161,684</u> | <u>(\$ 2,482)</u> |

(28) Finance costs

| | Three months ended March 31, | |
|-------------------|------------------------------|------------------|
| | 2022 | 2021 |
| Interest expense | \$ 55,828 | \$ 57,676 |
| Corporate bonds | 23,671 | 23,659 |
| Lease liabilities | 2,749 | 2,385 |
| | <u>\$ 82,248</u> | <u>\$ 83,720</u> |

(29) Expenses by nature

| | Three months ended March 31, | |
|---|------------------------------|---------------------|
| | 2022 | 2021 |
| Employee benefit expense | \$ 3,008,261 | \$ 3,106,078 |
| Depreciation expense | 866,813 | 784,272 |
| Amortisation charges on intangible assets | 22,587 | 26,878 |
| Transportation expense | 147,721 | 175,123 |
| Advertising costs | 5,687 | 12,722 |
| Operating lease payments | 27,625 | 40,985 |
| | <u>\$ 4,078,694</u> | <u>\$ 4,146,058</u> |

(30) Employee benefit expense

| | Three months ended March 31, | |
|----------------------------------|------------------------------|---------------------|
| | 2022 | 2021 |
| Wages and salaries | \$ 2,317,744 | \$ 2,658,889 |
| Labour and health insurance fees | 308,313 | 133,618 |
| Pension costs | 215,104 | 204,440 |
| Other personnel expenses | 167,100 | 109,131 |
| | <u>\$ 3,008,261</u> | <u>\$ 3,106,078</u> |

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the three months ended March 31, 2022 and 2021, employees' compensation was accrued at \$1,892 and \$1,948, respectively; directors' and supervisors' remuneration was both accrued at \$0. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the three months ended March 31, 2022 and percentage as prescribed by the Company's Articles of Incorporation.
- D. Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2021.
- E. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

| | Three months ended March 31, | |
|---|------------------------------|-------------------|
| | 2022 | 2021 |
| Current tax: | | |
| Tax payable incurred in current period | (\$ 58,891) | \$ 142,888 |
| Tax on undistributed surplus earnings | 4,269 | - |
| Prior year income tax under (over) estimation | 114 | (10,850) |
| Total current tax | <u>(54,508)</u> | <u>132,038</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 107,658 | 34,846 |
| Total deferred tax | <u>107,658</u> | <u>34,846</u> |
| Income tax expense | <u>\$ 53,150</u> | <u>\$ 166,884</u> |

(b) The income tax relating to components of other comprehensive income is as follows:

| | Three months ended March 31, | |
|--|------------------------------|--------------------|
| | 2022 | 2021 |
| Currency translation differences | \$ 206,197 | (\$ 59,986) |
| Remeasurement of defined benefit obligations | - | - |
| | <u>\$ 206,197</u> | <u>(\$ 59,986)</u> |

B. The latest year of the Company's and its domestic subsidiaries' income tax returns that have been assessed and approved by the Tax Authority is as follows:

| | <u>Status of Assessment</u> |
|--|----------------------------------|
| The Company, LM, Proconn, FUII, FII, Elegant Energy, PSI (Note), Foxwell Energy, Shinfox Natural Gas, Foxwell Power, DU Precision, WCT, FAT, Jing Jing, Zhi De Investment, Darts and Suntain | Assessed and approved up to 2020 |
| Shinfox and Straight A | Assessed and approved up to 2019 |
| Studio A, VA, Foxlink Image, PQI, Glory Science and FIT Holding | Assessed and approved up to 2018 |

Note: The PSI's income tax returns through 2018 have not yet been assessed and approved by the Tax Authority.

(32) Earnings per share

| | Three months ended March 31, 2022 | | |
|--|-----------------------------------|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 15,341 | 484,824 | \$ 0.03 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 15,341 | 484,824 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 52 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 15,341</u> | <u>484,876</u> | <u>\$ 0.03</u> |

| | Three months ended March 31, 2021 | | |
|--|-----------------------------------|--|---------------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 25,427 | 484,824 | \$ 0.05 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 25,427 | 484,824 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 41 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 25,427 | 484,865 | \$ 0.05 |

(33) Transactions with non-controlling interest

A. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In March 2021, the Group disposed of 25% of shares of its subsidiary - Shih Fong Power Co., Ltd. for a total cash consideration of \$690,000. The carrying amount of non-controlling interest in Shih Fong Power Co., Ltd. was \$588,281 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$660,512 and an increase in the equity attributable to owners of the parent by \$29,488.

In November 2021, the Group disposed of 0.74% of shares of its subsidiary - Shinfox Energy Co., Ltd. for a total cash consideration of \$112,809. The carrying amount of non-controlling interest in Shinfox Energy Co., Ltd. was \$2,827,409 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$86,340 and an increase in the equity attributable to owners of the parent by \$27,009.

B. The Group did not participate in the capital increase raised by the second-tier subsidiary proportionally to its interest to the subsidiary

The second-tier subsidiary, Shinfox Energy Co., Ltd., and Junezhe Co., Ltd. increase its capital by issuing new shares in 2021. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 9.22% and 41.5%, respectively. The transaction increased non-controlling interest by \$2,395,862 and increased the equity attributable to owners of parent by \$356,812.

(34) Business combinations

A. On February 14, 2022, the Group acquired 100% of the share capital of Elegant Energy for \$200,000 and obtained the control over Elegant Energy. As a result of the acquisition, the Group is expected to increase its presence in the land-based wind market.

B. The following table summarises the consideration paid for Elegant Energy and the fair values of the assets acquired and liabilities assumed at the acquisition date:

| | <u>February 14, 2022</u> |
|--|--------------------------|
| Purchase consideration | |
| Cash | \$ 200,000 |
| Fair value of the identifiable assets acquired and liabilities assumed | |
| Cash | 786 |
| Other current assets | 3,293 |
| Intangible assets | 197,637 |
| Other current liabilities | (1,716) |
| Deferred tax liabilities: | (39,528) |
| Total identifiable net assets | <u>160,472</u> |
| Goodwill | <u>\$ 39,528</u> |

C. The allocation of purchase price due to acquisition of Elegant Energy was completed in the first quarter of 2022. The fair value of the acquired identifiable intangible assets and goodwill amounted to \$197,637 and \$39,528, respectively.

D. The operating revenue included in the consolidated statement of comprehensive income since February 14, 2022 contributed by Elegant Energy was \$1,998. Elegant Energy also contributed profit before income tax of \$1,990 over the same period. Had Elegant Energy been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of \$17,760,979 and profit before income tax of \$198,293.

(35) Supplemental cash flow information

A. Investment activities with partial cash payments:

| | <u>Three months ended March 31,</u> | |
|--|-------------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Purchase of property, plant and equipment | \$ 465,506 | \$ 392,178 |
| Add: Opening balance of payable on equipment | 447,305 | 583,447 |
| Less: Ending balance of payable on equipment | (328,732) | (556,082) |
| Cash paid during the period | <u>\$ 584,079</u> | <u>\$ 419,543</u> |

B. Financing activities with no cash flow effects :

| | <u>Three months ended March 31,</u> | |
|---|-------------------------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Cash dividends declared but not yet distributed | <u>\$ 768,490</u> | <u>\$ 1,280,818</u> |

(36) Changes in liabilities from financing activities

| | 2022 | | | | | |
|--|-----------------------|------------------------------------|-------------------------|----------------------|-------------------|---|
| | Short-term borrowings | Short-term notes and bills payable | Corporate bonds payable | Long-term borrowings | Lease liabilities | Liabilities from financing activities - gross |
| At January 1 | \$ 4,224,848 | \$ 1,596,522 | \$ 6,578,570 | \$ 11,479,117 | \$ 406,162 | \$ 24,285,219 |
| Changes in cash flow from financing activities | 5,972,858 | (1,118,653) | - | 275,092 | (67,989) | 5,061,308 |
| Impact of changes in foreign exchange rate | - | - | - | - | 21,624 | 21,624 |
| Interest expense | - | - | - | - | 2,749 | 2,749 |
| Changes in other non-cash items | - | - | 946 | - | 533,386 | 534,332 |
| At March 31 | <u>\$ 10,197,706</u> | <u>\$ 477,869</u> | <u>\$ 6,579,516</u> | <u>\$ 11,754,209</u> | <u>\$ 895,932</u> | <u>\$ 29,905,232</u> |
| | 2021 | | | | | |
| | Short-term borrowings | Short-term notes and bills payable | Corporate bonds payable | Long-term borrowings | Lease liabilities | Liabilities from financing activities - gross |
| At January 1 | \$ 4,341,582 | \$ 387,222 | \$ 6,574,982 | \$ 12,825,768 | \$ 417,534 | \$ 24,547,088 |
| Changes in cash flow from financing activities | (1,110,469) | 190,681 | - | 265,923 | (59,929) | (713,794) |
| Impact of changes in foreign exchange rate | (904) | - | - | - | (948) | (1,852) |
| Interest expense | - | - | - | - | 2,385 | 2,385 |
| Changes in other non-cash items | - | - | 771 | - | 88,314 | 89,085 |
| At March 31 | <u>\$ 3,230,209</u> | <u>\$ 577,903</u> | <u>\$ 6,575,753</u> | <u>\$ 13,091,691</u> | <u>\$ 447,356</u> | <u>\$ 23,922,912</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| <u>Names of related parties</u> | <u>Relationship with the Group</u> |
|---|------------------------------------|
| Well Shin Technology Co., Ltd. (Well Shin) | Associate |
| Sharetronic Data Technology Co., Ltd. (Sharetronic) | Associate |
| Microlink Communications Inc. (Microlink) | Associate |
| Central Motion Picture Corporation (Central Motion Picture) | Associate |
| Deepwaters Digital Support Inc. (Deepwaters) | Associate |
| Dongguan Banrin Robot Technology Co., Ltd. (Banrin) | Associate |
| Hsin Hung International Investment Co., Ltd. (HSIN HUNG) | Other related party |
| Hon Hai Precision Industry Co., Ltd. (Hon Hai) | Other related party |
| Changde Kingplus Electronic Technology CO., LTD. (Changde Kingplus) | Other related party (Note 1) |
| Foxwell Energy Co., Ltd. | Other related party (Note 2) |
| Chern Feng Engineering Tech Co., Ltd. (Chern Feng) | Other related party |

Note 1: On May 13, 2021, FTJ sold its equity interests in the subsidiary, CDFB, and lost its control and significant influence over CDFB. Consequently, the joint investor, Changde Kingplus, was no longer a related party since May 13, 2021.

Note 2: FIT Holding resigned its directorship from Foxwell Energy Co., Ltd. on May 20, 2021, therefore, Foxwell Energy Co., Ltd. and its subsidiaries were non-related parties since May 20, 2021.

A. Operating revenue

| | <u>Three months ended March 31,</u> | |
|-------------------------|-------------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Sales of goods: | | |
| - Associates | \$ - | \$ 52 |
| - Other related parties | 197,906 | 218,244 |
| | <u>\$ 197,906</u> | <u>\$ 218,296</u> |
| Sales of services: | | |
| -Associates | \$ - | \$ 237 |
| -Other related parties | - | 392,232 |
| | <u>\$ -</u> | <u>\$ 392,469</u> |

(a) All the credit terms on sales to related parties were 120 to 180 days after monthly billings. The credit terms on sales to third parties were 30 to 120 days after monthly billing or upon shipment of goods, except for receivables arising from the sales of tooling that are collectible upon acceptance by customers.

(b) The Group's sales of services to the abovementioned related parties refer to construction revenue and service revenue from contracts such as electricity sales revenue charged from the contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) entered with other related parties, and the transaction price and credit terms are the same with the market situation or the general customers.

B. Operating costs

(a) Purchase

| | <u>Three months ended March 31,</u> | |
|-------------------------|-------------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Purchases of goods: | | |
| - Associates | \$ 76,380 | \$ 61,469 |
| - Other related parties | 225,290 | 200,038 |
| | <u>\$ 301,670</u> | <u>\$ 261,507</u> |

The purchase price in relation to the transaction made with related parties is based on mutual agreement. All purchases from related parties are at arm's-length. Payment period was 60 to 120 days after receipt of goods from suppliers.

(b) Construction cost

| | <u>Three months ended March 31,</u> | |
|-------------------------|-------------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Construction cost | | |
| - Other related parties | <u>\$ 12,513</u> | <u>\$ -</u> |

Except for construction cost which is calculated based on the construction contract entered into using market, other payments of the transactions between the Group and the abovementioned related parties are calculated based on the actual amount incurred and paid monthly

C. Research and development expense - Technical Service Compensation

| | <u>Three months ended March 31,</u> | |
|---------------------------------|-------------------------------------|-----------------|
| | <u>2022</u> | <u>2021</u> |
| Technical service compensation: | | |
| - Associates | <u>\$ -</u> | <u>\$ 1,153</u> |

The Group entered into technical service contracts with related parties for providing the Company with research and development services. The payment terms are based on mutual agreement.

D. Receivables from related parties

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| Accounts receivable: | | | |
| - Other related parties | \$ 450,986 | \$ 244,686 | \$ 524,325 |
| - Associates | <u>70,481</u> | <u>68,219</u> | <u>69,244</u> |
| | <u>\$ 521,467</u> | <u>\$ 312,905</u> | <u>\$ 593,569</u> |
| Other receivables (Financing): | | | |
| - Associates | | | |
| Microlink | \$ 55,000 | \$ 55,000 | \$ 55,000 |
| Other receivables (Dividends receivable): | | | |
| -Associate | | | |
| Well Shin | \$ 44,565 | \$ - | \$ 55,706 |
| Other receivables (Others): | | | |
| - Associates | 22,277 | - | - |
| - Other related parties | <u>-</u> | <u>6,213</u> | <u>9,169</u> |
| | <u>\$ 121,842</u> | <u>\$ 61,213</u> | <u>\$ 119,875</u> |

Other receivables mainly refer to the rental income received from related parties, and the collection terms are based on mutual agreement.

E. Payables to related parties:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Accounts payable: | | | |
| - Associates | \$ 82,270 | \$ 61,683 | \$ 57,283 |
| - Other related parties | <u>40,615</u> | <u>110,424</u> | <u>68,832</u> |
| | <u>\$ 122,885</u> | <u>\$ 172,107</u> | <u>\$ 126,115</u> |
| Other payables-Receipts under custody: | | | |
| - Associates | \$ 16,454 | \$ - | \$ 16,545 |
| - Other related parties | <u>12,215</u> | <u>14,144</u> | <u>-</u> |
| | <u>\$ 28,669</u> | <u>\$ 14,144</u> | <u>\$ 16,545</u> |

F. Lease transactions - lessee

(a) The Group leases buildings from related parties. Rental contracts are typically made for periods of 3 years. Rents are paid at the end of the month.

(b) Lease liability

i. Outstanding balance:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|-----------------------|-----------------------|--------------------------|-----------------------|
| Associates | \$ 9,593 | \$ 10,943 | \$ 16,496 |
| Other related parties | <u>20,192</u> | <u>22,391</u> | <u>-</u> |
| | <u>\$ 29,785</u> | <u>\$ 33,334</u> | <u>\$ 16,496</u> |

ii. Interest expense

| | <u>Three months ended March 31,</u> | |
|-----------------------|-------------------------------------|--------------|
| | <u>2022</u> | <u>2021</u> |
| Associates | \$ 211 | \$ 66 |
| Other related parties | <u>87</u> | <u>-</u> |
| | <u>\$ 298</u> | <u>\$ 66</u> |

(2) Key management compensation

| | <u>Three months ended March 31,</u> | |
|---|-------------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| Salaries and other short-term employee benefits | \$ 17,967 | \$ 16,622 |
| Post-employment benefits | <u>660</u> | <u>537</u> |
| Total | <u>\$ 18,627</u> | <u>\$ 17,159</u> |

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

| <u>Pledged asset</u> | <u>Book value</u> | | | <u>Purpose</u> |
|--|-----------------------|--------------------------|-----------------------|---|
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> | |
| Property, plant and equipment | \$ 2,566,043 | \$ 2,552,974 | \$ 951,423 | Short-term notes and bills, short- and long-term debt mortgage guarantee borrowings |
| Right-of-use assets | 206,147 | 199,897 | - | Debt mortgage guarantee |
| Repatriation of capital from Taiwan's offshore companies (shown as financial assets at amortised cost-current) | 78,312 | 76,009 | 178,162 | Repatriation of capital from Taiwan's offshore companies |
| Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current) | 2,337,593 | 1,885,170 | 4,874,534 | Customs deposit, guarantee for L/C issued for purchases of materials, government grants coupon trust, construction performance security deposit and guaranteed bill |
| Refundable deposits (shown as other current assets) | 1,001,274 | 2,657 | 3,107 | Construction performance security deposit |
| Restricted deposits and time deposits-non-current (shown as financial assets at amortised cost-non-current) | 149,814 | 145,116 | 145,932 | Litigation deposit and collateral for long-term borrowings |
| Refundable deposits (shown as other non-current assets) | | | | Customs deposit, plant deposit and rental performance security deposit |
| | <u>299,176</u> | <u>331,480</u> | <u>247,669</u> | |
| | <u>\$ 6,638,359</u> | <u>\$ 5,193,303</u> | <u>\$ 6,400,827</u> | |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

A. Central Motion Picture Corporation (the "Central Motion Picture"), an equity method investment of the Group, was determined to be an affiliate organisation of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the "Ill-gotten Party") in its written disposition, Dang-Chan-Chu-Zi No. 107007, issued on October 9, 2018. Under paragraph 1, Articles 5 and 9 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organisations (the "Act"), properties were held by the Central Motion Picture when the Act was released on August 10, 2016 are considered as unjustly received properties. The presumed ill-gotten party assets as prescribed in the preceding paragraph 1 of Article 5 are prohibited from being transferred or disposed since from the date of promulgation of this Act. However, this limit is not applicable if it is necessary to perform its legal duties or other justifiable reasons. The properties held by the Central Motion Picture are considered as unjustly received properties; however, their existing rights in leases, superficies, mortgage or pawning are not affected if Ill-gotten Party considers such assets as unjustly received assets and then orders the bona fide third

party to transfer such assets to the State, local self-governing bodies, or original owners. Under Article 16, the Central Motion Picture may file an administrative litigation (an action for revocation) in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, the Central Motion Picture may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However, Ill-gotten Party subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020. Meanwhile, Central Motion Picture filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. The Central Motion Picture and the Ill-gotten Party entered into an administrative contract on August 24, 2021 and settled at the Taipei High Court on September 17, 2021. The original copy of the written disposition will be cancelled if the Central Motion Picture remits \$950 million to an account designated by the Ill-gotten Party by October 23, 2021. The Central Motion Picture remitted the payment on September 24, 2021, and the litigation procedure was terminated.

- B. The Group's subsidiary, Shih Fong Power Co., Ltd. ("Shih Fong"), carried out a "Shih Fong Power's FongPing River and Its Tributary Hydroelectric Project" (the "Project") in Hualien County and planned to build a weir in FongPing River for hydropower plants to generate electricity. Since 2000, the Company has successively obtained the permit to build the infrastructure as an electricity enterprise and the work permit to operate power generation equipment as an electricity enterprise (the "Work Permit"). As the construction was unable to be completed on time, the Company has applied 15 times for an extension of the Work Permit as approved by the Ministry of Economic Affairs. The most recent one was extended from December 31, 2020 to March 31, 2022.

However, the local indigenous peoples (the "Petitioners") filed a petition on May 14, 2021 according to the Article 21 of the Indigenous Peoples Basic Law (the "Law"), stating that the land used in the construction was the "indigenous land, tribe and their adjoin-land which owned by governments", and it shall consult and obtain consent by indigenous peoples or tribes or even their participation in accordance with the Law. The regulatory authority issued the Work Permit before the consultation and consent processes are implemented, which is not in compliance with the Law. Thus, the Petitioners filed a petition with the Executive Yuan, requesting "the suspension of the Project" and "the revocation of work permit in 2021". The Executive Yuan dismissed the petition concerning "the suspension of the Project", but the Petitioners filed an administrative litigation with the Taipei High Administrative Court. On December 3, 2021, the Taipei High Administrative Court rendered a judgement that the Project is suspended until the administrative litigation is finalised. Shih Fong filed a counterappeal according to the laws to suspend the effect of the ruling. On January 24, 2022, the case was transferred to the Supreme Administrative Court for final judgement. On March 31, 2022, the Supreme Administrative Court revoked the original verdict

made by the Taipei High Administrative Court, excluding certain final judgements. In addition, regarding the dispute on “the revocation of work permit in 2021”, Shih Fong received a letter on March 14, 2022 issued by the Ministry of Economic Affairs per Jing-Shou-Neng-Zi Letter. No. 11103002490, dated March 10, 2022. The letter is issued based on the administrative appeal decision rendered by the Executive Yuan, which requests Shih Fong to carry out the consultation and consent processes pursuant to the Article 21 of the “Indigenous Peoples Basic Law” as the Law is applicable to Shih Fong during the extension period, and send the consultation and consent documents obtained thereby to the Ministry of Economic Affairs.

- C. The Group’s subsidiary, Fugang Electric (Maanshan) Co., Ltd.(“FG MAANSHAN”), a subsidiary of the Group, has a lawsuit with Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. On November 19, 2021, Ma’anshan Intermediate People’s Court in Anhui Province rendered a first-instance decision pursuant to the Articles 201 and 206 of “Contract Law of The People’s Republic of China”, Articles 26 and 53 of “Guarantee Law of The People’s Republic of China”, Article 26 of “Provisions of the Supreme People’s Court on Certain Issues concerning Application of Law in Trial of Cases involving Private Lending” and Article 142 of “Administrative Procedure Law of the People’s Republic of China”, and affirmed that FG MAANSHAN shall pay principal amounting to RMB 274,450 thousand and interest amounting to RMB 139,488.9 thousand, based on the principal agreed in the court’s judgement and interest calculated until the date when the principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement. If the payments are not repaid on time, Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. has the priority right to get compensation by converting the properties pledged by FG MAANSHAN into money or seek preferential payments from the proceeds from the auction or sale of the properties concerned. On December 7, 2021, Fugang Electric (Maanshan) Co., Ltd. filed a second instance appeal with the Higher People’s Court of Anhui Province to request to modify or remand the decision in accordance with the laws. Trials of the case is intended to be initiated by the Higher People’s Court of Anhui Province on May 11, 2022. On March 17, 2022, Fugang Electric (Maanshan) Co., Ltd. filed an administrative litigation with the Ma’anshan Intermediate People’s Court in Anhui Province against the People’s Government of Ma’anshan Municipality, the Administrative Committee of Ma’anshan Economic and Technological Development Zone and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. pursuant to Article 12 of the “Administrative Procedure Law of the People’s Republic of China”. According to the opinion of a lawyer appointed by Fugang Electric (Maanshan) Co., Ltd., the investment agreement and related supplementary agreements signed with the People’s Government of Ma’anshan Municipality and the Administrative Committee of Ma’anshan Economic and Technological Development Zone are an executive agreement to attract investments. Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. shall extend

the loan period according to these agreements. The administrative litigation has been filed as a case by the Ma'anshan Intermediate People's Court in Anhui Province. However, the possible result of this litigation cannot be determined as of the financial reporting date.

- D. The Group's subsidiary, Foxwell Energy Corporation Ltd. ("Foxwell Energy"), entered into a 'Transportation and Installment Contract of Wind Turbines in Wind Farm Site No. 26' with a Singapore contractor, Teras Offshore Pte. Ltd. As the contractor failed to submit the essential documents within the time frame prescribed in the contract, Foxwell Energy has the right to revoke the contract and has notified the contractor in writing of the termination of the contract. After receiving the written notice from Foxwell Energy, the contractor entrusted a lawyer on December 11, 2021 to rely and request for compensation from Foxwell Energy, and state that it will refer the matter to arbitration if the compensation is not paid. On December 24, 2021, Foxwell Energy also appointed a lawyer to send a lawyer's letter stating that it was a lawful termination of the contract and it will reserve the right to claim compensation from the contractor. As of May 5, 2022, Foxwell Energy has not yet received the notice of arbitration submitted by the contractor to the arbitration institution, and the termination of the contract has no impact on the original construction contract and subsequent performance obligations.

(2) Commitments

- A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|-----------------------------|-----------------------|--------------------------|-----------------------|
| Equipment purchase contract | | | |
| Contract price | \$ 821,859 | \$ 1,033,214 | \$ 1,383,446 |
| Outstanding amount | <u>\$ 510,895</u> | <u>\$ 507,771</u> | <u>\$ 395,478</u> |
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| Construction contract | | | |
| Contract price | \$ 39,324,386 | \$ 39,631,214 | \$ 16,167,729 |
| Outstanding amount | <u>\$ 32,596,444</u> | <u>\$ 34,837,318</u> | <u>\$ 15,336,792</u> |

- B. As of March 31, 2022, December 31, 2021 and March 31, 2021, the letters of guarantee to be issued by the bank, which are required for contracting the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project", amounted both to \$5,400,000, of which the amounts of collateral pledged by the Group to the banks (shown as financial assets at amortised cost) were \$1,620,000, \$1,620,000 and \$4,800,000, respectively, and the amounts of collateral pledged by using the letters of guarantee issued by the subcontractor were \$1,608,370, \$1,608,370 and \$600,000, respectively.
- C. As of March 31, 2022, December 31, 2021 and March 31, 2021, the letters of guarantee to be issued by the bank, which are required for contracting the Solar System Integration Project, amounted to \$98,249, \$100,699 and \$1,095,850, respectively.

D. On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, and the "Wind Farm Property Procurement and Installation Project" amounted to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for wind turbine generator system and offshore substation as of September 30, 2024, shall complete all wind turbine generator system which shall be under the security constrained dispatch process as of September 30, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all wind turbine generator system as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all wind turbine generator system are under the security constrained dispatch process. As of March 31, 2022, the construction was constructed as scheduled, and no compensation loss was made due to overdue construction.

E. The Group entered into an operation and maintenance contract with Changyuan Wind Power Ltd., Bei yuan Wind Power Ltd. and Shinfox Power Co., Ltd. for wind turbine generator system and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance which are calculated based on ceiling and floor guaranteed generating capacity as well as the relevant rights and obligations of both parties. The contract period is for 20 years from the parallel connection date. Please refer to Note 7 for the payment charged.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

On May 5, 2022, the Board of Directors of the Company resolved to increase capital in the subsidiary, Fu Uei International Investment Ltd. amounting to USD400 million.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the actual financial condition.

(2) Financial instruments

A. Financial instruments by category

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Financial assets</u> | | | |
| Financial assets at fair value through other comprehensive income | | | |
| Designation of equity instrument | \$ 1,202,481 | \$ 1,116,311 | \$ 1,198,722 |
| Financial assets at amortised cost/loans and receivables | | | |
| Cash and cash equivalents | 9,201,055 | 8,707,603 | 8,803,326 |
| Financial assets at amortised cost | 2,981,709 | 2,403,421 | 5,856,250 |
| Notes receivable | 33,398 | 46,874 | 26,541 |
| Accounts receivable | 12,389,582 | 16,682,787 | 12,810,923 |
| Other receivables | 415,769 | 373,774 | 447,964 |
| Guarantee deposits paid | 1,300,450 | 334,137 | 250,776 |
| | <u>\$ 27,524,444</u> | <u>\$ 29,664,907</u> | <u>\$ 29,394,502</u> |
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at amortised cost | | | |
| Short-term borrowings | \$ 10,197,706 | \$ 4,224,848 | \$ 3,230,209 |
| Short-term notes and bills payable | 477,869 | 1,596,522 | 577,903 |
| Notes payable | 40,034 | 150 | 5,911 |
| Accounts payable | 12,985,681 | 17,067,133 | 14,217,486 |
| Other accounts payable | 4,697,262 | 4,617,534 | 5,650,370 |
| Corporate bonds payables | 6,579,516 | 6,578,570 | 6,575,753 |
| Lease liability | 895,932 | 406,162 | 447,356 |
| Long-term borrowings (including current portion) | 11,754,209 | 11,479,117 | 13,091,691 |
| Guarantee deposits received | 39,548 | 38,885 | 41,642 |
| | <u>\$ 47,667,757</u> | <u>\$ 46,008,921</u> | <u>\$ 43,838,321</u> |

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of

excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

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| March 31, 2022 | | | |
|---|----------------------------|---------------|---------------------|
| | Foreign currency amount | | Book value (NTD) |
| | (In thousands) | Exchange rate | |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 389,371 | 28.62 | \$ 11,145,745 |
| RMB : NTD | 184,489 | 4.51 | 832,045 |
| HKD : NTD | 29,955 | 3.66 | 109,635 |
| EUR : NTD | 718 | 31.92 | 22,919 |
| JPY : NTD | 12,782 | 0.24 | 3,068 |
| USD : RMB | 4,003 | 6.35 | 114,575 |
| USD : HKD | 831 | 7.83 | 23,775 |
| RMB : HKD | 48 | 1.23 | 217 |
| JPY : HKD | 1,566,663 | 0.06 | 100,830 |
| <u>Non-monetary items</u> | | | |
| RMB : USD | \$ 27,905 | 0.16 | \$ 125,850 |
| RMB : HKD | 263,490 | 1.23 | 1,188,340 |
| INR : USD | 102,584 | 0.01 | 38,982 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 316,659 | 28.62 | \$ 9,064,364 |
| RMB : NTD | 556 | 4.51 | 2,508 |
| HKD : NTD | 174 | 3.66 | 637 |
| EUR : NTD | 128 | 31.92 | 4,086 |
| JPY : NTD | 24,967 | 0.24 | 5,992 |
| USD : RMB | 6,076 | 6.35 | 173,929 |
| USD : HKD | 1,057 | 7.83 | 30,244 |
| HKD : RMB | 1,796 | 1.23 | 8,108 |

(Remainder of page intentionally left blank)

December 31, 2021

| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
|---|--|---------------|---------------------|
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 644,628 | 27.68 | \$ 17,843,303 |
| RMB : NTD | 61,380 | 4.34 | 266,389 |
| HKD : NTD | 34,694 | 3.55 | 123,164 |
| EUR : NTD | 513 | 31.32 | 16,067 |
| JPY : NTD | 483,152 | 0.24 | 115,956 |
| USD : RMB | 2,700 | 6.37 | 74,736 |
| USD : HKD | 111 | 7.80 | 3,072 |
| RMB : HKD | 48 | 1.22 | 208 |
| <u>Non-monetary items</u> | | | |
| RUB : USD | \$ 29,762 | 0.16 | \$ 129,169 |
| RMB : HKD | 258,820 | 1.22 | 1,123,279 |
| INR : USD | 102,319 | 0.01 | 38,117 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 836,634 | 27.68 | \$ 23,158,029 |
| RMB : NTD | 85,835 | 4.34 | 372,524 |
| HKD : NTD | 19,451 | 3.55 | 69,051 |
| EUR : NTD | 18,311 | 31.32 | 573,501 |
| JPY : NTD | 43,222 | 0.24 | 10,373 |
| USD : RMB | 115,241 | 6.37 | 3,189,871 |
| USD : HKD | 136 | 7.80 | 3,764 |
| HKD : RMB | 794 | 0.82 | 2,819 |

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| | March 31, 2021 | | |
|---|--|---------------|---------------------|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 386,495 | 28.54 | \$ 11,030,567 |
| RMB : NTD | 56,906 | 4.34 | 246,972 |
| HKD : NTD | 55,773 | 3.67 | 204,687 |
| EUR : NTD | 390 | 33.48 | 13,057 |
| JPY : NTD | 513,379 | 0.26 | 133,479 |
| USD : RMB | 5,522 | 6.56 | 157,598 |
| USD : HKD | 115 | 7.78 | 3,282 |
| RMB : HKD | 426 | 1.18 | 1,849 |
| <u>Non-monetary items</u> | | | |
| RMB : USD | \$ 812,907 | 0.15 | \$ 121,936 |
| RMB : HKD | 240,092 | 1.18 | 1,041,998 |
| INR : USD | 100,508 | 0.01 | 39,198 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 298,106 | 28.54 | \$ 8,507,945 |
| RMB : NTD | 556 | 4.34 | 2,413 |
| HKD : NTD | 7,210 | 3.67 | 26,461 |
| EUR : NTD | 63 | 33.48 | 2,109 |
| JPY : NTD | 11,351 | 0.26 | 2,951 |
| USD : RMB | 89,526 | 6.56 | 2,555,072 |
| USD : HKD | 775 | 7.78 | 22,119 |
| RMB : HKD | 2,613 | 1.18 | 11,340 |

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2022 and 2021 amounted to \$167,010 and \$2,691, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

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Three months ended March 31, 2022

Sensitivity Analysis

| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
|---|------------------------|-----------------------------|--|
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | 1% | \$ 111,457 | \$ - |
| RMB : NTD | 1% | 8,320 | - |
| HKD : NTD | 1% | 1,096 | - |
| EUR : NTD | 1% | 229 | - |
| JPY : NTD | 1% | 31 | - |
| USD : RMB | 1% | 1,146 | - |
| USD : HKD | 1% | 238 | - |
| RMB : HKD | 1% | 2 | - |
| JPY : HKD | 1% | 1,008 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | 1% | \$ 90,644 | \$ - |
| RMB : NTD | 1% | 25 | - |
| HKD : NTD | 1% | 6 | - |
| EUR : NTD | 1% | 41 | - |
| JPY : NTD | 1% | 60 | - |
| USD : RMB | 1% | 1,739 | - |
| USD : HKD | 1% | 302 | - |
| RMB : HKD | 1% | 81 | - |

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| | Three months ended March 31, 2021 | | |
|---|-----------------------------------|--------------------------|--------------------------------------|
| | Sensitivity Analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | 1% | \$ 110,306 | \$ - |
| RMB : NTD | 1% | 2,470 | - |
| HKD : NTD | 1% | 2,047 | - |
| EUR : NTD | 1% | 131 | - |
| JPY : NTD | 1% | 1,335 | - |
| USD : RMB | 1% | 1,576 | - |
| USD : HKD | 1% | 33 | - |
| RMB : HKD | 1% | 18 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | 1% | \$ 85,079 | \$ - |
| RMB : NTD | 1% | 24 | - |
| HKD : NTD | 1% | 265 | - |
| EUR : NTD | 1% | 21 | - |
| JPY : NTD | 1% | 30 | - |
| USD : RMB | 11% | 25,551 | - |
| USD : HKD | 1% | 221 | - |
| RMB : HKD | 1% | 113 | - |

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic or foreign listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant. Other components of equity for the three months ended March 31, 2022 and 2021 would have increased (decreased) by \$9,620 and \$9,590, respectively, as a result of gains/losses on equity securities other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's interest rates of borrowings are fixed and floating rate. For the three months ended March 31, 2022 and 2021, the Group's borrowings issued by floating rate are priced in New Taiwan dollars, Renminbi and US dollar.
- ii. As of March 31, 2022, December 31, 2021 and March 31, 2021, if interest rates on borrowings at that date had been 1% lower/higher with all other variables held constant, post-tax profit for the three months ended March 31, 2022 and 2021 would have been \$94,034 and \$104,734 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only rated banks with an optimal rating and financial institutions with investment grade are accepted.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
The Group adopts the assumptions under IFRS 9 and considers the industry characteristics, the default occurs when the contract payments are past due over 120 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) A breach of contract.

- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of March 31, 2022, December 31, 2021 and March 31, 2021, the provision matrix is as follows:

| | Not past due | Up to 30 days past due | 31~120 days past due | Over 120 days | Total |
|-----------------------------|---------------|---------------------------|-------------------------|---------------|---------------|
| <u>At March 31, 2022</u> | | | | | |
| Expected loss rate | 0.02% | 1.50% | 13.94% | 100% | |
| Total book value | \$ 11,029,932 | \$ 716,408 | \$ 156,942 | \$ 59,594 | \$ 11,962,876 |
| Loss allowance | \$ 2,534 | \$ 10,756 | \$ 21,877 | \$ 59,594 | \$ 94,761 |
| <u>At December 31, 2021</u> | | | | | |
| Expected loss rate | 0.05% | 1.31% | 13.46% | 100% | |
| Total book value | \$ 15,483,718 | \$ 720,848 | \$ 211,679 | \$ 65,145 | \$ 16,481,390 |
| Loss allowance | \$ 8,459 | \$ 9,421 | \$ 28,483 | \$ 65,145 | \$ 111,508 |
| <u>At March 31, 2021</u> | | | | | |
| Expected loss rate | 0.04% | 2.38% | 12.83% | 100% | |
| Total book value | \$ 11,339,421 | \$ 768,413 | \$ 151,467 | \$ 44,441 | \$ 12,303,742 |
| Loss allowance | \$ 4,257 | \$ 18,261 | \$ 19,429 | \$ 44,441 | \$ 86,388 |

- viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

| | 2022 | 2021 |
|-----------------------------|------------------------|------------------------|
| | Accounts receivable | Accounts receivable |
| At January 1 | \$ 111,508 | \$ 118,373 |
| Reversal of impairment loss | (17,817) | (31,764) |
| Effect of foreign exchange | 1,070 | (221) |
| At March 31 | \$ 94,761 | \$ 86,388 |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except that the carrying amounts of notes payable, accounts payable and other payables are approximate to the amounts of contractual undiscounted cash flows and those accounts will expire within a year, the amounts of financial liabilities disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

| March 31, 2022 | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | Over 5 years |
|--|---------------------|--------------------------|--------------------------|--------------------------|--------------|
| Short-term borrowings | \$ 10,434,294 | \$ - | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 480,930 | - | - | - | - |
| Lease liabilities | 226,558 | 145,284 | 80,089 | 131,673 | 459,762 |
| Long-term borrowings (including current portion) | 314,269 | 6,202,949 | 1,879,985 | 3,303,451 | 178,856 |

Non-derivative financial liabilities:

| December 31, 2021 | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | Over 5 years |
|--|---------------------|--------------------------|--------------------------|--------------------------|--------------|
| Short-term borrowings | \$ 4,322,864 | \$ - | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 1,600,067 | - | - | - | - |
| Lease liabilities | 177,917 | 113,717 | 30,414 | 20,348 | 198,021 |
| Long-term borrowings (including current portion) | 335,993 | 6,410,833 | 1,381,087 | 3,302,689 | 189,678 |

Non-derivative financial liabilities:

| March 31, 2021 | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | Over 5 years |
|--|---------------------|--------------------------|--------------------------|--------------------------|--------------|
| Short-term borrowings | \$ 3,306,902 | \$ - | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 586,376 | - | - | - | - |
| Lease liabilities | 170,352 | 105,283 | 60,414 | 25,637 | 105,716 |
| Long-term borrowings (including current portion) | 518,037 | 7,228,257 | 1,600,622 | 3,681,682 | 217,309 |

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in non-hedging derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

| | March 31, 2022 | | | |
|------------------------|-------------------|------------|--------------|---------|
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial liabilities: | | | | |
| Bonds payable | \$ 6,600,000 | \$ - | \$ 6,579,516 | \$ - |
| | | | | |
| | December 31, 2021 | | | |
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial liabilities: | | | | |
| Bonds payable | \$ 6,600,000 | \$ - | \$ 6,578,570 | \$ - |
| | | | | |
| | March 31, 2021 | | | |
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial liabilities: | | | | |
| Bonds payable | \$ 6,600,000 | \$ - | \$ 6,575,753 | \$ - |

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

| March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|--------------|--------------|
| Assets : | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$ - | \$ - | \$ 1,202,481 | \$ 1,202,481 |

| December 31, 2021 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|---------------------|---------------------|
| Assets : | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$ <u>-</u> | \$ <u>-</u> | \$ <u>1,116,311</u> | \$ <u>1,116,311</u> |
| March 31, 2021 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Assets : | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$ <u>-</u> | \$ <u>-</u> | \$ <u>1,198,722</u> | \$ <u>1,198,722</u> |

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

| | <u>Listed shares</u> |
|---------------------|----------------------|
| Market quoted price | Closing price |

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

- F. For the three months ended March 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the three months ended March 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| | <u>Equity securities</u> | <u>Equity securities</u> |
| At January 1 | \$ 1,116,311 | \$ 986,704 |
| Recorded as unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income | (18,375) | 39,000 |
| Acquired in the period | 90,120 | 173,760 |
| Effect of exchange rate changes | 14,425 | (742) |
| At December 31 | <u>\$ 1,202,481</u> | <u>\$ 1,198,722</u> |

- H. For the three months ended March 31, 2022 and 2021, there was no transfer into or out from Level 3.
- I. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| | <u>Fair value at March 31, 2022</u> | <u>Valuation technique</u> | <u>Significant unobservable input</u> | <u>Range (weighted average)</u> | <u>Relationship of inputs to fair value</u> |
|-----------------------------------|---|--------------------------------|---|-------------------------------------|---|
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | \$ 1,202,481 | Market comparable companies | Discount for lack of marketability | 20%~30% | The higher the discount for lack of marketability, the lower the fair value |
| | <u>December 31, 2021</u> | <u>Valuation technique</u> | <u>Significant unobservable input</u> | <u>Range (weighted average)</u> | <u>Relationship of inputs to fair value</u> |
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | \$ 1,116,311 | Market comparable companies | Discount for lack of marketability | 20%~30% | The higher the discount for lack of marketability, the lower the fair value |

| | Fair value at March 31, 2021 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|--------------------------------------|---------------------------------|-----------------------------------|---------------------------------------|-----------------------------|--|
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | \$ 1,198,722 | Market comparable companies | Discount for lack of marketability | 20%~30% | The higher the discount for lack of marketability, the lower the fair value |

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and liabilities categorised within Level 3, there is no significant impact to other comprehensive income on March 31, 2022, December 31, 2021 and March 31, 2021 if the net asset value increase or decrease by 1%.

(4) Other matters

The Group's financial condition and financial performance were not affected by the Covid-19 outbreak and various preventive measures which were imposed by the government in the first quarter of 2022.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

For the three months ended March 31, 2021, except for financial statements of CU, FII, FUII, Zhi De Investment, FGEDG, FGEKS, DGFQ, FG XuZhou, FOXLINK, FIT Holding, FGEKS, FGEDG, DGFQ, PQI, Foxlink Image, Glory Science, APIX, AITL, Shinfox, Foxwell Energy, Sinocity, DG, PQI YANCHENG, PQI (Xuzhou), Dongguan Fu Wei, GLORY TEK, GLORY OPTICS, GLORY TEK (SAMOA), GLORY TEK SCIENSE INDIA, Glorytek Suzhou, GOYC, Glorytek Yancheng and YYWT which were reviewed by independent auditors, the financial statements of other subsidiaries were not reviewed by independent auditors.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

For the information on investees, except for current profit (loss) for the three months ended March 31, 2022 that is translated using the monthly average exchange rate in 2022, others are translated using the spot rate at March 31, 2022.

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Processing on order plant invested in Mainland China:

In 1997, the Company rented plants located in Shenzhen and Dongguan, Guangdong Province, Mainland China, respectively, through the investee, CU International Ltd. and operated the plants through processing on order. The plants were primarily engaged in the manufacture of electronic telecommunication components and electric wire, under Cu International Ltd. without their own corporate entity for the operating period ended December 2017. As of May 5, 2022, the plants are still under the cancellation process.

B. Investee in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of March 31, 2021, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 8.

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:

(a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

| Company name | General ledger account | Three months ended March 31, 2022 | |
|---|------------------------|--------------------------------------|-------------------------------|
| | | Amount | Percentage of total amount |
| Dongguan Fuqiang Electronics Co., Ltd. | Purchases of goods | \$ 4,954,694 | 44% |
| Fugang Electronic (Dongguan) Co., Ltd. | Purchases of goods | \$ 2,589,876 | 23% |
| Fugang Electric (Xuzhou) Co., Ltd. | Purchases of goods | \$ 2,000,904 | 18% |
| Fushineng Electronics (Kunshan) Co., Ltd. | Purchases of goods | \$ 804,784 | 7% |
| Fugang Electric (Kunshan) Co., Ltd. | Purchases of goods | \$ 430,559 | 4% |
| Fugang Electric (Maanshan) Co., Ltd. | Purchases of goods | \$ 69,669 | 1% |
| Foxlink Automotive Technology (Kunshan) Co., Ltd. | Purchases of goods | \$ 51,001 | - |

| Company name | General ledger account | March 31, 2022 | |
|---|------------------------|----------------|----------------------------|
| | | Amount | Percentage of total amount |
| Fugang Electronic (Dongguan) Co., Ltd. | Accounts payable | \$ 2,441,898 | 9% |
| Fugang Electric (Xuzhou) Co., Ltd. | Accounts payable | \$ 1,822,058 | 7% |
| Fushineng Electronics (Kunshan) Co., Ltd. | Accounts payable | \$ 1,539,057 | 6% |
| Fu Gang Electronic (Nan Chang) Co., Ltd. | Accounts payable | \$ 1,177,795 | 4% |
| Fugang Electric (Maanshan) Co., Ltd. | Accounts payable | \$ 183,545 | 1% |
| Fuqiang Electric (Yancheng) Co., Ltd. | Accounts payable | \$ 117 | - |

- (b) Balance and purpose of provision of endorsements/guarantees or collateral at the end of the period: Please refer to table 2.
- (c) Maximum balance, ending balance, interest rate range and interest for financing during the three months and as at March 31, 2022: Please refer to table 1.
- (d) Other transactions that have a significant impact on the profit/loss of current period or on the financial condition, such as the rendering or receiving of service:

| Company name | General ledger account | Three months ended March 31, 2022 | |
|---|---|-----------------------------------|----------------------------|
| | | Amount | Percentage of total amount |
| Dongguan Fuqiang Electronics Co., Ltd. | Raw materials purchased on behalf of others | \$ 2,340,108 | 33% |
| Fugang Electric (Xuzhou) Co., Ltd. | Raw materials purchased on behalf of others | \$ 2,258,832 | 32% |
| Fugang Electronic (Dongguan) Co., Ltd. | Raw materials purchased on behalf of others | \$ 1,647,059 | 23% |
| Fushineng Electronics (Kunshan) Co., Ltd. | Raw materials purchased on behalf of others | \$ 331,975 | 5% |
| Fugang Electric (Kunshan) Co., Ltd. | Raw materials purchased on behalf of others | \$ 235,193 | 3% |
| Foxlink Automotive Technology (Kunshan) Co., Ltd. | Raw materials purchased on behalf of others | \$ 83,189 | 1% |
| Fugang Electric (Maanshan) Co., Ltd. | Raw materials purchased on behalf of others | \$ 53,973 | 1% |

| | | Three months ended March 31, 2022 | |
|--|--|--------------------------------------|-------------------------------|
| Company name | General ledger account | Amount | Percentage of total amount |
| Fugang Electric (Xuzhou) Co., Ltd. | Fixture and equipment purchased on behalf of others | \$ 9,287 | 24% |
| Fushineng Electronics (Kunshan) Co., Ltd. | Fixture and equipment purchased on behalf of others | \$ 3,690 | 9% |
| Dongguan Fuqiang Electronics Co., Ltd. | Fixture and equipment purchased on behalf of others | \$ 1,610 | 4% |
| Fugang Electronic (Dongguan) Co., Ltd. | Fixture and equipment purchased on behalf of others | \$ 225 | 1% |
| | | March 31, 2022 | |
| Company name | General ledger account | Amount | Percentage of total amount |
| Fugang Electric (Xuzhou) Co., Ltd. | Other receivables | \$ 2,804,974 | 32% |
| Dongguan Fuqiang Electronics Co., Ltd. | Other receivables | \$ 1,526,426 | 18% |
| Fushineng Electronics (Kunshan) Co., Ltd. | Other receivables | \$ 1,510,049 | 17% |
| Fugang Electric (Maanshan) Co., Ltd. | Other receivables | \$ 433,829 | 5% |
| Fugang Electric (Kunshan) Co., Ltd. | Other receivables | \$ 326,786 | 4% |
| Foxlink Automotive Technology (Kunshan) Co., Ltd. | Other receivables | \$ 183,640 | 2% |
| Fu Gang Electronic (Nan Chang) Co., Ltd. | Other receivables | \$ 59,645 | 1% |
| Fuqiang Electric (Yancheng) Co., Ltd. | Other receivables | \$ 12,169 | - |
| Fugang Electric (Yancheng) Co., Ltd. | Other receivables | \$ 446 | - |

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group has classified the reportable operating segments based on product types. The Company's operations and segmentation are both developed according to the product types. The current main product types are: 3C component, systems and peripheral products, 3C product retail and others.

(2) Measurement of segment information

The Board of Directors of the Group uses operating profit to measure the operating segments and as evaluation basis of the segments' performance.

(3) Segment information

The financial information of reportable segments provided to Chief Operating Decision-Maker is as follows:

Three months ended March 31, 2022

| | 3C component department | Systems and peripheral products department | 3C product retail department | Energy service management | Adjustments | Total |
|------------------------------------|----------------------------|---|------------------------------------|------------------------------|---------------------|----------------------|
| External Revenue | \$ 6,643,374 | \$ 6,671,562 | \$ 3,626,185 | \$ 819,109 | \$ - | \$ 17,760,230 |
| Revenue from Internal Customers | <u>375,317</u> | <u>27,658</u> | <u>-</u> | <u>-</u> | <u>(402,975)</u> | <u>-</u> |
| Segment Revenue | <u>\$ 7,018,691</u> | <u>\$ 6,699,220</u> | <u>\$ 3,626,185</u> | <u>\$ 819,109</u> | <u>(\$ 402,975)</u> | <u>\$ 17,760,230</u> |
| Segment (Loss) Profit | <u>(\$ 366,046)</u> | <u>\$ 217,816</u> | <u>\$ 76,161</u> | <u>\$ 29,330</u> | <u>\$ -</u> | <u>(\$ 42,739)</u> |

Three months ended March 31, 2021

| | 3C component department | Systems and peripheral products department | 3C product retail department | Energy service management | Adjustments | Total |
|------------------------------------|----------------------------|---|------------------------------------|------------------------------|---------------------|----------------------|
| External Revenue | \$ 7,685,494 | \$ 7,837,291 | \$ 3,774,016 | \$ 577,361 | \$ - | \$ 19,874,162 |
| Revenue from Internal Customers | <u>391,455</u> | <u>981</u> | <u>-</u> | <u>-</u> | <u>(392,436)</u> | <u>-</u> |
| Segment Revenue | <u>\$ 8,076,949</u> | <u>\$ 7,838,272</u> | <u>\$ 3,774,016</u> | <u>\$ 577,361</u> | <u>(\$ 392,436)</u> | <u>\$ 19,874,162</u> |
| Segment (Loss) Profit | <u>(\$ 268,573)</u> | <u>\$ 91,331</u> | <u>\$ 90,956</u> | <u>\$ 345,820</u> | <u>\$ -</u> | <u>\$ 259,534</u> |

(4) Reconciliation for segment profit (loss)

The external revenue and segment profit (loss) reported to the chief operating decision-maker are measured in manner consistent with revenue and profit (loss) before tax in the financial statements. Therefore, no reconciliation was needed.

Cheng Uei Precision Industry Co., Ltd.
Loans to others
Three months ended March 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 | Balance at March 31, 2022 | Actual amount drawn down | Interest rate | Nature of loan (Note 1) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 2) | Ceiling on total loans granted (Note 3) | Footnote |
|--------|--|--|-----------------------------------|--------------------|--|---------------------------|--------------------------|---------------|-------------------------|--|---------------------------------|---------------------------------|------------|-------|---|---|----------|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Foxwell Energy Corporation Ltd. | Other receivables | Yes | \$ 3,000,000 | \$ - | \$ - | 1.6% | 2 | \$ - | Operations | \$ - | - | \$ - | \$ 4,669,802 | \$ 9,339,604 | |
| 1 | Fugang Electric (Kunshan) Co., Ltd. | FUQIANG ELECTRIC (YANCHENG) CO., LTD. | Other receivables-related parties | Yes | 27,036 | 27,036 | 27,036 | - | 2 | - | Operations | - | - | - | 3,291,863 | 3,291,863 | |
| 2 | World Circuit Technology Co., Ltd. | Cheng Uei Precision Industry Co., Ltd. | Other receivables-related parties | Yes | 60,000 | 60,000 | 60,000 | - | 2 | - | Operations | - | - | - | 264,926 | 264,926 | |
| 2 | World Circuit Technology Co., Ltd. | Suntain Co., Ltd. | Other receivables | Yes | 40,000 | 40,000 | 40,000 | - | 2 | - | Operations | - | - | - | 264,926 | 264,926 | |
| 3 | Culink Tianjin Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Other receivables-related parties | Yes | 225,300 | 225,300 | 225,300 | - | 2 | - | Operations | - | - | - | 242,315 | 242,315 | |
| 4 | Foxlink Energy (Tianjin) Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Other receivables-related parties | Yes | 169,416 | - | - | - | 2 | - | Operations | - | - | - | 181,421 | 181,421 | |
| 5 | Foxlink International Investment Ltd. | Microlink Communications Inc. | Other receivables | Yes | 55,000 | 55,000 | 55,000 | - | 2 | - | Operations | - | - | - | 3,971,400 | 3,971,400 | |
| 5 | Foxlink International Investment Ltd. | Microlink Communications Inc. | Other receivables | Yes | 57,250 | 57,250 | 57,250 | 1% | 2 | - | Operations | - | - | - | 3,971,400 | 3,971,400 | |
| 6 | Fu Uei International Investment Ltd. | Foxlink International Investment Ltd. | Other receivables | Yes | 30,000 | 30,000 | 30,000 | - | 2 | - | Operations | - | - | - | 2,845,771 | 2,845,771 | |
| 6 | Fu Uei International Investment Ltd. | FOXLINK ARIZONA INC. | Other receivables | Yes | 114,500 | 114,500 | 57,250 | 1% | 2 | - | Operations | - | - | - | 2,845,771 | 2,845,771 | |
| 7 | FOXLINK TECHNOLOGY LIMITED | Cheng Uei Precision Industry Co., Ltd. | Other receivables | Yes | 114,500 | 114,500 | 114,500 | - | 2 | - | Operations | - | - | - | 832,976 | 832,976 | |
| 7 | FOXLINK TECHNOLOGY LIMITED | CU INTERNATIONAL LTD. | Other receivables | Yes | 626,888 | 626,888 | 626,888 | - | 2 | - | Operations | - | - | - | 832,976 | 832,976 | |
| 8 | Foxlink Tianjin Co., Ltd. | Fugang Electronic (Kunshan) Co., Ltd. | Other receivables | Yes | 393,120 | 360,480 | 360,480 | - | 2 | - | Operations | - | - | - | 1,937,278 | 1,937,278 | |
| 8 | Foxlink Tianjin Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Other receivables | Yes | 247,830 | 247,830 | 247,830 | - | 2 | - | Operations | - | - | - | 1,937,278 | 1,937,278 | |
| 8 | Foxlink Tianjin Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | Other receivables | Yes | 130,320 | - | - | - | 2 | - | Operations | - | - | - | 1,937,278 | 1,937,278 | |
| 9 | Zhi De Investment Co., Ltd. | CU INTERNATIONAL LTD. | Other receivables | Yes | 100,000 | 100,000 | 100,000 | 1% | 2 | - | Operations | - | - | - | 562,514 | 562,514 | |
| 10 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | Other receivables | Yes | 202,770 | 202,770 | 202,770 | - | 2 | - | Operations | - | - | - | 9,505,578 | 9,505,578 | |
| 10 | Dongguan Fuqiang Electronics Co., Ltd. | FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | Other receivables | Yes | 168,975 | 168,975 | 168,975 | - | 2 | - | Operations | - | - | - | 9,505,578 | 9,505,578 | |

| Number | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 | Balance at March 31, 2022 | Actual amount drawn down | Interest rate | Nature of loan (Note 1) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 2) | Ceiling on total loans granted (Note 3) | Footnote |
|--------|--|---|------------------------|--------------------|--|---------------------------|--------------------------|---|-------------------------|--|---------------------------------|---------------------------------|------------|-------|---|---|----------|
| | | | | | | | | | | | | | Item | Value | | | |
| 11 | Fugang Electronic (Dongguan) Co., Ltd. | FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | Other receivables | Yes | \$ 261,348 | \$ 261,348 | \$ 261,348 | - | 2 | \$ - | Operations | \$ - | - | \$ - | \$ 6,173,459 | \$ 6,173,459 | |
| 12 | Fuzhan Electronics (Shanghai) Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | Other receivables | Yes | 49,566 | 49,566 | 49,566 | - | 2 | - | Operations | - | - | - | 53,657 | 53,657 | |
| 13 | Fushineng Electronics (Kunshan) Co., Ltd. | FUQIANG ELECTRIC (YANCHENG) CO., LTD. | Other receivables | Yes | 36,048 | 36,048 | 36,048 | - | 2 | - | Operations | - | - | - | 1,315,820 | 1,315,820 | |
| 14 | Studio A Technology Limited | Kunshan Fugang Electric Trading Co., Ltd. | Other receivables | Yes | 109,680 | 109,680 | - | 2% | 2 | - | Operations | - | - | - | 481,711 | 481,711 | |
| 14 | Studio A Technology Limited | AShop Co., Ltd. | Other receivables | Yes | 114,500 | 114,500 | 57,250 | 2% | 2 | - | Operations | - | - | - | 481,711 | 481,711 | |
| 15 | FIT Holding Co., Ltd. | Foxwell Energy Corporation Ltd. | Other receivables | Yes | 900,000 | 900,000 | - | 1.5% | 2 | - | Operations | - | - | - | 2,188,695 | 2,918,260 | |
| 16 | Foxlink Image Technology Co., Ltd. | Glory Science Co., Ltd. | Other receivables | Yes | 300,000 | 300,000 | 300,000 | 1.2% | 2 | - | Operations | - | - | - | 930,094 | 930,094 | |
| 16 | Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Other receivables | Yes | 225,300 | 225,300 | 225,300 | 1.5% | 2 | - | Operations | - | - | - | 930,094 | 930,094 | |
| 16 | Foxlink Image Technology Co., Ltd. | Foxwell Energy Corporation Ltd. | Other receivables | Yes | 500,000 | 500,000 | - | 1.5% | 2 | - | Operations | - | - | - | 930,094 | 930,094 | |
| 17 | Glorytek (Suzhou) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Other receivables | Yes | 28,838 | 28,838 | 28,838 | 3% | 2 | - | Operations | - | - | - | 359,901 | 359,901 | |
| 17 | Glorytek (Suzhou) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Other receivables | Yes | 225,300 | 225,300 | 180,240 | 5% | 2 | - | Operations | - | - | - | 359,901 | 359,901 | |
| 18 | Shinfox Energy Co., Ltd. | Foxwell Energy Corporation Ltd. | Other receivables | Yes | 300,000 | 300,000 | - | Average borrowing interest rate plus 0.1% | 2 | - | Group's capital management | - | - | - | 2,371,381 | 2,371,381 | |
| 19 | Power Quotient Technology (Yancheng) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Other receivables | Yes | 540,720 | 540,720 | 540,720 | 1.5% | 2 | - | Group's capital management | - | - | - | 722,387 | 722,387 | |

†結束列

Note 1: The numbers as follows represent the nature of loan:

- (1) Business transaction is labelled as "1".
- (2) Short-term financing is labelled as "2".

Note 2: (1) Limit on loans granted to a single party is 20% of the Company's net asset value.

- (2) Limit on loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding Co., Ltd. is 40% of their net asset value.
- (3) Limit on loans granted to direct or indirect holding foreign subsidiaries is 100% of their net asset value.
- (4) Limit on loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Limit on loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 30% of FIT Holding Co., Ltd.'s net asset value on recent financial report.

Note 3: (1) Ceiling on total loans granted to the company is 40% of the Company's net asset value.

- (2) Ceiling on total loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding is 40% of their net asset value.
- (3) Ceiling on total loans granted to the direct or indirect holding subsidiaries is 100% of their net asset value.
- (4) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Ceiling on total loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 40% of their net asset value on recent financial report.

Cheng Uei Precision Industry Co., Ltd.
Provision of endorsements and guarantees to others
Three months ended March 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number | Endorser/ guarantor | Party being endorsed/guaranteed | | Limit on endorsements/ guarantees provided for a single party (Note 1) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2022 | Outstanding endorsement/ guarantee amount at March 31, 2022 | Actual amount drawn down | Amount of endorsements /guarantees secured with collateral | Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company | Ceiling on total amount of endorsements /guarantees provided (Note 2) | Provision of endorsements /guarantees by parent company to subsidiary | Provision of endorsements /guarantees by subsidiary to parent company | Provision of endorsements /guarantees to the party in Mainland China | Footnote |
|--------|--|---|--|---|---|---|-----------------------------|--|---|---|--|--|---|----------|
| | | Company name | Relationship with the endorser/guarantor | | | | | | | | | | | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FOXLINK INTERNATIONAL INCORPORATION | The Company's third-tier subsidiary | \$ 11,674,505 | \$ 927,450 | \$ 927,450 | \$ 73,767 | - | 3.97 | \$ 23,349,009 | Y | N | N | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | The Company's second-tier subsidiary | 11,674,505 | 1,351,800 | 1,351,800 | 1,351,800 | - | 5.79 | 23,349,009 | Y | N | Y | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Straight A Inc. | The Company's third-tier subsidiary | 9,339,604 | 2,003,750 | 2,003,750 | 75,728 | - | 8.58 | 23,349,009 | Y | N | N | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | ASHOP CO., LTD. | The Company's fourth-tier subsidiary | 9,339,604 | 572,500 | 572,500 | 131,389 | - | 2.45 | 23,349,009 | Y | N | N | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Studio A Inc. | The Company's second-tier subsidiary | 9,339,604 | 1,121,600 | 858,750 | 252,104 | - | 3.68 | 23,349,009 | Y | N | N | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Studio A Technology Limited | The Company's third-tier subsidiary | 9,339,604 | 1,205,720 | 429,375 | 95,035 | - | 1.84 | 23,349,009 | Y | N | N | |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Kunshan Fugang Electric Trading Co., Ltd. | The Company's third-tier subsidiary | 9,339,604 | 897,280 | 429,375 | 139,690 | - | 1.84 | 23,349,009 | Y | N | Y | |
| 1 | Fugang Electric (Kunshan) Co., Ltd. | Kunshan Fugang Electric Trading Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd.'s subsidiary | 9,339,604 | 76,602 | 76,602 | 76,602 | - | 0.33 | 23,349,009 | Y | N | Y | |
| 1 | Fugang Electric (Kunshan) Co., Ltd. | FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd.'s subing company | 11,674,505 | 1,236,672 | 1,236,672 | 1,236,672 | - | 5.30 | 23,349,009 | N | N | Y | |
| 2 | Studio A Inc. | Studio A Technology Limited | Studio A Inc.'s subsidiary | 9,339,604 | 266,380 | 186,063 | - | - | 0.80 | 23,349,009 | Y | N | N | |
| 3 | FOXLINK INTERNATIONAL IND. | FOXLINK ARIZONA INC. | FOXLINK INTERNATIONAL IND.'s sibling company | 11,674,505 | 493,037 | 493,037 | 493,037 | - | 2.11 | 23,349,009 | N | N | N | |
| 4 | FIT Holding Co., Ltd. | Power Quotient International Co., Ltd. | FIT Holding Co., Ltd.'s subsidiary | 10,943,478 | 536,222 | 536,222 | 266,222 | - | 7.35 | 10,943,478 | Y | N | N | |
| 4 | FIT Holding Co., Ltd. | Glory Science Co., Ltd. | FIT Holding Co., Ltd.'s subsidiary | 10,943,478 | 1,025,180 | 1,025,180 | 725,180 | - | 14.05 | 10,943,478 | Y | N | N | |
| 4 | FIT Holding Co., Ltd. | FIT Holding Co., Ltd. | FIT Holding Co., Ltd.'s subsidiary | 10,213,912 | 3,000,000 | 3,000,000 | - | - | 41.12 | 10,943,478 | Y | N | N | |

| Number | Endorser/ guarantor | Party being endorsed/guaranteed | | Limit on endorsements/ guarantees provided for a single party (Note 1) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2022 | Outstanding endorsement/ guarantee amount at March 31, 2022 | Actual amount drawn down | Amount of endorsements /guarantees secured with collateral | Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company | Ceiling on total amount of endorsements /guarantees provided (Note 2) | Provision of endorsements /guarantees by parent company to subsidiary | Provision of endorsements /guarantees by subsidiary to parent company | Provision of endorsements /guarantees to the party in Mainland China | Footnote |
|--------|--|--|---|---|---|---|-----------------------------|--|---|---|--|--|---|----------|
| | | Company name | Relationship with the endorser/guarantor | | | | | | | | | | | |
| 5 | Foxlink Image Technology Co., Ltd. | Power Quotient International Co., Ltd. | Foxlink Image Technology Co., Ltd.'s third-tier subsidiary | \$ 3,255,329 | \$ 600,000 | \$ 600,000 | \$ 500,000 | - | 8.22 | \$ 3,487,853 | N | N | N | |
| 5 | Foxlink Image Technology Co., Ltd. | Glory Science Co., Ltd. | Foxlink Image Technology Co., Ltd.'s sibling company | 3,255,329 | 300,000 | 300,000 | 300,000 | - | 4.11 | 3,487,853 | N | N | N | |
| 5 | Shinfox Energy Co., Ltd. | Foxwell Energy Corporation Ltd. | Shinfox Energy Co., Ltd. 's sibling company | 8,892,681 | 4,700,000 | 3,780,000 | 3,780,000 | - | 51.81 | 8,892,681 | Y | N | N | |

Note 1: Calculation for limit on endorsements/guarantees provided for a single party is as follows:

- (1) For subsidiaries whose shares are 90% or above held by the Company, ceiling on total amount of endorsements and guarantees provided by the Company is 50% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 40% of the Company's net asset value.
- (2) For FIT Holding Co.,Ltd., limit on endorsements and guarantees for a single party is 140% of FIT Holding Co.,Ltd.'s current net asset value and for subsidiary whose equity is no less than 90% held by FIT Holding Co.,Ltd., is 150% of FIT Holding Co.,Ltd.'s net asset value.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Note 2: Calculation for limit on endorsements/guarantees provided is as follows:

- (1) The Company's and subsidiaries' endorsements and guarantees to others should not exceed 100% of the Company's net asset value.
- (2) FIT Holding Co.,Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 150% of FIT Holding Co., Ltd.'s net asset value in the latest financial statements.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Cheng Uei Precision Industry Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | As of March 31, 2022 | | | | Footnote |
|---|--|---|---|--|------------|------------------|------------|----------|
| | | | | Number of shares (in thousand shares) | Book value | Ownership (%) | Fair value | |
| Fu Uei International Investment Ltd. | Trinity Investment Corporation | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 3,000 | \$ 30,000 | 10.00 | \$ 30,000 | |
| Fu Uei International Investment Ltd. | ADE TECHNOLOGY INC. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 500 | 11,500 | 1.45 | 11,500 | |
| CULINK INTERNATIONAL LTD. | Gamma 2 Robotics, Inc. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 862 | - | 9.00 | - | |
| CULINK INTERNATIONAL LTD. | OCCIPITAL,INC | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 389 | - | 2.50 | - | |
| CULINK INTERNATIONAL LTD. | V5 SYSTEMS ,INC | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 1,460 | - | 4.63 | - | |
| CULINK INTERNATIONAL LTD. | Motiv Inc | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 273 | - | 1.70 | - | |
| CULINK INTERNATIONAL LTD. | LeadSun WINION Limited | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 3,000 | 85,875 | 40.07 | 85,875 | |
| CULINK INTERNATIONAL LTD. | MedWand Solutions Inc. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 63 | - | 2.89 | - | |
| FOXLINK TECHNOLOGY LIMITED | LEADSUN NEW STAR CORP. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 875 | 17,846 | 12.50 | 17,846 | |
| Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. | Dongguan PowerWise Technology Co., Ltd. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 1,250 | 135,180 | 4.00 | 135,180 | |
| Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. | Hebei Gellec New Energy Science&technology Co.,Ltd. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 3,333 | 90,120 | 0.81 | 90,120 | |
| Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. | Changzhou Qitai No.1 Venture Capital Partnership (Limited Partnership) | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | 20,000 | 90,120 | 6.67 | 90,120 | |
| Foxlink Tianjin Co., Ltd. | Changde Fubo Intelligent Technology Co., Ltd. | An investee of the Company | Financial assets at fair value through other comprehensive income-non-current | - | 4,281 | 9.50 | 4,281 | |
| FIT Holding Co., Ltd. | Foxwell Energy Co., Ltd. | N/A | Financial assets at fair value through other comprehensive income-non-current | 21,000 | 210,529 | 14.00 | 210,529 | |
| Foxlink Image Technology Co., Ltd. | TAIWAN STAR TELECOM CORPORATION LIMITED | N/A | Financial assets at fair value through other comprehensive income-non-current | 50,000 | 225,400 | 0.78 | 225,400 | |

| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | As of March 31, 2022 | | | | Footnote |
|---|--|---|---|--|------------|------------------|------------|----------|
| | | | | Number of shares (in thousand shares) | Book value | Ownership (%) | Fair value | |
| Foxlink Image Technology Co., Ltd. | Wellgen Medical Co., Ltd. | N/A | Financial assets at fair value through other comprehensive income-non-current | 1,500 | \$ - | 15.56 | \$ - | |
| Power Quotient International Co., Ltd. | SAINT SONG CORP. | N/A | Financial assets at fair value through other comprehensive income-non-current | 127 | - | 1.05 | - | |
| Power Quotient International Co., Ltd. | OURS TECHNOLOGY INC. | N/A | Financial assets at fair value through other comprehensive income-non-current | 13 | - | 0.21 | - | |
| Power Quotient International Co., Ltd. | INNOPLUS CO., LTD. | N/A | Financial assets at fair value through other comprehensive income-non-current | 160 | - | 12.00 | - | |
| Power Quotient International Co., Ltd. | TAIWAN STAR TELECOM CORPORATION LIMITED | N/A | Financial assets at fair value through other comprehensive income-non-current | 50,000 | 225,400 | 0.78 | 225,400 | |
| Power Quotient International Co., Ltd. | STACK DEVICES CORPORATION | N/A | Financial assets at fair value through other comprehensive income-non-current | 70 | - | 0.11 | - | |
| POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd. | Jiangsu Foxlink New Energy Technology Co.,Ltd. | N/A | Financial assets at fair value through other comprehensive income-non-current | - | 76,230 | 12.90 | 76,230 | |
| Shinfox Energy Co., Ltd. | Corvus Energy Ltd. | N/A | Financial assets at fair value through other comprehensive income-non-current | 22 | - | 0.04 | - | |
| Shinfox Energy Co., Ltd. | SEC INTERNATIONAL INC. | N/A | Financial assets at fair value through other comprehensive income-non-current | 54 | - | 9.00 | - | |
| Foxwell Energy Corporation Ltd. | Full Entertainment Marketing Co., Ltd. | N/A | Financial assets at fair value through other comprehensive income-non-current | 300 | - | 3.00 | - | |

Cheng Uei Precision Industry Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Three months ended March 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms compared to third party transactions | | Notes/accounts receivable (payable) | | Footnote |
|---|---|---|-------------------|----------------|---------------------------------------|-------------|---|-------------|-------------------------------------|------------------------------------|----------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts | |
| The Company | FOXLINK INTERNATIONAL INC. | The Company's third-tier subsidiary | Sales | (\$ 2,390,537) | (21) | Note 1 | Note 1 | Note 1 | \$ 1,578,120 | 5 | |
| The Company | Hon Hai Precision Industry Co., Ltd.. | This company's director is the second-degree relative of the Company's chairman | Sales | (197,906) | (2) | Note 1 | Note 1 | Note 1 | 450,986 | 1 | |
| The Company | Dongguan Fuqiang Electronics Co., Ltd. | The Company's second-tier subsidiary | Purchases | 4,954,694 | 44 | Note 2 | Note 2 | Note 2 | - | - | |
| The Company | Fugang Electronic (Dongguan) Co., Ltd. | The Company's second-tier subsidiary | Purchases | 2,589,876 | 23 | Note 2 | Note 2 | Note 2 | (2,441,898) | (9) | |
| The Company | Fugang Electric (Kunshan) Co., Ltd. | The Company's second-tier subsidiary | Purchases | 430,559 | 4 | Note 2 | Note 2 | Note 2 | - | - | |
| The Company | Fushineng Electronics (Kunshan) Co., Ltd. | The Company's second-tier subsidiary | Purchases | 804,784 | 7 | Note 2 | Note 2 | Note 2 | (1,539,057) | (6) | |
| The Company | FUGANG ELECTRIC (XUZHOU) Co., Ltd. | The Company's second-tier subsidiary | Purchases | 2,000,904 | 18 | Note 2 | Note 2 | Note 2 | (1,822,058) | (7) | |
| The Company | Hon Hai Precision Industry Co., Ltd.. | This company's chairman is the second-degree relative of the Company's chairman | Purchases | 145,174 | 1 | Note 2 | Note 2 | Note 2 | (26,455) | - | |
| FOXLINK INTERNATIONAL INC. | The Company | This company is the ultimate parent company of the company | Purchases | 2,390,537 | 100 | Note 2 | Note 2 | Note 2 | (1,578,120) | (82) | |
| Dongguan Fuqiang Electronics Co., Ltd. | The Company | This company is the ultimate parent company of the company | Sales | (4,954,694) | (95) | Note 1 | Note 1 | Note 1 | - | - | |
| Fugang Electronic (Dongguan) Co., Ltd. | The Company | This company is the ultimate parent company of the company | Sales | (2,589,876) | (86) | Note 1 | Note 1 | Note 1 | 2,441,898 | 47 | |
| Fugang Electric (Kunshan) Co., Ltd. | The Company | This company is the ultimate parent company of the company | Sales | (430,559) | (67) | Note 1 | Note 1 | Note 1 | - | - | |
| Fushineng Electronics (Kunshan) Co., Ltd. | The Company | This company is the ultimate parent company of the company | Sales | (804,784) | (82) | Note 1 | Note 1 | Note 1 | 1,539,057 | 86 | |

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms compared to third party transactions | | Notes/accounts receivable (payable) | | Footnote |
|--|--|--|-------------------|----------------|---------------------------------------|-------------|---|-------------|-------------------------------------|------------------------------------|----------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts | |
| FUGANG ELECTRIC (XUZHOU) Co., Ltd. | The Company | This company is the ultimate parent company of the company | Sales | (\$ 2,000,904) | (95) | Note 1 | Note 1 | Note 1 | \$ 1,822,058 | 94 | |
| Fugang Electronic (Dongguan) Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | Sales | (110,214) | (4) | Note 1 | Note 1 | Note 1 | - | - | |
| Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | Affiliated company | Purchases | 110,214 | 4 | Note 2 | Note 2 | Note 2 | - | - | |
| Kunshan Fugang Electric Trading Co., Ltd. | Shanghai Fugang Electric Trading Co., Ltd. | Affiliated company | Sales | (294,551) | (52) | Note 1 | Note 1 | Note 1 | 279,133 | 100 | |
| Shanghai Fugang Electric Trading Co., Ltd. | Kunshan Fugang Electric Trading Co., Ltd. | Affiliated company | Purchases | 294,551 | 55 | Note 2 | Note 2 | Note 2 | (279,133) | (100) | |

Note 1: Please refer to Note 7(2)A. for the details.

Note 2: Please refer to Note 7(2)B. for the details.

Note 3: Shinfox Power Co., Ltd. became a non-related party since May 20, 2021. Please refer to Note 7(1) for the details.

Cheng Uei Precision Industry Co., Ltd.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
March 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2022 | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|---|---|--|------------------------------|---------------|---------------------|--------------|---|---------------------------------|
| | | | | | Amount | Action taken | | |
| The Company | FOXLINK INTERNATIONAL INC. | The Company's third-tier subsidiary | \$ 1,578,120 | 1.51 | None | N/A | \$ 771,610 | None |
| The Company | Fushineng Electronics (Kunshan) Co., Ltd. | The Company's second-tier subsidiary | 1,510,049 | Note 1 | None | N/A | - | None |
| The Company | Hon Hai Precision Industry Co., Ltd. | The directors of the company are within the second degree relatives of the Chairman of the Company | 450,986 | 0.44 | None | N/A | - | None |
| The Company | Fugang Electric (Kunshan) Co., Ltd. | The Company's second-tier subsidiary | 326,786 | Note 1 | None | N/A | - | None |
| The Company | Foxlink Automotive Technology (Kunshan) Co., Ltd. | The Company's second-tier subsidiary | 183,640 | Note 1 | None | N/A | - | None |
| The Company | FUGANG ELECTRIC (XUZHOU) CO., Ltd. | The Company's second-tier subsidiary | 2,804,974 | Note 1 | None | N/A | - | None |
| The Company | Fugang Electronic (MAANSHAN) Co., Ltd. | The Company's second-tier subsidiary | 433,829 | Note 1 | None | N/A | - | None |
| The Company | Dongguan Fuqiang Electronics Co., Ltd. | The Company's second-tier subsidiary | 1,526,426 | Note 1 | None | N/A | 1,526,426 | None |
| The Company | SINOBEST BROTHERS LIMITED | The Company's subsidiary | 213,068 | Note 1 | None | N/A | - | None |
| The Company | FOXLINK INDIA ELECTRIC PRIVATE LIMITED | The Company's second-tier subsidiary | 880,456 | Note 1 | None | N/A | - | None |
| SINOBEST BROTHERS LIMITED | The Company | The Company's subsidiary | 127,353 | 0.00 | None | N/A | - | None |
| Fushineng Electronics (Kunshan) Co., Ltd. | The Company | This company is the ultimate parent company of the company | 1,539,057 | 0.52 | None | N/A | - | None |
| Fu Gang Electronic (Nan Chang) Co., Ltd. | The Company | This company is the ultimate parent company of the company | 1,177,795 | 0.00 | None | N/A | - | None |
| Fugang Electronic (Dongguan) Co., Ltd. | The Company | This company is the ultimate parent company of the company | 2,441,898 | 1.06 | None | N/A | - | None |
| Fugang Electronic (MAANSHAN) Co., Ltd. | The Company | This company is the ultimate parent company of the company | 183,545 | 0.38 | None | N/A | - | None |
| FUGANG ELECTRIC (XUZHOU) CO., Ltd. | The Company | This company is the ultimate parent company of the company | 1,822,058 | 1.10 | None | N/A | - | None |

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2022 | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|---|--|------------------------------------|------------------------------|---------------|---------------------|---|---|---------------------------------|
| | | | | | Amount | Action taken | | |
| Zhi De Investment Co., Ltd. | CU INTERNATIONAL LTD. | Affiliated company | \$ 101,896 | Note 1 | \$ 100,000 | Overdue receivable are expected to be gradually collected in 2023 | \$ - | None |
| CU INTERNATIONAL LTD. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | 133,626 | Note 1 | None | N/A | - | None |
| Fugang Electronic (Dongguan) Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | 284,205 | Note 1 | None | N/A | - | None |
| Fugang Electronic (Dongguan) Co., Ltd. | Fugang Electronic (MAANSHAN) Co., Ltd. | Affiliated company | 265,334 | Note 1 | 261,348 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electronic (MAANSHAN) Co., Ltd. | Affiliated company | 314,396 | Note 1 | 168,975 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | Affiliated company | 204,647 | Note 1 | 202,770 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | Affiliated company | 1,876,502 | 0.00 | None | N/A | - | None |
| Fugang Electric (Tianjin) Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | 225,300 | Note 1 | 225,300 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Fugang Electric (Kunshan) Co., Ltd. | Fugang Electronic (MAANSHAN) Co., Ltd. | Affiliated company | 304,904 | Note 1 | None | N/A | - | None |
| Fugang Electric (Kunshan) Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | Affiliated company | 106,155 | 0.23 | None | N/A | - | None |
| Fugang Electric (Tianjin) Ltd. | Fugang Electronic (Kunshan) Co., Ltd. | Affiliated company | 360,480 | Note 1 | 360,480 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Fugang Electric (Tianjin) Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | 249,674 | Note 1 | 247,830 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| Fugang Electric (Tianjin) Ltd. | CU INTERNATIONAL LTD. | Affiliated company | 360,157 | 0.00 | None | N/A | - | None |
| FOXLINK TECHNOLOGY LIMITED | CU INTERNATIONAL LTD. | Affiliated company | 626,888 | Note 1 | 626,888 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| FOXLINK TECHNOLOGY LIMITED | The Company | Affiliated company | 114,500 | Note 1 | 114,500 | Overdue receivable are expected to be gradually collected in 2023 | - | None |
| FUQIANG ELECTRIC (MAANSHAN) CO., LTD. | Dongguan Fuqiang Electronics Co., Ltd. | Affiliated company | 138,054 | 0.03 | None | N/A | - | None |
| Kunshan Fugang Electric Trading Co., Ltd. | Shanghai Fugang Electric Trading Co., Ltd. | Affiliated company | 279,133 | 1.06 | None | N/A | - | None |
| Foxlink Image Technology Co., Ltd. | Glory Science Co., Ltd. | Affiliated company | 300,000 | 註1 | None | N/A | - | None |

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2022 | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|---|------------------------------------|------------------------------------|------------------------------|---------------|---------------------|--------------|---|---------------------------------|
| | | | | | Amount | Action taken | | |
| Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliated company | \$ 225,300 | Note 1 | None | N/A | \$ - | None |
| Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliated company | 353,768 | 0.06 | None | N/A | - | None |
| Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliated company | 140,266 | Note 1 | None | N/A | - | None |
| Glory Science Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Affiliated company | 265,576 | Note 1 | None | N/A | - | None |
| Yancheng Yaowei Technology Co., Ltd. | Glorytek (Suzhou) Co., Ltd. | Affiliated company | 142,413 | 0.00 | None | N/A | - | None |
| Glorytek (Suzhou) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliated company | 185,782 | Note 1 | None | N/A | - | None |
| Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | Affiliated company | 281,695 | 3.08 | None | N/A | 63,084 | None |
| Dong Guan Fu Zhang Precision Industry Co., Ltd. | Foxlink Image Technology Co., Ltd. | Affiliated company | 168,882 | 0.87 | None | N/A | 15,771 | None |
| Power Quotient Technology (Yancheng) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Affiliated company | 540,720 | Note 1 | None | N/A | - | None |

Note 1: The turnover rate was not applicable as the receivables were recorded as other receivables.

Cheng Uei Precision Industry Co., Ltd.
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|--|---|--------------------------|------------------------|--------------|---|---|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FOXLINK INTERNATIONAL INC. | 1 | Sales | \$ 2,390,537 | Sales prices are based on the mutual agreement | 13 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FOXLINK INTERNATIONAL INC. | 1 | Accounts receivable | 1,578,120 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | 1 | Purchases | 4,954,694 | Purchase prices are based on the mutual agreement | 28 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Dongguan Fuqiang Electronics Co., Ltd. | 1 | Other receivables | 1,526,426 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | 1 | Purchases | 430,559 | Sales prices are based on the mutual agreement | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | 1 | Other receivables | 326,786 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fushineng Electronics (Kunshan) Co., Ltd. | 1 | Purchases | 804,784 | Sales prices are based on the mutual agreement | 5 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fushineng Electronics (Kunshan) Co., Ltd. | 1 | Other receivables | 1,510,049 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fushineng Electronics (Kunshan) Co., Ltd. | 1 | Accounts payable | 1,539,057 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | 1 | Purchases | 2,589,876 | Sales prices are based on the mutual agreement | 15 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | 1 | Accounts payable | 2,441,898 | The collections depend on the financial situation after offsetting the receivables against the payables | 3 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Foxlink Automotive Technology (Kunshan) Co., Ltd. | 1 | Other receivables | 183,640 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 0 | Cheng Uei Precision Industry Co., Ltd. | Fu Gang Electronic (Nan Chang) Co., Ltd. | 1 | Accounts payable | 1,177,795 | The collections depend on the financial situation after offsetting the receivables against the payables | 1 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FOXLINK TECHNOLOGY LIMITED | 1 | Other payables | 114,500 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | 1 | Other receivables | 433,829 | The collections depend on the financial situation after offsetting the receivables against the payables | 1 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | 1 | Accounts payable | 183,545 | The collections depend on the financial situation after offsetting the receivables against the payables | - |

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|--|---|--------------------------|------------------------|--------------|---|---|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FUGANG ELECTRIC (XUZHOU) Co., Ltd. | 1 | Other receivables | \$ 2,804,974 | The collections depend on the financial situation after offsetting the receivables against the payables | 3 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FUGANG ELECTRIC (XUZHOU) Co., Ltd. | 1 | Purchases | 2,000,904 | Sales prices are based on the mutual agreement | 11 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FUGANG ELECTRIC (XUZHOU) Co., Ltd. | 1 | Accounts payable | 1,822,058 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 0 | Cheng Uei Precision Industry Co., Ltd. | SINOBEST BROTHERS LIMITED | 1 | Other receivables | 213,068 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 0 | Cheng Uei Precision Industry Co., Ltd. | SINOBEST BROTHERS LIMITED | 1 | Accounts payable | 127,353 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 0 | Cheng Uei Precision Industry Co., Ltd. | FOXLINK INDIA ELECTRIC PRIVATE LIMITED | 1 | Other receivables | 880,456 | The collections depend on the financial situation after offsetting the receivables against the payables | 1 |
| 1 | CU INTERNATIONAL LTD. | Dongguan Fuqiang Electronics Co., Ltd. | 3 | Other receivables | 133,626 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 1 | CU INTERNATIONAL LTD. | Dongguan Fuqiang Electronics Co., Ltd. | 3 | Prepaid expenses | 161,379 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 1 | CU INTERNATIONAL LTD. | Foxlink Tianjin Co., Ltd. | 3 | Accounts payable | 360,157 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 1 | CU INTERNATIONAL LTD. | FOXLINK TECHNOLOGY LIMITED | 3 | Other payables | 626,888 | The collections depend on the financial situation after offsetting the receivables against the payables | 1 |
| 1 | CU INTERNATIONAL LTD. | Zhi De Investment Co., Ltd. | 3 | Other payables | 101,896 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 2 | Fugang Electric (Kunshan) Co., Ltd. | Foxlink Automotive Technology (Kunshan) Co., Ltd. | 3 | Prepaid expenses | 212,516 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 2 | Fugang Electric (Kunshan) Co., Ltd. | Fugang Electric (Maanshan) Co., Ltd. | 3 | Other receivables | 304,904 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 2 | Fugang Electric (Kunshan) Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | 3 | Accounts receivable | 106,155 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 2 | Fugang Electric (Kunshan) Co., Ltd. | Foxlink Tianjin Co., Ltd. | 3 | Other payables | 360,480 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | 3 | Purchases | 110,214 | Sales prices are based on the mutual agreement | 1 |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electronic (Dongguan) Co., Ltd. | 3 | Other payables | 284,205 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Maanshan) Co., Ltd. | 3 | Other payables | 314,396 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Maanshan) Co., Ltd. | 3 | Accounts payable | 138,054 | The collections depend on the financial situation after offsetting the receivables against the payables | - |

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|---|--|--------------------------|------------------------|------------|---|---|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | 3 | Other receivables | 204,647 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Fugang Electric (Kunshan) Co., Ltd. | 3 | Accounts receivable | 1,876,502 | The collections depend on the financial situation after offsetting the receivables against the payables | 2 |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Culink Tianjin Co., Ltd. | 3 | Other receivables | 225,300 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 3 | Dongguan Fuqiang Electronics Co., Ltd. | Foxlink Tianjin Co., Ltd. | 3 | Other receivables | 249,674 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 4 | Fugang Electronic (Dongguan) Co., Ltd. | Fugang Electric (Maanshan) Co., Ltd. | 3 | Accounts receivable | \$ 265,334 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 5 | Kunshan Fugang Electric Trading Co., Ltd. | Shanghai Fugang Electric Trading Co., Ltd. | 3 | Sales | 294,551 | Sales prices are based on the mutual agreement | 2 |
| 5 | Kunshan Fugang Electric Trading Co., Ltd. | Shanghai Fugang Electric Trading Co., Ltd. | 3 | Accounts receivable | 279,133 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 6 | Foxlink Image Technology Co., Ltd. | Glory Science Co., Ltd. | 3 | Accounts receivable | 300,000 | Based on the company's policy | - |
| 6 | Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 225,300 | Based on the company's policy | - |
| 7 | Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 265,576 | Based on the company's policy | - |
| 7 | Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 353,768 | Based on the company's policy | - |
| 7 | Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 140,266 | Based on the company's policy | - |
| 8 | Glorytek (Suzhou) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 185,782 | The collections depend on the financial situation after offsetting the receivables against the payables | - |
| 9 | Yancheng Yaowei Technology Co., Ltd. | Glorytek (Suzhou) Co., Ltd. | 3 | Accounts receivable | 142,413 | Based on the company's policy | - |
| 10 | Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Processing income | 206,064 | The flexible collection based on the financial situation | - |
| 10 | Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Accounts receivable | 281,695 | The flexible collection based on the financial situation | - |
| 11 | Dong Guan Fu Zhang Precision Industry Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Accounts receivable | 168,882 | The flexible collection based on the financial situation | - |
| 12 | Power Quotient Technology (Yancheng) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | 3 | Other receivables | 540,720 | Based on the company's policy | 1 |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure of the transactions of related party over \$100 million only and the related party transactions for counterparty are not disclosed.

Note 5: Transaction prices and terms are determined based on mutual agreement as no similar transaction can be compared with.

Cheng Uei Precision Industry Co., Ltd.
Information on investees
Three months ended March 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|-----------------------------|---------------------------------------|--------------------|--|------------------------------|---------------------------------|---------------------------------------|---------------|---------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| The Company | CU INTERNATIONAL LTD. | British Virgin IS. | Manufacture of electronic telecommunication components and reinvestment business | \$ 13,578,269 | \$ 13,188,969 | 474,350 | 100 | \$ 24,305,524 | (\$ 80,430) | (\$ 66,660) | |
| The Company | CULINK INTERNATIONAL LTD. | British Virgin IS. | Reinvestment business | 922,527 | 922,527 | 32,228 | 100 | 1,064,924 | 13,565 | 13,565 | |
| The Company | Foxlink International Investment Ltd. | Taiwan | General investments holdings | 3,350,000 | 3,350,000 | 408,750 | 100 | 3,699,334 | 19,937 | 19,937 | |
| The Company | Fu Uei International Investment Ltd. | Taiwan | General investments holdings | 3,850,000 | 3,550,000 | 385,000 | 100 | 2,833,489 | (8,351) | (8,351) | |
| The Company | Well Shin Technology Co., Ltd. | Taiwan | Manufacture and sale of electric wire and cable as well as electronic telecommunication components | 270,065 | 270,065 | 22,282 | 18.84 | 1,163,809 | 114,229 | 21,523 | |
| The Company | Darts Technologies Corporation | Taiwan | Manufacture of electronic telecommunication and wireless components | 762,566 | 762,566 | 42,086 | 97 | 824,605 | 22,653 | 21,840 | |
| The Company | DU Precision Industry Co., Ltd. | Taiwan | Sale of raw materials and products of various connectors | 600,000 | 600,000 | 60,000 | 100 | 57,695 | 8,782 | 8,782 | |
| The Company | FOXLINK TECHNOLOGY LIMITED. | HONG KONG | Reinvestment business | 316,975 | 316,975 | 86,700 | 100 | 844,584 | 474 | 474 | |
| The Company | Suntain Co., Ltd. | Taiwan | Electroplating processing services | 190,810 | 190,810 | 19,500 | 100 | 233,781 | 16,772 | 16,772 | |
| The Company | FOXLINK ARIZONA INC. | USA | Energy service management | 85,875 | - | 3,000 | 100 | 54,222 | (30,956) | (30,956) | |
| The Company | SINOBEST BROTHERS LIMITED | HONG KONG | Reinvestment business | 592,652 | 592,652 | 20,704 | 91.19 | 428,740 | (5,189) | (4,732) | |
| FOXLINK TECHNOLOGY LIMITED. | SINOBEST BROTHERS LIMITED | HONG KONG | Reinvestment business | 56,672 | 56,672 | 2,000 | 8.81 | 41,416 | (5,189) | (457) | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|---|---|-------------------|---|------------------------------|---------------------------------|---------------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| SINOBEST BROTHERS LIMITED | FOXLINK MYANMAR COMPANY LIMITED | Myanmar | Manufacture of electronic | \$ 649,902 | \$ 649,902 | 22,704 | 100 | \$ 490,501 | (\$ 4,911) | (\$ 4,911) | |
| DU Precision Industry Co., Ltd. | CELINK INTERNATIONAL LTD. | British Virgin IS | Sale of raw materials and products of various connectors | 473,343 | 473,343 | 16,536 | 100 | - | - | - | |
| Darts Technologies Corporation | BENEFIT RIGHT LTD. | British Virgin IS | General investments holdings | 281,842 | 281,842 | 9,846 | 100 | 868,216 | 22,650 | 22,650 | |
| BENEFIT RIGHT LTD. | POWER CHANNEL LIMITED | HONG KONG | General investments holdings | 220,699 | 220,699 | 6 | 64.25 | 812,946 | 35,218 | 22,627 | |
| CU INTERNATIONAL LTD. | NEW START INDUSTRIES LTD. | British Virgin IS | Reinvestment business | 246,175 | 246,175 | 8,600 | 100 | 3,067,589 | (54,146) | (54,146) | |
| CU INTERNATIONAL LTD. | FOXLINK TECHNICAL INDIA PRIVATE LIMITED | INDIA | Manufacture of electronic | 92,402 | 92,402 | 209,400 | 34.30 | 53,685 | (1,136) | (390) | |
| CU INTERNATIONAL LTD. | SOLTERAS LIMITED | British Virgin IS | Reinvestment business | 57,250 | 57,250 | 1,960 | 100 | - | - | - | |
| Foxlink Automotive Technology (Kunshan) Co., Ltd. | Foxlink Automotive Technology Co., Ltd. | Taiwan | Manufacture of electronic | 36,926 | 36,926 | 5,000 | 100 | 47,373 | (262) | (262) | |
| CULINK INTERNATIONAL LTD. | PACIFIC WEALTH LIMITED | Cayman Islands | General investments holdings | 28,625 | 28,625 | 1,000 | 100 | (96,747) | (1,109) | (1,109) | |
| CULINK INTERNATIONAL LTD. | Foxlink Technical India Private Ltd. | INDIA | Manufacture of electronic | 155,540 | 155,540 | 21,546 | 65.70 | 102,839 | (1,136) | (746) | |
| CULINK INTERNATIONAL LTD. | Foxlink Powerbank International Technology Private Ltd. | INDIA | Manufacture of electronic | 604 | 604 | 160 | 0.73 | 612 | 313 | 2 | |
| CULINK INTERNATIONAL LTD. | Glorytek Science India Private Limited | INDIA | Manufacture | 604 | 604 | 160 | 0.73 | 611 | 313 | 5 | |
| PACIFIC WEALTH LIMITED | FOXLINK INTERNATIONAL, INC | USA | Manufacture of electronic | 14,313 | 14,313 | 500 | 100 | (96,747) | (1,109) | (1,109) | |
| Foxlink Technical India Private Ltd. | Tegna Electronics Private Limited | INDIA | Manufacture | 11,332 | 11,332 | 3,001 | 10 | 13,295 | 7,511 | 384 | |
| Foxlink International Investment Ltd. | FIT Holding Co., Ltd. | Taiwan | General investments holdings | 1,517,670 | 1,517,670 | 58,303 | 23.67 | 1,656,548 | 132,338 | 30,283 | |
| Foxlink International Investment Ltd. | Yixin Precision Industry Co., Ltd. | Taiwan | Manufacture of electronic telecommunication components and electronic machinery equipment | 60,000 | 60,000 | 6,000 | 75 | - | - | - | |
| Foxlink International Investment Ltd. | Microlink Communications Inc. | Taiwan | Manufacture and sale of telecommunication equipment and apparatus | 80,000 | 80,000 | 6,857 | 21.43 | (21,817) | (1,427) | (306) | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|---------------------------------------|--|--------------------|--|------------------------------|---------------------------------|---------------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| Foxlink International Investment Ltd. | World Circuit Technology Co., Ltd. | Taiwan | Manufacture and sale of electronic telecommunication components and flexible printed circuit | \$ 469,500 | \$ 469,500 | 15,650 | 69.56 | \$ 184,271 | \$ 3,986 | \$ 2,772 | |
| Foxlink International Investment Ltd. | Central Motion Picture Corporation | Taiwan | Motion picture production | 900,000 | 900,000 | 15,000 | 13.60 | 1,525,133 | 5,300 | 742 | |
| Foxlink International Investment Ltd. | FOXLINK INDIA ELECTRIC PRIVATE LIMITED | INDIA | Manufacture of electronic | 160,662 | 160,662 | 31,439 | 11.57 | 77,605 | (70,917) | (8,207) | |
| Foxlink International Investment Ltd. | CYNC Design Co., Ltd. | Taiwan | Sales of electronic telecommunication components | 10,000 | 10,000 | 1,000 | 15.38 | 9,985 | 6 | 1 | |
| Foxlink International Investment Ltd. | FOXLINK VIETNAM CO., LTD. | Vietnam | Manufacture of electronic | 119,318 | 36,089 | 4,300 | 100 | 91,734 | (7,278) | (7,278) | |
| Foxlink Image Technology Co., Ltd. | Central Motion Picture Corporation | Taiwan | Motion picture production | 257,656 | 257,656 | 4,294 | 3.89 | 188,127 | 5,300 | 212 | |
| World Circuit Technology Co., Ltd. | VALUE SUCCESS LTD. | British Virgin IS. | Holding company and reinvestment business | 183,200 | 183,200 | 5,000 | 100 | 31,387 | (2) | (2) | |
| VALUE SUCCESS LTD. | CAPITAL GUARDIAN LIMITED | HONG KONG | Sales of electronic telecommunication components | 183,200 | 183,200 | 3,005 | 100 | 31,323 | (2) | (2) | |
| CAPITAL GUARDIAN LIMITED | World Circuit Technology (Hong Kong) Limited | HONG KONG | Sales of electronic telecommunication components | 31,858 | 31,858 | - | 100 | 35,368 | (2) | (2) | |
| Fu Uei International Investment Ltd. | FIT Holding Co., Ltd. | Taiwan | General investments holdings | 557,248 | 557,248 | 14,690 | 5.97 | 365,354 | 132,338 | 7,621 | |
| Fu Uei International Investment Ltd. | Studio A Inc. | Taiwan | Manufacture of electronic | 96,200 | 96,200 | 13,196 | 51 | 324,387 | 56,729 | 28,932 | |
| Fu Uei International Investment Ltd. | VA Product Inc. | Taiwan | Sales of electronic telecommunication components | 16,642 | 16,642 | 2,400 | 100 | 19,025 | 1,381 | 1,381 | |
| Fu Uei International Investment Ltd. | Zhi De Investment Co., Ltd. | Taiwan | General investments holdings | 2,184,388 | 2,184,388 | 170,918 | 100 | 562,514 | 10,961 | 10,961 | |
| Fu Uei International Investment Ltd. | CMPC Cultural & Creative Co., Ltd. | Taiwan | Venture capital industry | 150,000 | 150,000 | 15,000 | 42.86 | 117,936 | 435 | 372 | |
| Fu Uei International Investment Ltd. | Shinfox Energy Co., Ltd. | Taiwan | Mechanical installation and piping engineering | 373,810 | 373,810 | 13,335 | 9.10 | 539,631 | 42,345 | 3,854 | |
| Fu Uei International Investment Ltd. | FOXLINK INDIA ELECTRIC PRIVATE LIMITED | INDIA | Manufacture of electronic | 873,679 | 728,621 | 240,234 | 88.43 | 593,002 | (70,917) | (62,710) | |
| Zhi De Investment Co., Ltd. | FIT Holding Co., Ltd. | Taiwan | General investments holdings | 1,767,112 | 1,767,112 | 21,056 | 8.55 | 399,655 | 132,338 | 10,937 | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|------------------------------------|--|-------------------|--|------------------------------|---------------------------------|---------------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| Studio A Inc. | Tayih Digital Technology Co., Ltd. | Taiwan | Manufacture of electronic | \$ 3,000 | \$ 3,000 | 300 | 60 | \$ - | \$ - | \$ - | |
| Studio A Inc. | Straight A Inc. | Taiwan | Sales of electronic telecommunication components | 101,230 | 66,600 | 10,123 | 100 | 133,198 | 15,079 | 15,079 | |
| Studio A Inc. | Studio A Technology Limited | HONG KONG | Sales of electronic telecommunication components | 9,323 | 9,323 | 2,550 | 51 | 245,672 | 8,190 | 4,177 | |
| Studio A Inc. | Jing Jing Technology Co., Ltd. | Taiwan | Sales of electronic telecommunication components | 3,700 | 3,700 | 370 | 100 | 7,957 | 5 | 5 | |
| Studio A Inc. | Junezhe Co., Ltd | Taiwan | Dredging industry | 100,000 | 100,000 | 10,000 | 25 | 104,710 | 11,112 | 2,778 | |
| Studio A Technology Limited | Studio A Macau Limited | MACAO | Sales of electronic telecommunication components | - | 1,828 | - | - | - | (1) | (1) | |
| Studio A Technology Limited | ASHOP CO., LTD | South Korea | Sales of electronic telecommunication components | 4,294 | 4,294 | 10 | 100 | 17,847 | 3,789 | 3,789 | |
| FIT Holding Co., Ltd. | Glory Science Co., Ltd. | Taiwan | Manufacture and sale of optical instruments | 2,214,868 | 2,214,868 | 95,970 | 100 | 353,803 | (30,516) | (30,516) | |
| FIT Holding Co., Ltd. | Foxlink Image Technology Co., Ltd. | Taiwan | Manufacture and sale of image scanners and multifunction printers | 3,011,140 | 3,011,140 | 164,994 | 100 | 3,063,401 | 150,426 | 148,873 | |
| FIT Holding Co., Ltd. | Power Quotient International Co., Ltd. | Taiwan | Manufacture of electronic | 3,372,180 | 3,372,180 | 444,691 | 100 | 4,487,475 | 22,049 | 21,850 | |
| FIT Holding Co., Ltd. | Shih Fong Power Co., Ltd. | Taiwan | Hydroelectricity | 299,952 | 299,952 | 37,500 | 16.30 | 386,400 | (1,402) | (229) | |
| FIT Holding Co., Ltd. | Synergy Co., Ltd. | Taiwan | Optoelectronics Industry, Renewable energy and Energy technical services | 36,760 | 36,760 | 3,676 | 36.76 | 34,955 | (2,421) | (890) | |
| Foxlink Image Technology Co., Ltd. | ACCU-IMAGE TECHNOLOGY LIMITED | British Virgin IS | Manufacture and sale of image scanners and multifunction printers | 1,035,563 | 1,035,563 | 13,241 | 100 | 1,613,988 | 24,428 | 24,428 | |
| Foxlink Image Technology Co., Ltd. | Shih Fong Power Co., Ltd. | Taiwan | Hydroelectricity | 957,600 | 957,600 | 79,800 | 34.70 | 953,740 | (1,402) | (486) | |
| ACCU-IMAGE TECHNOLOGY LIMITED | POWER CHANNEL LIMITED | HONG KONG | Holding company and reinvestment business | 140,263 | 140,263 | 4 | 35.75 | 556,386 | 35,218 | 12,590 | |
| Glory Science Co., Ltd. | GLORY TEK (BVI) CO., LTD. | British Virgin IS | General investments holdings | 1,379,545 | 1,379,545 | 40,700 | 100 | 289,330 | (57,895) | (57,895) | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|--|---|-------------------|--|------------------------------|---------------------------------|---------------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| GLORY TEK (BVI) CO., LTD. | GLORY TEK (SAMOA) CO., LTD. | Samoa | General investments holdings | \$ 780,074 | \$ 780,074 | 25,051 | 100 | \$ 509,608 | \$ (35,652) | \$ (35,652) | |
| GLORY TEK (BVI) CO., LTD. | GLORY OPTICS (BVI) CO., LTD. | British Virgin IS | Sales agent | 494,837 | 494,837 | 16,000 | 100 | (208,098) | (22,176) | (22,176) | |
| GLORY TEK (BVI) CO., LTD. | GLORYTEK SCIENCE INDIA PRIVATE LIMITED | INDIA | Manufacture | 99,927 | 99,927 | 21,773 | 99.27 | 82,763 | (71) | (98) | |
| GLORYTEK SCIENCE INDIA PRIVATE LIMITED | TEGNA ELECTRONICS PRIVATE LIMITED | INDIA | Manufacture | 11,332 | 11,332 | 3,001 | 10 | 12,934 | 7,511 | 751 | |
| Power Quotient International Co., Ltd. | Power Quotient International(H.K.) Co., Ltd. | HONG KONG | Sales of electronic telecommunication components | 387,902 | 387,902 | 106,100 | 100 | (4,810) | (32) | (32) | |
| Power Quotient International Co., Ltd. | PQI JAPAN CO., LTD | Japan | Sales of electronic telecommunication components | 23,129 | 23,129 | 24 | 100 | (155,624) | - | - | |
| Power Quotient International Co., Ltd. | SYSCOM DEVELOPMENT CO., LTD | British Virgin IS | Specialized investments holding | 310,953 | 310,953 | 10,863 | 100 | 85,102 | (71) | (71) | |
| Power Quotient International Co., Ltd. | Apix LIMITED | British Virgin IS | Specialized investments holding | 2,961,806 | 2,961,806 | 13 | 100 | 1,163,644 | 4,743 | 4,743 | |
| Power Quotient International Co., Ltd. | PQI Mobility Inc. | Samoa | Specialized investments holding | 286,250 | 286,250 | 10,000 | 100 | 722,387 | 1,834 | 1,834 | |
| Power Quotient International Co., Ltd. | Power Sufficient International Co., Ltd. | Taiwan | Sale of medical instruments | 10,000 | 10,000 | 1,000 | 100 | 13,053 | - | - | |
| Power Quotient International Co., Ltd. | Shinfox Energy Co., Ltd. | Taiwan | Energy service management | 1,880,146 | 1,880,146 | 73,519 | 50.18 | 2,974,898 | 42,345 | 21,249 | |
| Shinfox Energy Co., Ltd. | Foxwell Energy Corporation Ltd. | Taiwan | Energy service management | 3,000,000 | 3,000,000 | 300,000 | 100 | 3,138,440 | 37,989 | 37,989 | |
| Shinfox Energy Co., Ltd. | Shinfox Natural Gas Co., Ltd. | Taiwan | Energy service management | 120,000 | 120,000 | 12,000 | 80 | 82,864 | (8,887) | (7,110) | |
| Shinfox Energy Co., Ltd. | Foxwell Power Co., Ltd. | Taiwan | Energy service management | 99,000 | 99,000 | 9,900 | 99 | 107,123 | 4,914 | 4,865 | |
| Shinfox Energy Co., Ltd. | Junezhe Co., Ltd | Taiwan | Dredging industry | 134,000 | 134,000 | 13,400 | 33.50 | 140,318 | 11,112 | 3,723 | |
| Shinfox Energy Co., Ltd. | Jiuwei Power Co., Ltd. | Taiwan | Natural gas power generation business | 30,000 | 30,000 | 3,000 | 100 | 28,632 | (1,321) | (1,321) | |
| Shinfox Energy Co., Ltd. | Jiuwei Power Co., Ltd. (Jiuwei Power) | Taiwan | Steam power cogeneration | 180,000 | 180,000 | 12,000 | 20 | 176,222 | (4,078) | (816) | |
| Shinfox Energy Co., Ltd. | Elegant Energy TECH Co., Ltd. | Taiwan | Natural gas power generation business | 200,000 | - | 500 | 100 | 201,033 | 1,990 | 1,990 | |
| Shinfox Energy Co., Ltd. | Yuanshan Forest Natural Resources Co., Ltd. (Yuanshan Forest) | Taiwan | Afforestation | 10,000 | - | 1,000 | 100 | 10,000 | - | - | |
| Shinfox Energy Co., Ltd. | Chung Chia Power Co., Ltd. | Taiwan | Steam power cogeneration | 120,000 | - | 12,000 | 50 | 120,000 | - | - | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 | Footnote |
|--|--|-------------------|--|------------------------------|---------------------------------|---------------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | Number of shares (in thousand shares) | Ownership (%) | Book value | | | |
| SYSCOM DEVELOPMENT CO., LTD | Foxlink Powerbank International Technology Private Limited | INDIA | Sales of electronic telecommunication components | \$ 96,265 | \$ 96,265 | 21,790 | 99 | \$ 82,663 | \$ (71) | \$ (70) | |
| Apix LIMITED | Sinocity Industries Limited | HONG KONG | Sales of electronic telecommunication components | 2,467,800 | 2,467,800 | 6,000 | 100 | 918,173 | 2,737 | 2,737 | |
| Apix LIMITED | Perennial Ace Limited | British Virgin IS | Specialized investments holding | 609,713 | 609,713 | No shares were issued | 100 | 245,338 | 2,006 | 2,006 | |
| Sinocity Industries Limited | DG Lifestyle Store Limited | MACAO | Sales of electronic telecommunication components | 355 | 355 | 100 | 100 | (1,995) | (1,233) | (1,233) | |
| Perennial Ace Limited | Studio A Technology Limited | HONG KONG | Sales of electronic telecommunication components | 4,998 | 4,998 | 1,225 | 24.50 | 118,019 | 8,190 | 2,007 | |
| Foxlink Powerbank International Technology Private Limited | TEGNA ELECTRONICS PRIVATE LIMITED | INDIA | Manufacture | 11,332 | 11,332 | 3,001 | 10 | 12,753 | 7,511 | 751 | |

Cheng Uei Precision Industry Co., Ltd.
Information on investments in Mainland China
Three months ended March 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee as of March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of three months ended March 31, 2022 | Footnote |
|--|---|-----------------|---|--|--|-------------------------|---|---|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Fugang Electronic (Dongguan) Co., Ltd. | Manufacture and sale of electronic telecommunication components | \$ 1,235,026 | Investment through an existing company in the third area | \$ 1,235,026 | \$ - | \$ - | \$ 1,235,026 | \$ 113,398 | 100 | \$ 113,398 | \$ 6,173,459 | \$ - | |
| Culink Tianjin Co., Ltd. | Manufacture and sale of electronic telecommunication components | 114,500 | Investment through an existing company in the third area | 28,625 | - | - | 28,625 | 656 | 100 | 656 | 242,316 | - | |
| Fugang Electric (Kunshan) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 3,477,938 | Investment through an existing company in the third area | 3,477,938 | - | - | 3,477,938 | (111,068) | 100 | (111,068) | 3,291,861 | - | |
| Dong Guan Fu Shi Chang Co., Ltd. | Manufacture and sale of electronic telecommunication components | 3,422 | Investment through an existing company in the third area | 3,422 | - | - | 3,422 | - | 100 | - | 2,527 | - | |
| Dongguan Fuqiang Electronics Co., Ltd. | Manufacture and sale of electronic telecommunication components | 3,400,936 | Investment through an existing company in the third area and the investee company in Mainland China | 2,828,436 | - | - | 2,828,436 | 28,377 | 100 | 28,377 | 9,505,577 | - | |
| Foxlink Automotive Technology (Kunshan) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 191,979 | Investment through an existing company in the third area and the investee company in Mainland China | 85,875 | - | - | 85,875 | 2,865 | 100 | 2,865 | 344,905 | - | |
| Foxlink Energy (Tianjin) Ltd. | Manufacture and sale of electronic telecommunication components | 114,500 | Investment through an existing company in the third area | 114,500 | - | - | 114,500 | 613 | 100 | 613 | 181,420 | - | |
| Fushineng Electronics (Kunshan) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 343,500 | Investment through an existing company in the third area | 343,500 | - | - | 343,500 | 21,826 | 100 | 21,826 | 1,315,818 | - | |
| Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 128,813 | Investment through an existing company in the third area | 128,813 | - | - | 128,813 | (348) | 100 | (348) | 73,123 | - | |
| Fu Gang Electronic (Nan Chang) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 1,431,250 | Investment through an existing company in the third area and the investee company in Mainland China | 1,431,250 | - | - | 1,431,250 | (4,594) | 100 | (4,594) | 1,147,372 | - | |
| Fugang Electric (YANCHENG) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 85,875 | Investment through an existing company in the third area | 68,700 | - | - | 68,700 | (22) | 80 | (17) | 51,997 | - | |

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee as of March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of three months ended March 31, 2022 | Footnote |
|--|---|-----------------|---|--|--|-------------------------|---|---|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| FUQIANG ELECTRIC (YANCHENG) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 286,250 | Investment through an existing company in the third area | \$ 286,250 | \$ - | \$ - | \$ 286,250 | \$ (1,441) | 100 | \$ (1,441) | \$ (26,874) | \$ - | |
| Foxlink Tianjin Co., Ltd. | Manufacture and sale of electronic telecommunication components | 515,250 | Investment through an existing company in the third area | 148,850 | - | - | 148,850 | (66,653) | 100 | (66,653) | 1,938,135 | - | |
| Kunshan Fugang Investment Co., Ltd. | Reinvestment business | \$ 858,750 | Investment through the investee company in Mainland China | 858,750 | - | - | 858,750 | (11,892) | 100 | (11,892) | 1,715,089 | - | |
| FUGANG ELECTRIC (MAANSHAN) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 871,092 | Investment through an existing company in the third area | 286,250 | - | - | 286,250 | (100,958) | 100 | (100,958) | (222,042) | - | |
| Fuzhan Electronics (Shanghai) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 429,375 | Investment through the investee company in Mainland China | 227,855 | - | - | 227,855 | (4) | 100 | (3) | 56,499 | - | |
| Kunshan Fugang Electric Trading Co., Ltd. | Sale of electronic telecommunication components | 175,937 | Investment through the investee company in Mainland China | - | - | - | - | 10,671 | 51 | 5,442 | 14,652 | - | |
| Shanghai Fugang Electric Trading Co., Ltd. | Sale of electronic telecommunication components | 63,084 | Investment through the investee company in Mainland China | - | - | - | - | 25 | 51 | 13 | 13,697 | - | |
| Shanghai Fugang Electric Trading Co., Ltd. | Sale of electronic telecommunication components | 9,012 | Investment through the investee company in Mainland China | - | - | - | - | 9,528 | 51 | 4,859 | (72,938) | - | |
| Shanghai Standard Information Technology Co., Ltd. | Sale of electronic telecommunication components | 4,506 | Investment through the investee company in Mainland China | - | - | - | - | (2,127) | 51 | (1,085) | (7,363) | - | |
| Sharetronic Data Technology Co., Ltd. | Manufacture and sale of electronic telecommunication components | 698,062 | Investment through an existing company in the third area | 220,699 | - | - | 220,699 | 123,625 | 19.94 | 35,216 | 1,188,340 | - | |
| FUQIANG ELECTRIC (MAANSHAN) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 143,125 | Investment through the investee company in Mainland China | - | - | - | - | (17) | 100 | (17) | 144,131 | - | |
| Fugang Electric (Xuzhou) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 1,889,250 | Investment through an existing company in the third area | 1,059,125 | - | - | 1,059,125 | 31,268 | 100 | 31,270 | 1,879,220 | - | |
| Dongguan Banrin Robot Technology Co., Ltd. | Manufacture and sale of automated equipment | 135,180 | Investment through the investee company in Mainland China | - | - | - | - | (3,876) | 31.03 | (7,955) | 125,849 | - | |
| Suzhou Keyu Rui Automobile Technology Co., Ltd. | Manufacture | 11,265 | Investment through the investee company in Mainland China | - | - | - | - | (16) | 55.56 | (9) | 24,631 | - | |

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee as of March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of three months ended March 31, 2022 | Footnote |
|---|--|-----------------|---|--|--|-------------------------|---|---|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. | General investments holding | 450,600 | Investment through an existing company in the third area | \$ - | \$ - | \$ - | \$ - | (\$ 1,812) | 50 | (\$ 906) | \$ 439,607 | \$ - | |
| Dong Guan HanYang Computer Co., Ltd. | Manufacture of image scanners and multifunction printers and investment of real estate | 174,019 | Investment through an existing company in the third area | 174,019 | - | - | 174,019 | 7,735 | 100 | 7,735 | 289,217 | - | |
| Dong Guan Fu Zhang Precision Industry Co.,Ltd. | Mould development and moulding tool manufacture | 232,213 | Investment through an existing company in the third area | 170,762 | - | - | 170,762 | (13,323) | 100 | (13,323) | 209,147 | - | |
| Wei Hai Fu Kang Electric Co., Ltd. | Manufacture and sale of parts and moulds of photocopiers and scanners | 229,000 | Investment through an existing company in the third area | 143,125 | - | - | 143,125 | (1,739) | 100 | (1,739) | 266,872 | - | |
| Dongguan Fu Wei Electronics Co., Ltd. | Manufacture and sale of image scanners, multifunction and parts printers | \$ 171,750 | Investment through an existing company in the third area | 151,951 | - | - | 151,951 | 15,647 | 100 | 15,647 | 392,150 | - | |
| Glorytek (Suzhou) Co., Ltd. | Manufacture | 400,750 | Investment through an existing company in the third area | 399,490 | - | - | 399,490 | (22,823) | 100 | (22,823) | 359,901 | - | |
| Glorytek (Yancheng) Co., Ltd. | Manufacture | 257,625 | Investment through an existing company in the third area | 256,815 | - | - | 256,815 | (31,535) | 100 | (31,535) | (461,258) | - | |
| Yancheng Yaowei Technology Co., Ltd. | Manufacture | 45,060 | Investment through the investee company in Mainland China | - | - | - | - | (115) | 100 | (115) | 147,006 | - | |
| Glorytek (Yancheng) Co., Ltd. | Manufacture | 972,246 | Investment through an existing company in the third area and the investee company in Mainland China | 326,960 | - | - | 326,960 | (36,778) | 100 | (36,778) | 441,986 | - | |
| POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd. | Manufacture and sale of electronic telecommunication components | 572,500 | Investment through an existing company in the third area | Note 1 | - | - | - | 1,834 | 100 | 1,834 | 722,387 | - | |
| PQI (Xuzhou) New Energy Co., Ltd. | Manufacture and sale of electronic telecommunication components | 45,060 | Investment through the investee company in Mainland China | Note 2 | - | - | - | (8) | 100 | (8) | 45,177 | - | |
| Kunshan Jiuwei Info Tech Co., Ltd. | Supply chain finance energy service management | 1,431 | Direct investment | 1,431 | - | - | 1,431 | 480 | 100 | 480 | 19,177 | - | |

Note 1: The financing amount remitted to PQI's indirect investment of POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd. was through an existing company in the third area.

Note 2: The financing amount remitted to PQI's indirect investment of PQI (Xuzhou) New Energy Co., Ltd. were through POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|--|---|--|--|
| Cheng Uei Precision Industry Co., Ltd. | \$ 12,833,863 | \$ 14,122,600 | The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the certificate of scope of operations issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008. |
| Foxlink Image Technology Co., Ltd. | 774,187 | 926,200 | 1,395,141 |
| Glory Science Co., Ltd. | 983,265 | 1,200,819 | 212,653 |
| Power Quotient International Co., Ltd. | 1,431 | 625,313 | 4,697,809 |

Note 1: It was the reinvestment in Mainland China through an existing company in the third area by cash and the investment was approved by the Investment Commission of MOEA.

Note 2: Recognition of investment income (loss), except for Fugang Electronic (Dongguan) Co., Ltd., Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (Kunshan) Co., Ltd., Fugang Electric (Xuzhou) Co., Ltd., Dongguan Fu Wei Electronics Co., Ltd., Glorytek (Suzhou) Co., Ltd., Glory Optics(Yancheng) Co., Ltd., Glorytek (Yancheng) Co., Ltd. and Yancheng Yaowei Technology Co., Ltd. for the nine months ended September 30, 2021 were recognised based on the financial statements that were reviewed by independent auditors, remaining subsidiaries were recognised based on the financial statements that were not reviewed by the independent auditors.

Note 3: The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the scope of operations certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.

Note 4: The investments through the investee company in Mainland China of the Company including: Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (MAANSHAN) Co., Ltd., Fuzhan Electronics (Shanghai) Co., Ltd., Fu Gang Electronic (Nan Chang) Co., Ltd., Foxlink Automotive Technology (Kunshan) Co., Ltd., Kunshan Fugang Electric Trading Co., Ltd., Kunshan Fu Shi You Trading Co., Ltd., Shanghai Fugang Electric Trading Co., Ltd., Shanghai Standard Information Technology Co., Ltd., Fuqiang Electric (MAANSHAN) Co., Ltd., Dongguan Banrin Robot Technology Co., Ltd., Suzhou Keyu Rui Automobile Technology Co., Ltd., and Changde Fubo Intelligent Technology Co., Ltd., except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of MOEA.

Cheng Uei Precision Industry Co., Ltd.
Major shareholders information
March 31, 2022

Table 9

| Number of major shareholders | Shares | |
|--|---------------------|---------------|
| | Name of shares held | Ownership (%) |
| HSIN HUNG International Investment Co., Ltd. | 100,535,228 | 19.62% |
| CENTRAL MOTION PICTURE CORPORATION | 32,584,000 | 6.36% |
| Foxlink Image Technology Co., Ltd. | 27,503,000 | 5.36% |