

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

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31,2022, pursuant to “Criteria Governing Preparation of Affiliated Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiaries, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

CHENG UEI PRECISION INDUSTRY CO., LTD.

March 15, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22000568

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

Opinion

We have audited the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Valuation of goodwill impairment

Description

Please refer to Note 4(20) for accounting policies on impairment loss on non-financial assets, Note 5(1) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(12) for details of goodwill impairment valuation.

The amount of goodwill (including indefinite useful life trademarks) was derived from the acquisition of Foxlink Image Technology Co., Ltd. and DG Lifestyle Store Limited by the Company's subsidiary, FIT Holding Co., Ltd. The Group valued the impairment of goodwill through the discounted cash flow method, using the higher of value in use or fair value less costs to sell to measure the cash generating unit's recoverable amount. As the assumptions of expected future cash flows contained subjective judgement and involved a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures, including collection of internal and external data, operating forecast and industry changes.
- B. Obtained the external appraisal report on impairment valuation and performed the following procedures:
 - (a) We examined the external appraiser's qualification and assessed the independence, objectiveness and competence.
 - (b) We assessed that the valuation method used in the appraisal report was widely used and appropriate.
 - (c) We assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(6) for details of inventory.

The Group is primarily engaged in the manufacturing and sale of electronic components and parts. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to economic depression or an excess of supply over demand. The Company's inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Given that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
- B. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.
- C. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in line with its policies.
- D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and the information disclosed in Note 13, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$426,718 thousand and NT\$341,479 thousand, constituting 0.43% and 0.41% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and operating revenue amounted to NT\$2,150,424 thousand and NT\$2,093,888 thousand, constituting 2.29% and 2.41% of the consolidated total operating revenue for the years then ended, respectively. The total balances of these investments accounted for under the equity method amounted to NT\$203,442 thousand and NT\$212,883 thousand, constituting 0.21% and 0.26% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the share of loss of associates and joint ventures accounted for under the equity method amounted to NT\$(9,441) thousand and NT\$(2,358) thousand, constituting (0.39)% and (0.41%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter-Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matters* section on the parent company only financial statements of Cheng Uei Precision Industry Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Se-Kai

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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' 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
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 11,246,441	12	\$ 8,707,603	10
1136	Current financial assets at amortised cost	6(3) and 8	3,100,904	3	2,258,305	3
1140	Current contract assets	6(24)	2,716,125	3	3,216,453	4
1150	Notes receivable, net		59,703	-	46,874	-
1170	Accounts receivable, net	6(4)	18,005,663	18	16,369,882	20
1180	Accounts receivable, net - related parties	7	414,187	-	312,905	-
1200	Other receivables	6(5)	528,811	1	312,561	-
1210	Other receivables - related parties	7	66,548	-	61,213	-
1220	Current income tax assets	6(31)	44,444	-	5,052	-
130X	Inventories	6(6)	17,811,199	18	15,479,260	19
1410	Prepayments	6(7)	6,067,597	6	3,412,965	4
1460	Non-current assets or disposal groups classified as held for sale, net	6(13)	-	-	15,599	-
1470	Other current assets	8	1,031,796	1	89,457	-
11XX	TOTAL CURRENT ASSETS		<u>61,093,418</u>	<u>62</u>	<u>50,288,129</u>	<u>60</u>
1517	Financial assets at fair value through other comprehensive income - non-current	6(2) and 12(3)	1,521,378	2	1,116,311	1
1535	Non-current financial assets at amortised cost	6(3) and 8	450,052	1	145,116	-
1550	Investments accounted for under the equity method	6(8)	6,160,832	6	4,650,081	6
1600	Property, plant and equipment, net	6(9)	20,923,246	21	21,024,968	25
1755	Right-of-use assets	6(10) and 7	2,302,273	2	1,577,374	2
1760	Investment property, net	6(11)	560,159	1	568,783	1
1780	Intangible assets	6(12)	1,749,316	2	1,467,557	2
1840	Deferred income tax assets	6(31)	448,780	-	569,172	1
1915	Prepayments for business facilities		2,328,066	2	1,160,854	1
1990	Other non-current assets, others	8	760,491	1	557,926	1
15XX	TOTAL NON-CURRENT ASSETS		<u>37,204,593</u>	<u>38</u>	<u>32,838,142</u>	<u>40</u>
1XXX	TOTAL ASSETS		<u>\$ 98,298,011</u>	<u>100</u>	<u>\$ 83,126,271</u>	<u>100</u>

(Continued)

CHENG UEI PRECISION INDUSTRY CO.,LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
2100	Short-term borrowings	6(14)	\$ 9,550,241	10	\$ 4,224,848	5
2110	Short-term notes and bills payable	6(15)	1,789,159	2	1,596,522	2
2130	Current contract liabilities	6(24)	1,087,867	1	603,767	1
2150	Notes payable		657	-	150	-
2170	Accounts payable		15,652,500	16	16,895,026	20
2180	Accounts payable - related parties	7	181,124	-	172,107	-
2200	Other payables	6(16) and 7	6,108,349	6	4,617,534	6
2230	Current income tax liabilities	6(31)	552,301	1	555,374	1
2280	Current lease liabilities	7	287,333	-	158,525	-
2320	Long-term liabilities, current portion	6(18)	689,541	1	302,694	-
2365	Current refund liabilities		139,022	-	226,274	-
2399	Other current liabilities, others		319,896	-	601,242	1
21XX	TOTAL CURRENT LIABILITIES		<u>36,357,990</u>	<u>37</u>	<u>29,954,063</u>	<u>36</u>
NON-CURRENT LIABILITIES						
2530	Corporate bonds payable	6(17)	6,582,374	7	6,578,570	8
2540	Long-term borrowings	6(18)	15,406,923	15	11,176,423	14
2570	Deferred income tax liabilities	6(31)	1,243,084	1	933,548	1
2580	Non-current lease liabilities	7	690,236	1	247,637	-
2600	Other non-current liabilities	6(8)(19)	1,759,317	2	1,735,142	2
25XX	TOTAL NON-CURRENT LIABILITIES		<u>25,681,934</u>	<u>26</u>	<u>20,671,320</u>	<u>25</u>
2XXX	TOTAL LIABILITIES		<u>62,039,924</u>	<u>63</u>	<u>50,625,383</u>	<u>61</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock						
3110	Common stock	6(20)	5,123,269	5	5,123,269	6
Capital reserve						
3200	Capital surplus	6(21)	10,382,683	10	10,252,875	12
Retained earnings						
3310	Legal reserve	6(22)	3,292,026	3	3,197,654	4
3320	Special reserve		2,601,650	3	2,036,346	3
3350	Unappropriated earnings		5,658,790	6	5,547,850	7
Other equity						
3400	Other equity interest	6(23)	(2,363,761)	(2)	(2,601,651)	(4)
Treasury shares						
3500	Treasury shares	6(20)	(272,066)	-	(272,066)	-
31XX	Equity attributable to owners of the parent		<u>24,422,591</u>	<u>25</u>	<u>23,284,277</u>	<u>28</u>
36XX	Non-controlling interests		<u>11,835,496</u>	<u>12</u>	<u>9,216,611</u>	<u>11</u>
3XXX	TOTAL EQUITY		<u>36,258,087</u>	<u>37</u>	<u>32,500,888</u>	<u>39</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 98,298,011</u>	<u>100</u>	<u>\$ 83,126,271</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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31,				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24) and 7	\$ 94,102,594	100	\$ 86,800,735	100
5000	Operating costs	6(6)(29)(30) and 7	(82,008,395)	(87)	(77,225,461)	(89)
5900	Gross profit		12,094,199	13	9,575,274	11
	Operating expenses	6(29)(30)				
6100	Sales and marketing expenses		(2,212,130)	(2)	(1,915,799)	(2)
6200	General and administrative expenses		(3,917,188)	(4)	(3,495,100)	(4)
6300	Research and development expenses		(2,419,396)	(3)	(2,259,829)	(3)
6450	Expected credit (loss) gain	12(2)	(13,792)	-	6,295	-
6000	Total operating expenses		(8,562,506)	(9)	(7,664,433)	(9)
6900	Operating income		3,531,693	4	1,910,841	2
	Non-operating income and expenses					
7100	Interest income	6(25)	131,821	-	77,057	-
7010	Other income	6(26) and 7	424,322	1	549,435	1
7020	Other gains and losses	6(27)	(523,402)	(1)	(68,754)	-
7050	Finance costs	6(28)	(423,257)	-	(341,527)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(8)	270,616	-	26,415	-
7000	Total non-operating income and expenses		(119,900)	-	242,626	1
7900	Income before income tax		3,411,793	4	2,153,467	3
7950	Income tax expense	6(31)	(1,317,094)	(2)	(814,963)	(1)
8200	Net income		\$ 2,094,699	2	\$ 1,338,504	2

(Continued)

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

Items	Notes	Years ended December 31,			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive (lose) income, net					
Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans	6(19)	\$ 29,416	-	\$ 41,038	-
8316 Unrealized gain on equity instrument at fair value through other comprehensive income	6(2)	(42,267)	-	(254,701)	-
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		(66,638)	-	(75,874)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(5,883)	-	(8,207)	-
8310 Total components of other comprehensive loss that will not be reclassified to profit or loss		(85,372)	-	(297,744)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences arising on translation of foreign operations		584,020	1	(582,101)	(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		(54,188)	-	7,476	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)	(108,773)	-	115,177	-
8360 Total components of other comprehensive income (loss) that will be reclassified to profit or loss		421,059	1	(459,448)	(1)
8300 Other comprehensive income (loss), net		\$ 335,687	1	(\$ 757,192)	(1)
8500 Total comprehensive income for the year		\$ 2,430,386	3	\$ 581,312	1
Net income attributable to:					
8610 Shareholders of the parent		\$ 1,522,518	2	\$ 921,042	1
8620 Non-controlling interests		572,181	-	417,462	1
Total		\$ 2,094,699	2	\$ 1,338,504	2
Total comprehensive income attributable to:					
8710 Shareholders of the parent		\$ 1,776,996	2	\$ 385,907	1
8720 Non-controlling interests		653,390	1	195,405	-
Total		\$ 2,430,386	3	\$ 581,312	1
Basic earnings per share (in dollars)					
9750 Total basic earnings per share	6(32)	\$	3.14	\$	1.90
Diluted earnings per share (in dollars)					
9850 Total diluted earnings per share	6(32)	\$	3.10	\$	1.89

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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
Notes	Retained Earnings					Other equity interest			Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity	
	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				
Year ended December 31, 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
		-	-	-	-	921,042	-	-	-	921,042	417,462	1,338,504
Other comprehensive income (loss)	6(23)	-	-	-	-	30,170	(398,919)	(166,386)	-	(535,135)	(222,057)	(757,192)
Total comprehensive income (loss)		-	-	-	-	951,212	(398,919)	(166,386)	-	385,907	195,405	581,312
Appropriation of 2020 earnings												
Legal reserve		-	-	195,628	-	(195,628)	-	-	-	-	-	-
Special reserve		-	-	-	(298,188)	298,188	-	-	-	-	-	-
Cash dividend		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)	-	(1,280,818)
Difference between proceeds from acquisition or disposal of subsidiary and book value												
		-	393,228	-	-	-	-	-	-	393,228	(313,099)	80,129
Changes in ownership interests in subsidiaries	6(21)	-	4,150	-	-	(7,494)	-	-	-	(3,344)	2,434	(910)
Changes in net equity of associates and joint ventures accounted for using equity method	6(21)	-	493	-	-	-	-	-	-	493	(262,434)	(261,941)
Cash dividends distributed to subsidiaries	6(21)	-	26,258	-	-	-	-	-	-	26,258	-	26,258
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	3,272,970	3,272,970
Balance at December 31, 2021		<u>\$ 5,123,269</u>	<u>\$ 10,252,875</u>	<u>\$ 3,197,654</u>	<u>\$ 2,036,346</u>	<u>\$ 5,547,850</u>	<u>(\$ 2,129,042)</u>	<u>(\$ 472,609)</u>	<u>(\$ 272,066)</u>	<u>\$ 23,284,277</u>	<u>\$ 9,216,611</u>	<u>\$ 32,500,888</u>
Year ended December 31, 2022												
	\$	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
		-	-	-	-	1,522,518	-	-	-	1,522,518	572,181	2,094,699
Other comprehensive income (loss)	6(23)	-	-	-	-	16,588	309,872	(71,982)	-	254,478	81,209	335,687
Total comprehensive income (loss)		-	-	-	-	1,539,106	309,872	(71,982)	-	1,776,996	653,390	2,430,386
Appropriation of 2021 earnings												
Legal reserve		-	-	94,372	-	(94,372)	-	-	-	-	-	-
Special reserve	6(22)	-	-	-	565,304	(565,304)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)	-	(768,490)
Difference between proceeds from acquisition or disposal of subsidiary and book value												
		-	110,494	-	-	-	-	-	-	110,494	(109,646)	848
Changes in ownership interests in subsidiaries	6(21)	-	3,494	-	-	-	-	-	-	3,494	1,081	4,575
Changes in net equity of associates and joint ventures accounted for using equity method	6(21)	-	65	-	-	-	-	-	-	65	1,924	1,989
Cash dividends distributed to subsidiaries	6(21)	-	15,755	-	-	-	-	-	-	15,755	-	15,755
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	2,072,136	2,072,136
Balance at December 31, 2022		<u>\$ 5,123,269</u>	<u>\$ 10,382,683</u>	<u>\$ 3,292,026</u>	<u>\$ 2,601,650</u>	<u>\$ 5,658,790</u>	<u>(\$ 1,819,170)</u>	<u>(\$ 544,591)</u>	<u>(\$ 272,066)</u>	<u>\$ 24,422,591</u>	<u>\$ 11,835,496</u>	<u>\$ 36,258,087</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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 3,411,793	\$ 2,153,467
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(9)(10)(11)(27)(29)	3,437,109	3,461,767
Amortisation	6(12)(29)	78,470	102,724
Expected credit loss (gain)	12(2)	13,792	(6,295)
Interest expense	6(28)	423,257	341,527
Interest income	6(25)	(131,821)	(77,057)
Share of profit of associates accounted for using the equity method	6(8)	(270,616)	(26,415)
Loss (gain) on disposal of property, plant and equipment	6(27)	58,049	(3,397)
Gain on disposal of investments	6(27)	(23,290)	(165,959)
Goodwill impairment loss	6(27)	-	110,000
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		500,328	(3,111,862)
Notes receivable		(12,829)	(13,063)
Accounts receivable		(1,667,994)	(75,827)
Accounts receivable from related parties		(101,282)	290,800
Other receivables		(216,251)	(89,505)
Other receivables from related parties		(5,334)	(5,346)
Inventories		(2,365,637)	(2,398,239)
Prepayments		(2,655,399)	(2,246,299)
Other current assets		54,715	38,192
Other non-current assets		114,500	(25,417)
Changes in operating liabilities			
Contract liabilities		484,100	(293,008)
Notes payable		506	(5)
Accounts payable		(1,238,514)	(415,961)
Accounts payables to related parties		9,019	11,381
Other payables		1,425,580	(18,876)
Refund liabilities		(87,251)	(7,897)
Other current liabilities		(281,330)	72,421
Other non-current liabilities		24,175	(190,561)
Cash inflow (outflow) generated from operations		977,845	(2,588,710)
Interest received		131,821	77,057
Dividends received		78,162	71,138
Interest paid		(408,746)	(329,973)
Income tax paid		(1,044,423)	(779,709)
Net cash flows used in operating activities		(265,341)	(3,550,197)

(Continued)

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

	Notes	Years ended December 31,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(\$ 431,984)	(\$ 173,760)
Proceeds from disposal of investments accounted for using equity method		-	138,721
Acquisition of subsidiaries and assets of other companies (net of cash acquired)	6(34)	(199,214)	-
Financial assets at amortised cost		(1,147,535)	4,150,526
Acquisition of investments accounted for using equity method		(120,000)	(216,760)
Acquisition of property, plant and equipment	6(35)	(2,535,625)	(3,254,426)
Proceeds from disposal of property, plant and equipment		22,192	47,525
Acquisition of intangible assets	6(12)	(73,760)	(35,017)
Proceeds from disposal of intangible assets	6(12)	-	1,316
Increase in guarantee deposits paid		(1,311,150)	(103,997)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	96,184
Increase in prepayments for investments	6(8)	(1,188,948)	-
Proceeds from disposal of subsidiaries (net of cash disposed)	6(35)	122,762	(29,246)
Increase in prepayments for business facilities		(1,553,242)	(598,696)
Net cash flows (used in) from investing activities		(8,416,504)	22,370
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(36)	54,188,177	35,536,407
Repayment of short-term borrowings	6(36)	(48,862,784)	(35,652,237)
Increase in short-term notes and bills payable	6(36)	192,637	1,209,300
Repayment of long-term borrowings	6(36)	19,607,525	16,991,016
Proceeds from long-term borrowings	6(36)	(14,990,178)	(18,337,667)
Repayment of lease liabilities	6(36)	(323,786)	(235,401)
Cash dividends paid	6(23)	(768,490)	(1,280,818)
Proceeds from disposal of ownership investments in subsidiaries	6(33)	-	802,809
Change in non-controlling interests		2,043,655	2,470,161
Net cash flows from financing activities		11,086,756	1,503,570
Effect of change in exchange rates		133,927	(261,680)
Net increase (decrease) in cash and cash equivalents		2,538,838	(2,285,937)
Cash and cash equivalents at beginning of year		8,707,603	10,993,540
Cash and cash equivalents at end of year		\$ 11,246,441	\$ 8,707,603

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
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

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 March 15, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective and became 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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
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, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(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 that came into effect 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:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. Conversely, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

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

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
CU	Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	Manufacture and sales of electronic telecommunication components	100	100	
CU	Dong Guan Fu Shi Chang Co., Ltd. (FSC)	Manufacture and sales of electronic telecommunication components	100	100	
CU	Culink Tianjin Co., Ltd. (CTJ)	Manufacture and sales of electronic telecommunication components	25	25	
CU	Dongguan Fuqiang Electronics Co., Ltd. (DGFO)	Manufacture and sales of electronic telecommunication components	83.17	83.17	
CU	Foxlink Energy (Tianjin) Ltd. (FETJ)	Manufacture and sales of electronic telecommunication components	100	100	
CU	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFF)	Manufacture and sales of electronic telecommunication components	49.98	49.98	
CU	Solteras Limited (SOLTERAS)	General investments holding	100	100	
CU	Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	100	100	
CU	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	100	100	
CU	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture and sales of electronic telecommunication components	72	72	
CU	Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG)	Manufacture and sales of electronic telecommunication components	80	80	
CU	Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG)	Manufacture and sales of electronic telecommunication components	100	100	
CU	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic telecommunication components	32.86	32.86	
CU	Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment)	General investments holding	100	100	
CU	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture and sales of electronic telecommunication components	34.30	34.30	Note 6
CU	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture and sales of electronic telecommunication components	21.62	21.62	Note 8
NEW START	Foxlink Tianjin Co., Ltd. (FTJ)	Manufacture and sales of electronic telecommunication components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
NEW START	Culink Tianjin Co., Ltd. (CTJ)	Manufacture and sales of electronic telecommunication components	75	75	
NEW START	Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei)	General investments holding	50	50	
NEW START	Fugang Electric (Xuzhou) Co., Ltd.	Manufacture and sales of electronic telecommunication components	27.03	27.03	Note 8
FTJ	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture and sales of electronic telecommunication components	46.93	46.93	
FTJ	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture and sales of electronic telecommunication components	50.02	50.02	
FTJ	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture and sales of electronic telecommunication components	28	28	
FTJ	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic telecommunication components	50.71	50.71	
FTJ	Changde Fubo Intelligent Technology Co., Ltd. (CDFB)	Manufacture and sales of automated equipment	9.5	9.5	Note 7
KAFE	Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui)	Merchandising and manufacturing	55.56	55.56	
KAFE	Foxlink Automotive Technology Co., Ltd. (FAT)	Manufacture and sales of electronic telecommunication components	100	100	
CULINK	Pacific Wealth Limited (PACIFIC WEALTH)	Holding company and reinvestment business	100	100	
CULINK	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture and sales of electronic telecommunication components	65.70	65.70	Note 6
CULINK	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture and sales of electronic telecommunication components	0.73	0.73	
CULINK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORY SCIENCE INDIA)	Manufacture and sales of the components of communication and consumer electronics	0.73	0.73	
CULINK	FUGANG ELECTRIC (XUZHO) CO., LTD. (FG XUZHO)	Manufacture and sales of electronic telecommunication components	51.35	51.35	Note 8
PACIFIC WEALTH	Foxlink International Inc. (FOXLINK)	Sales agent	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
Kunshan Fugang Investment	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture and sales of electronic telecommunication components	16.83	16.83	
Kunshan Fugang Investment	Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN)	Manufacture and sales of electronic telecommunication components	100	100	
Kunshan Fugang Investment	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic telecommunication components	16.43	16.43	
FII	Linkmedia Co., Ltd. (LM)	Manufacture and sales of electronic telecommunication components	-	-	Note 4
FII	World Circuit Technology Co., Ltd. (WCT)	Manufacture and sales of electronic telecommunication components and flexible printed circuit	69.56	69.56	
FII	Proconn Technology Co., Ltd. (Proconn)	Manufacture and sales of electronic telecommunication components	-	-	Note 4
FII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	23.67	23.67	
FII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture and sales of electronic telecommunication components	10.22	13.50	Note 9
FII	FOXLINK VIETNAM CO., LTD. (FV)	Manufacture and sales of electronic telecommunication components	100	100	Note 2
WCT	Value Success Limited (VALUE SUCCESS)	Holding company and reinvestment business	100	100	
VALUE SUCCESS	Capital Guardian Limited (CAPITAL)	Holding company and reinvestment business	100	100	
CAPITAL	World Circuit Technology (Hong Kong) Limited (WCTHK)	Holding company and reinvestment business	100	100	
WCTHK	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture and sales of electronic telecommunication components	53.07	53.07	
Darts	Benefit Right Ltd. (BENEFIT)	Reinvestment business	100	100	
BENEFIT	Power Channel Limited (POWER)	Reinvestment business	64.25	64.25	
DU Precision	CE Link International Ltd. (CELINK)	Manufacture and sales of electronic telecommunication components	100	100	
FOXLINK TECH	Sinobest Brothers Limited (SINOBEST)	Manufacture and sales of electronic telecommunication components	8.81	8.81	Note 13
SINOBEST	Foxlink Myanmar Company Limited (FOXLINK MYANMAR)	Manufacture and sales of electronic telecommunication components	100	100	Note 5

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
FUII	Studio A Inc. (Studio A)	Sales of electronic telecommunication components	51	51	
FUII	VA Product Inc. (VA)	Sales of electronic telecommunication components	100	100	
FUII	Proconn Technology Co., Ltd. (Proconn)	Manufacture and sales of electronic telecommunication components	-	-	Note 4
FUII	Zhi De Investment Co., Ltd. (Zhi De Investment)	General investments holding	100	100	
FUII	Shinfox Energy Co., Ltd. (Shinfox)	Mechanical installation and piping engineering	8.64	9.10	Note 11
FUII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	5.97	5.97	
FUII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture and sales of electronic telecommunication components	89.78	86.50	Note 9
Zhi De Investment	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	8.55	8.55	
Studio A	Straight A Inc. (Straight A)	Sales of electronic telecommunication components	100	100	
Studio A	Studio A Technology Limited (Studio A Hong Kong)	Sales of electronic telecommunication components	51	51	
Studio A	Ashop Co., Ltd. (ASHOP)	Sales of electronic telecommunication components	-	-	Note 10
Studio A	Jing Jing Technology Co., Ltd. (Jing Jing)	Sales of electronic telecommunication components	100	100	
Studio A	Junezhe Co., Ltd. (Junezhe)	Dredging industry	-	25	Note 2, 14
Studio A Hong Kong	Studio A Macau Limited (Studio A Macau)	Sale of electronic telecommunication components	-	100	Note 3
Studio A Hong Kong	ASHOP CO., LTD. (ASHOP)	Sales of electronic telecommunication components	100	100	Note 10
FGEKS	Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Sales of electronic telecommunication components	51	51	
KFET	Shanghai Fugang Electric Trading Co., Ltd. (SFET)	Sales of electronic telecommunication components	100	100	
KFET	Kunshan Fu Shi You Trading Co., Ltd. (KFSY)	Sales of electronic telecommunication components	100	100	
KFET	Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard)	Sales of electronic telecommunication components	100	100	
FIT Holding	Power Quotient International Co., Ltd. (PQI)	Manufacture and sales of electronic telecommunication components	100	100	
FIT Holding	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sales of image scanners and multifunction printers	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
FIT Holding	Glory Science Co., Ltd. (Glory Science)	Manufacture and sales of optical lens components and other products	100	100	
FIT Holding	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	16.30	16.30	Note 12
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sales of electronic telecommunication components	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sales of electronic telecommunication components	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	
PQI	PQI Mobility Inc. (PQI MOBILITY)	Specialized investments holding	-	100	Note 15
PQI	Power Sufficient International Co., Ltd. (PSI)	Sales of medical instruments	100	100	
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Energy service management	47.63	50.18	Note 11
SYSCOM	PQI Corporation (PQI USA)	Sales of electronic telecommunication components	-	-	Note 4
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture and sales of electronic telecommunication components	99.27	99.27	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture and sales of electronic telecommunication components	-	100	Note 15
APIX	Sinocity Industries Limited (Sinocity)	Sales of 3C products	100	100	Note 5
APIX	Perennial Ace Limited (Perennial)	Specialized investments holding	100	100	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	80	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	80.23	99	
Shinfox	Junezhe Co., Ltd. (Junezhe)	Dredging industry	-	33.50	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

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
Shinfox	Diwei Power Co., Ltd (Diwei Power)	Electricity generating enterprise	100	-	Note 1
Shinfox	Guanwei Power Co., Ltd (Guanwei Power)	Electricity generating enterprise	100	-	Note 1
Foxwell Energy	Liangwei Power Co., Ltd (Liangwei Power)	Electricity generating enterprise	100	-	Note 1
Sinocity Industries	DG LIFESTYLE STORE LIMITED (DG)	Sales of 3C products	100	100	Note 5
PERENNIAL	Studio A Technology Limited (Studio A Hong Kong)	Sales of 3C products	24.50	24.50	
PQI H.K.	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture and sales of electronic telecommunication components	100	-	Note 15
PQI YANCHENG	PQI (Xuzhou) New Energy Co., Ltd. (PQI XUZHOU)	Manufacture and sales of electronic telecommunication components	100	100	
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sales of image scanners and multifunction printers	100	100	
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	34.70	Note 12
AITL	POWER CHANNEL LIMITED (POWER)	Holding company and reinvestment business	35.75	35.75	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sales of image scanners and multifunction printers	100	100	
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sales of parts and moulds of photocopiers and scanners	100	100	
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	
Glory Science	GLORY TEK (BVI) CO., LTD. (GLORY TEK)	General investments holding	100	100	
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Sales agent	100	100	
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sales of the components of communication and consumer electronics	99.27	99.27	
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
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	
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	
GLORY Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	65.12	65.12	

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(2) 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 10.22% and 89.78% 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, November 11, 2021 and May 10, 2022. 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 8.64% and 58.74% to 47.63%, 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, 2021. 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. The Group had disposed all of the ownership in Junezhe in December 2022. Please refer to Note 6(34) for details.

Note 15: PQI Mobility Inc. completed the registration of cancellation in October 2022. Therefore, 100% ownership in Power Quotient Technology (YANCHENG) Co., Ltd. was changed to be held by Power Quotient International (H.K.) Co., Ltd.

C. Subsidiaries not included in the consolidated financial statements:

Investor	Subsidiary	Main activity	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
FII	Yixin Precision Industry Co., Ltd. (YX)	Manufacture of electronic telecommunication components and electronic machinery equipment	75	75	Note 1
Studio A	Tayih Digital Technology Co., Ltd. (TAYIH)	Manufacture of electronic telecommunication components	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 December 31, 2022 and 2021, the non-controlling interest amounted to \$11,835,496 and \$9,216,611, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2022		December 31, 2021	
		Amount	Ownership (%)	Amount	Ownership (%)
FIT Holding	Taiwan	\$ 4,826,603	61.81%	\$ 4,534,303	61.81%

Summarised financial information of the subsidiaries:

Balance sheets

	FIT Holding	
	December 31, 2022	December 31, 2021
Current assets	\$ 20,092,218	\$ 15,569,224
Non-current assets	12,296,784	8,974,612
Current liabilities	(12,407,153)	(9,293,411)
Non-current liabilities	(5,276,432)	(3,259,907)
Total net assets	\$ 14,705,417	\$ 11,990,518

Statements of comprehensive income

	FIT Holding	
	Years ended December 31,	
	2022	2021
Revenue	\$ 12,069,249	\$ 11,241,928
Profit before income tax	846,521	849,600
Income tax expense	(186,130)	(223,369)
Profit for the year from continuing operations	660,391	626,231
Profit from non-controlling interest	130,802	192,219
Profit for the year	529,589	434,012
Other comprehensive loss (net of tax)	(58,491)	(528,446)
Total comprehensive income for the year	<u>\$ 601,900</u>	<u>\$ 97,785</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 130,915</u>	<u>\$ 196,802</u>
Dividends paid to non-controlling interest	<u>\$ 228,289</u>	<u>\$ 154,314</u>

Statements of cash flows

	FIT Holding	
	Years ended December 31,	
	2022	2021
Net cash used in operating activities	(\$ 2,351,013)	(\$ 3,180,099)
Net cash (used in) provided by investing activities	(5,578,178)	3,080,965
Net cash provided by (used in) financing activities	8,614,718	(69,454)
Effect of exchange rates on cash and cash equivalents	<u>78,822</u>	<u>(11,955)</u>
Increase (decrease) in cash and cash equivalents	<u>764,349</u>	<u>(180,543)</u>
Cash and cash equivalents, beginning of year	<u>4,968,346</u>	<u>5,148,889</u>
Cash and cash equivalents, end of year	<u>\$ 5,732,695</u>	<u>\$ 4,968,346</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

- b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- a) The operating results and financial position of all the group entities associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. The construction contracts contracted by the Group are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle; the other criteria for classifying between current and non-current are as follows:
 - a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - b) Assets held mainly for trading purposes;

- c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- a) Liabilities that are expected to be paid off within the normal operating cycle;
 - b) Liabilities arising mainly from trading activities;
 - c) Liabilities that are to be paid off within twelve months from the balance sheet date.

Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated fixed production overheads based on actual capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Investments accounted for using equity method – joint ventures

Investment of joint arrangements are classified as joint operations or joint ventures based on its contractual rights and obligations.

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3~50 year(s)
Machinery and equipment	1~20 year(s)
Office equipment	2~5 year(s)
Miscellaneous equipment	3~15 year(s)

(17) Leasing arrangements (lessee)-right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 50 years.

(19) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

C. The intangible assets, other than goodwill and trademark rights, are computer software and customer relationships, which are amortized using the straight-line method over a period of 3 to 5 years.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. Goodwill for impairment testing purpose is allocated to cash generating units. This allocation is identified based on operating segments. Goodwill is allocated to a cash generating unit or a group of cash generating units that expects to benefit from business combination that will produce goodwill.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Employee benefits

A. Pensions

a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

- i. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

B. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(28) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of goods

- a) The Group manufactures and sells electronic telecommunication component products. Revenue is measured at the fair value of the consideration received or receivable taking into account value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.
- b) The goods are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.

c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Group is engaged in research and development and mold repair of products, energy saving and maintenance of energy-saving equipment as well as design and development of solar engineering, etc. In cases where the results of transactions involving the provision of services can be reliably estimated or when certain milestones in research and development projects are achieved, revenue shall be recognized based on the project's progress. In other cases, revenue shall be recognized upon the completion of the provision of services or over the period in which the services are provided to the customer.

C. Construction revenue from construction contracts

a) The Group's construction revenue mainly arises from undertaking construction contracts. As the cost of construction input is directly related to the stage of completion of performance obligations, revenue is recognised by the proportion of contract costs input to the estimated total costs.

b) The Group's revenue is recognised as contract assets over time based on the proportion of the cost of construction input. Accounts receivable from a service contract are recognised in which the Group bills monthly at the amount to which the Group has the right to invoice. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

D. Electricity sales revenue

Electricity sales revenue of the Group is mainly recognised when the Group has provided the goods to the customer, the amount can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(32) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(33) Reorganisation of entities under common control

- A. The Group applies the related interpretations issued in R.O.C. for the intra-group reorganisation since there is no definite rules for business combinations (or referred as 'reorganisation') of entities under common control in IFRS 3, 'Business combinations' as explained in the IFRS Q&A 'explanations to IFRS 3 Business Combinations under Common Control' issued by Accounting Research and Development Foundation on October 26, 2018.
- B. In accordance with Accounting Research and Development Foundation Interpretation ("ARDF Interpretation") 100-248, the Group recognised the intra-group reorganisation based on the carrying amounts of subsidiaries accounted for using equity method (net of impairment loss). The difference between the carrying amount and the consideration of the transaction will be adjusted in 'capital surplus - additional paid-in capital', which if insufficient, will decrease the retained earnings. The difference between initial investment cost and net equity will be accounted for by the entities after reorganisation.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions

(1) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2022, the Group's goodwill amount is \$1,193,160. Please refer to Note 6(12) for detailed information.

(2) Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the Group's inventory book value is \$17,811,199. Please refer to Note 6(6) for detailed information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 32,183	\$ 27,752
Checking accounts and demand deposits	7,136,651	5,713,195
Cash equivalents		
Time deposits	4,015,782	2,866,694
Short-term notes and bills	61,825	99,962
Total	<u>\$ 11,246,441</u>	<u>\$ 8,707,603</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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 2,235,952	\$ 1,808,371
Valuation adjustment	(714,574)	(692,060)
	\$ 1,521,378	\$ 1,116,311

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 December 31, 2022 and 2021, the fair value of such investments amounted to \$1,521,378 and \$1,116,311, 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:

	Years ended December 31,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 42,267)	(\$ 254,701)

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

Items	December 31, 2022	December 31, 2021
Current items:		
Repatriation of capital from Taiwan's offshore companies	\$ 184,629	\$ 76,009
Time deposits maturing over three months	68,040	297,126
Restricted deposits	1,131,507	16,553
Pledged time deposits	1,716,728	1,868,617
	\$ 3,100,904	\$ 2,258,305
Non-current items:		
Restricted deposits	\$ 76,698	\$ 14,021
Pledged time deposits	373,354	131,095
	\$ 450,052	\$ 145,116

A. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$3,550,956 and \$2,403,421, respectively.

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

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 18,132,413	\$ 16,481,390
Less: Loss allowance	(126,750)	(111,508)
	<u>\$ 18,005,663</u>	<u>\$ 16,369,882</u>

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

B. As of December 31, 2022 and 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 \$16,481,390.

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:

December 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	\$ 641,782	\$ 641,782	\$ 4,606,500	\$ 577,603	\$ 64,179	4.84%~4.92%	None
Mega International Commercial Bank	159,223	159,223	1,535,500	143,300	15,923	5.66%	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

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

(6) Inventories

	December 31, 2022		
	Cost	Allowance for	
		valuation loss	Book value
Raw materials	\$ 9,167,963	(\$ 330,700)	\$ 8,837,263
Work in progress and semi-finished goods	3,068,101	(76,882)	2,991,219
Finished goods (including merchandise)	6,121,494	(197,750)	5,923,744
Inventory in transit	58,973	-	58,973
	<u>\$ 18,416,531</u>	<u>(\$ 605,332)</u>	<u>\$ 17,811,199</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>

The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2022	2021
Cost of inventories sold	\$ 82,465,722	\$ 77,429,732
(Gain on reversal of) loss on decline in market value	(78,611)	132,575
Others (revenue from sale of scraps)	(378,716)	(336,846)
	<u>\$ 82,008,395</u>	<u>\$ 77,225,461</u>

The Group reversed a previous inventory write-down because obsolete and slow-moving inventories and inventories with decline in market value were partially sold by the Group for the year ended December 31, 2022.

(7) Prepayments

	December 31, 2022	December 31, 2021
Construction prepayment	\$ 4,192,448	\$ 2,123,863
Overpaid VAT	1,135,339	852,374
Others	739,810	436,728
	<u>\$ 6,067,597</u>	<u>\$ 3,412,965</u>

(8) Investments accounted for using equity method

Investee	December 31, 2022		December 31, 2021	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
Associates:				
Central Motion Picture Corporation	\$ 1,653,741	17.49%	\$ 1,712,307	17.49%
Well Shin Technology Co., Ltd.	1,278,262	18.84%	1,157,286	18.84%
Sharetronic Data Technology Co., Ltd.	1,265,605	19.94%	1,123,279	19.94%
Chung Chia Power Co., Ltd.	170,089	20.00%	177,038	20.00%
CMPC Cultural & Creative Co., Ltd.	128,032	42.86%	115,149	42.86%
Dongguan Banrin Robot Technology Co., Ltd.	128,687	31.03%	129,169	31.03%
TEGNA ELECTRONICS PRIVATE LIMITED	36,222	30.00%	38,117	30.00%
Synergy Co., Ltd.	33,353	36.76%	35,845	36.76%
CYNC Design Co., Ltd.	9,884	15.38%	9,984	15.38%
Microlink Communications Inc.	(22,732)	21.43%	(21,511)	21.43%
	4,681,143		4,476,663	
Joint venture:				
Chung Chia Power Co., Ltd.	116,102	50.00%	-	-
	116,102		-	
Current prepayments for investments:				
JOURN TA BROTHERS LIMITED	227,072		151,907	
Shinfox Far East Company Pte. Ltd.	981,545		-	
Hangzhou Huantuo Power Technology Development Service Co., Ltd.	132,238		-	
	1,340,855		151,907	
Add: Credit balance of long-term equity investments reclassified to other non-current liabilities	22,732		21,511	
	<u>\$ 6,160,832</u>		<u>\$ 4,650,081</u>	

A. 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
		December 31, 2022	December 31, 2021		
Central Motion Picture Corporation	Taiwan	17.49%	17.49%	Note	Equity method
Well Shin Technology Co., Ltd.	Taiwan	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	
	December 31, 2022	December 31, 2021
Current assets	\$ 496,469	\$ 474,618
Non-current assets	16,700,586	17,087,337
Current liabilities	(177,177)	(5,125,799)
Non-current liabilities	(6,152,277)	(1,233,697)
Total net assets	\$ 10,867,601	\$ 11,202,459
Share in associate's net assets	\$ 1,653,741	\$ 1,712,307
Goodwill	-	-
Carrying amount of the associates	\$ 1,653,741	\$ 1,712,307

	Well Shin Technology Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	\$ 6,282,394	\$ 5,842,419
Non-current assets	2,446,794	2,483,588
Current liabilities	(1,472,654)	(1,811,697)
Non-current liabilities	(665,162)	(566,516)
Total net assets	\$ 6,591,372	\$ 5,947,794
Share in associate's net assets	\$ 1,241,673	\$ 1,120,697
Goodwill	36,589	36,589
Carrying amount of the associates	\$ 1,278,262	\$ 1,157,286

Statement of comprehensive income

	Central Motion Picture Corporation	
	Years ended December 31,	
	2022	2021
Revenue	\$ 493,589	\$ 438,838
Profit (loss) for the year from continuing operations	\$ 68,773	(\$ 854,561)
Other comprehensive loss, net of tax	(312,383)	-
Total comprehensive loss	(\$ 243,610)	(\$ 854,561)
Dividends received from associates	\$ 15,436	\$ 15,432

Well Shin Technology Co., Ltd.		
Years ended December 31,		
	2022	2021
Revenue	\$ 6,159,487	\$ 5,582,213
Profit for the year from continuing operations	759,540	345,312
Other comprehensive income (loss), net of tax	120,545	(33,535)
Total comprehensive income	\$ 880,085	\$ 311,777
Dividends received from associates	\$ 44,565	\$ 55,706

(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 December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$1,749,140 and \$1,607,070, respectively.

Years ended December 31,		
	2022	2021
Profit for the year from continuing operations	\$ 604,545	\$ 532,564
Total comprehensive income	\$ 604,545	\$ 532,564

Note: Sharetronic Data, Castles, CMPC Cultural & Creative, Microlink, CYNC, 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:

	December 31, 2022	December 31, 2021
Well Shin Technology Co., Ltd.	\$ 1,102,980	\$ 1,074,013

B. Joint ventures

The carrying amount of the Group's interests in all individually immaterial joint ventures and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial joint ventures amounted to \$116,102 and \$0, respectively.

Years ended December 31,		
	2022	2021
Total comprehensive loss	(\$ 896)	\$ -

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 no 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 December 31, 2022, uncollected amount was \$141,000 thousand (shown as 'other 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.
- H. The prepayments for investments of the Group on December 31, 2022 were used to invest JOURN TA BROTHERS LIMITED, Shinfox Far East Company Pte. Ltd. and Hangzhou Huantuo Power Technology Development Service Co., Ltd. However, the registration had not yet been completed.

(9) Property, plant and equipment

	2022						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Unfinished construction	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	-	76,552	1,899,859	70,857	416,942	139,003	2,603,213
Disposals	-	(11,527)	(46,140)	(10,339)	(12,235)	-	(80,241)
Disposal of subsidiaries	-	-	(173,333)	-	-	-	(173,333)
Reclassifications	-	84,632	254,541	32,695	52,533	(6,697)	417,704
Depreciation charge	-	(407,013)	(2,029,241)	(89,300)	(553,378)	-	(3,078,932)
Net exchange differences	-	131,315	56,947	1,876	22,396	(2,667)	209,867
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 11,693,228</u>	<u>\$ 6,025,236</u>	<u>\$ 153,842</u>	<u>\$ 1,541,193</u>	<u>\$ 1,097,319</u>	<u>\$ 20,923,246</u>
At December 31							
Cost	\$ 412,428	\$ 16,014,299	\$ 15,483,038	\$ 549,366	\$ 5,166,840	\$ 1,097,319	\$ 38,723,290
Accumulated depreciation and impairment	-	(4,321,071)	(9,457,802)	(395,524)	(3,625,647)	-	(17,800,044)
	<u>\$ 412,428</u>	<u>\$ 11,693,228</u>	<u>\$ 6,025,236</u>	<u>\$ 153,842</u>	<u>\$ 1,541,193</u>	<u>\$ 1,097,319</u>	<u>\$ 20,923,246</u>

	2021						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Unfinished construction	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	-	30,661	2,439,793	80,807	472,138	94,885	3,118,284
Disposals	-	(896)	(4,629)	(15,375)	(23,228)	-	(44,128)
Disposal of subsidiaries	-	-	-	-	(44,094)	-	(44,094)
Reclassifications	-	(6,734)	549,462	29,823	77,689	(41,530)	608,710
Reclassified as non-current assets held for sale	-	-	(15,599)	-	-	-	(15,599)
Depreciation charge	-	(559,079)	(1,946,308)	(86,083)	(607,016)	-	(3,198,486)
Net exchange differences	-	(145,412)	(52,201)	(2,489)	(18,203)	(31,837)	(250,142)
Closing net book amount	<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>
At December 31							
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>

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>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,416,817	\$ 1,253,492
Buildings	881,504	319,389
Transportation equipment (Business vehicles)	3,941	4,412
Office equipment (Photocopiers)	11	81
	<u>\$ 2,302,273</u>	<u>\$ 1,577,374</u>

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 49,862	\$ 48,617
Buildings	291,899	199,231
Transportation equipment (Business vehicles)	3,253	2,438
Office equipment (Photocopiers)	70	70
	<u>\$ 345,084</u>	<u>\$ 250,356</u>

- C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets amounted to \$1,013,954 and \$190,344, respectively.
- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 11,189	\$ 6,651
Expense on short-term lease contracts	45,625	51,751
Expense on leases of low-value assets	6,921	1,665
Expense on variable lease payments	56,665	48,932
Lease modification gain	1,246	-

- E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases amounted to \$432,997 and \$337,749, 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 13.09% 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 \$567.

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	-	(13,093)	(13,093)
Net exchange differences	-	4,469	4,469
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 377,083</u>	<u>\$ 560,159</u>
At December 31			
Cost	\$ 183,076	\$ 526,996	\$ 710,072
Accumulated depreciation and impairment	-	(149,913)	(149,913)
	<u>\$ 183,076</u>	<u>\$ 377,083</u>	<u>\$ 560,159</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
Depreciation charge	-	(12,925)	(12,925)
Net exchange differences	-	(2,364)	(2,364)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 385,707</u>	<u>\$ 568,783</u>
At December 31			
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>

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

	Years ended December 31,	
	2022	2021
Rental income from the lease of the investment property	<u>\$ 17,185</u>	<u>\$ 17,182</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 13,093</u>	<u>\$ 12,925</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 December 31, 2022 and 2021 was \$1,146,850 and \$1,085,686, 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.

(12) Intangible assets

	2022					
	Trademark rights	Patent	Goodwill	Customer relationship	Others	Total
At January 1						
Cost	\$ 46,266	\$ 451,126	\$ 3,874,852	\$ -	\$ 386,221	\$ 4,758,465
Accumulated amortisation and impairment	(291)	(220,374)	(2,762,518)	-	(307,725)	(3,290,908)
	<u>\$ 45,975</u>	<u>\$ 230,752</u>	<u>\$ 1,112,334</u>	<u>\$ -</u>	<u>\$ 78,496</u>	<u>\$ 1,467,557</u>
Opening net book amount	\$ 45,975	\$ 230,752	\$ 1,112,334	\$ -	\$ 78,496	\$ 1,467,557
Additions-acquired separately	-	-	-	-	73,760	73,760
Additions-acquired through business combinations	-	-	39,528	197,637	-	237,165
Amortisation charge	(44)	(24,460)	-	(4,616)	(49,350)	(78,470)
Reclassification	-	-	-	-	2,024	2,024
Net exchange differences	5,009	-	41,298	-	973	47,280
Closing net book amount	<u>\$ 50,940</u>	<u>\$ 206,292</u>	<u>\$ 1,193,160</u>	<u>\$ 193,021</u>	<u>\$ 105,903</u>	<u>\$ 1,749,316</u>
At December 31						
Cost	\$ 51,275	\$ 451,126	\$ 3,955,678	\$ 197,637	\$ 431,770	\$ 5,087,486
Accumulated amortisation and impairment	(335)	(224,834)	(2,762,518)	(4,616)	(325,867)	(3,318,170)
	<u>\$ 50,940</u>	<u>\$ 226,292</u>	<u>\$ 1,193,160</u>	<u>\$ 193,021</u>	<u>\$ 105,903</u>	<u>\$ 1,769,316</u>
	2021					
	Trademark rights	Patent	Goodwill	Others	Total	
At January 1						
Cost	\$ 47,588	\$ 451,126	\$ 3,885,756	\$ 395,751	\$ 4,780,221	
Accumulated amortisation and impairment	(247)	(195,914)	(2,652,518)	(277,544)	(3,126,223)	
	<u>\$ 47,341</u>	<u>\$ 255,212</u>	<u>\$ 1,233,238</u>	<u>\$ 118,207</u>	<u>\$ 1,653,998</u>	
Opening net book amount	\$ 47,341	\$ 255,212	\$ 1,233,238	\$ 118,207	\$ 1,653,998	
Additions	-	-	-	35,017	35,017	
Disposals	-	-	-	(1,316)	(1,316)	
Disposal of subsidiaries	-	-	-	(881)	(881)	
Amortisation charge	(44)	(24,460)	-	(78,220)	(102,724)	
Impairment loss	-	-	(110,000)	-	(110,000)	
Reclassification	-	-	-	6,325	6,325	
Net exchange differences	(1,322)	-	(10,904)	(636)	(12,862)	
Closing net book amount	<u>\$ 45,975</u>	<u>\$ 230,752</u>	<u>\$ 1,112,334</u>	<u>\$ 78,496</u>	<u>\$ 1,467,557</u>	
At December 31						
Cost	\$ 46,266	\$ 451,126	\$ 3,874,852	\$ 386,221	\$ 4,758,465	
Accumulated amortisation and impairment	(291)	(220,374)	(2,762,518)	(307,725)	(3,290,908)	
	<u>\$ 45,975</u>	<u>\$ 230,752</u>	<u>\$ 1,112,334</u>	<u>\$ 78,496</u>	<u>\$ 1,467,557</u>	

- A. Goodwill is allocated to the Group's cash-generating units identified according to operating segments as follows:

	December 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	-	418,571	-	-	-	418,571
All other segments	-	-	-	-	11,606	11,606
	<u>\$ 715,197</u>	<u>\$ 418,571</u>	<u>\$ 8,258</u>	<u>\$ 39,528</u>	<u>\$ 11,606</u>	<u>\$ 1,193,160</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>

- B. The value of customer relationship arose from the Group acquiring shares in Elegant Energy in February 2022.
- C. 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. The Group performs impairment testing annually.
- D. In 2022 and 2021, the Group recognized impairment loss as follows:

	December 31, 2022	December 31, 2021
Impairment loss-Goodwill		
3C component	\$ -	\$ -
Memory module	-	110,000
	<u>\$ -</u>	<u>\$ 110,000</u>

- E. The goodwill of memory module were amortised to PQI's identified cash generating unit. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. The main assumptions for calculation is as follows:
Discount rate is a pre-tax rate measured using the Taiwan government 10-year bond yield, which is the same currency with cash flow. Risk premium will be adjusted in order to reflect the equity's incremental risk and the cash generating unit's specific systematic risk of the general investments.

PQI's sales were not as expected as the original plan to develop business in the US, Europe and South Korea was suspended due to the impact of COVID-19 pandemic, and the brand penetration rate is low because it is still at the early stage of entering the Amazon platform. PQI's recoverable amount is less than the book value as assessed; therefore, the Group recognised impairment loss on goodwill amounting to \$110,000 in the statement of comprehensive income within 'other gains and losses' for the year ended December 31, 2021.

F. 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:

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

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

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 8,694,117	1.29%~5.12%	-
Secured borrowings	<u>856,124</u>	2.00%~2.50%	Note 8
	<u>\$ 9,550,241</u>		
<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 4,174,848	0.64%~4%	-
Secured borrowings	<u>50,000</u>	1.36%~1.48%	Note 8
	<u>\$ 4,224,848</u>		

(15) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper	\$ 1,792,400	\$ 1,597,500
Discount amortisation	(3,241)	(978)
	<u>\$ 1,789,159</u>	<u>\$ 1,596,522</u>
Annual interest rate range	<u>2.09%~2.19%</u>	<u>1.22%~1.79%</u>

Information about short-term notes and bills payable that were pledged to others as collaterals is provided in Note 8.

(16) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables on salary and bonus	\$ 2,044,046	\$ 1,634,734
Employees' compensation and remuneration for supervisors and directors	547,809	329,994
Payables on equipment	514,893	447,305
Indemnity payable	793,728	-
Others	2,207,873	2,205,501
	<u>\$ 6,108,349</u>	<u>\$ 4,617,534</u>

(17) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured corporate bonds	\$ 6,600,000	\$ 6,600,000
Less: Discount on bonds payable	(17,626)	(21,430)
	<u>\$ 6,582,374</u>	<u>\$ 6,578,570</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	December 31, 2022
Long-term bank borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2022 to September 2025; pay entire amount when due.	1.98%~2.06%	\$ 2,500,000	\$ 1,500,000
- without covenants	Borrowing period is from September 2022 to March 2025; pay entire amount when due.	1.45%~2.30%	2,034,500	5,198,750
FIT Holding	Borrowing period is from July 2021 to September 2024; pay entire amount of principal when due, interest is repayable monthly.	1.51%~2.05%	722,000	1,430,000
Foxlink Image	Borrowing period is from July 2021 to December 2024; pay entire amount of principal when due, interest is repayable monthly.	1.4062%~2.00%	3,725,000	1,525,000
PQI	Borrowing period is from December 2021 to June 2025; pay entire amount of principal when due, interest is repayable monthly.	1.78%~1.875%	-	900,000
Glory Science	Borrowing period is from July 2019 to December 2024; pay principal and interest based on each bank's regulations.	1.4419%~2.07%	-	110,000
Shinfox	Principal is repayable in installments from February 2019 to February 2023.	2.21%	-	1,295
Foxwell Energy	Principal is repayable in installments from January 2019 to December 2035.	1.88%~1.9662%	282,098	35,882
Foxwell Power	Principal is repayable in installments from October 2022 to September 2028.	2.15%	-	7,500
Bank's secured borrowings				
Foxwell Energy	Principal is repayable in installments from May 2018 to February 2036.	1.88%~2.35%	223,996	275,013
Foxwell Power	Principal is repayable in installments from October 2022 to September 2028.	2.15%	-	112,500
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.61%	-	45,000
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.	1.93%~2.06%	4,000,000	4,000,000
Foxwell Power	Borrowing period is from October 2022 to October 2025; pay entire amount when due.	2.3161%~2.4082%	770,100	979,900
				16,120,840
Less: Current portion			(689,541)
Less: Discount			(24,376)
			\$	<u>15,406,923</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				(<u>302,694</u>)
				<u>\$ 11,176,423</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 December 31, 2022, the borrowings that have been used amounted to \$1,500 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 Group 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 NT\$2,700,000. As of December 31, 2022, the borrowings that have been used amounted to NT\$1,045,000. 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 80% or above;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Financial gearing ratio should be below 75%;
 - (d) Interest coverage of at 3 to 4 times or above;
 - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$8,000,000 thousand; and
 - (f) Net asset value of at least NT\$1,800,000 thousand.

- D. The borrowing contract between the Group - Foxwell Power and Taishin International Bank stipulates that the Group shall annually review the financial ratios to maintain a current assets to current liabilities ratio not less than 150%, liabilities not less than 200% of tangible net equity and a net asset value not less than \$800,000 during the loan period. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis. For the year ended December 31, 2022, the Group did not violate the terms of the contracts with the above banks.
- E. The Group - Foxwell Power entered into a syndicated contract for a credit line of \$1,750,000 with three syndicated banks including O-Bank, etc., on October 3, 2022, financial commitments are summarised as follows:
- (a) Foxwell Power committed to review the latest six months' or twelve months' revenue from ancillary services on a semi-annual or annual basis after the site of the project has been qualified to trade on the energy trading platform and the first settlement amount of ancillary services revenue has been remitted to the reserve account. The interest rate will be adjusted by 0.1% if the cumulative number of times did not meet the above requirement of which the revenue reached 80% of the average monthly income listed in the "Estimated statement of annual gain and loss and cash flow".
 - (b) Foxwell Power committed to review the DSCR semi-annually based on the revenue from ancillary services and the principal and interest amount for the latest twelve months, which shall not be less than 1.1 times from the date the first monthly settlement amount of ancillary services revenue for the site of project has been remitted to the reserve account for a full twelve months.
- F. As of December 31, 2022, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line (in thousands)	Amount of borrowings used
Cheng Uei	E.Sun Bank	\$ 300,000	\$ 300,000
Cheng Uei	Mizuho Bank	USD 30,000	900,000
Cheng Uei	First Bank	600,000	600,000
Cheng Uei	Jih Sun International Bank	300,000	-
Cheng Uei	DBS Bank	USD 35,000	900,000
Cheng Uei	Export-Import Bank of Republic of China	480,000	198,750
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	600,000
Cheng Uei	Panhsin Bank	300,000	300,000
FIT Holding, Foxlink Image, PQI and Glory Science	Jih Sun International Bank (Note)	500,000	500,000
FIT Holding and PQI	Hua Nan Commercial Bank (Note)	200,000	200,000
Foxlink Image and PQI	Mega International Commercial Bank (Note)	300,000	300,000
FIT Holding	The Shanghai Commercial & Savings Bank	300,000	300,000
FIT Holding	Mega International Commercial Bank	300,000	300,000
Foxlink Image	E.Sun Bank (Note)	400,000	-
Foxlink Image	Bank of Taiwan	300,000	300,000
Foxlink Image	Hua Nan Commercial Bank	200,000	-
Foxlink Image	Taiwan Cooperative Bank	500,000	500,000
Foxlink Image	First Bank	250,000	250,000
Foxlink Image	Cathay Bank (Note)	300,000	100,000
PQI	Mega International Commercial Bank	300,000	300,000
PQI	Yuanta Commercial Bank Co., Ltd.	300,000	300,000
PQI	The Shanghai Commercial & Savings Bank	300,000	300,000
Glory Science	Hua Nan Commercial Bank	75,000	75,000
Glory Science	Chang Hwa Bank	80,000	80,000
Shinfox	The Shanghai Commercial & Savings Bank	1,295	1,295
Foxwell Energy Corporation Ltd.	Taishin International Bank (Note)	49,846	49,846
Foxwell Energy Corporation Ltd.	Mega International Commercial Bank	196,675	196,675
Foxwell Energy Corporation Ltd.	Bank SinoPac	570,467	64,373

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

G. Information about the collateral that was pledged for the long-term borrowings is provided in Note 8.

(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 amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 311,689)	(\$ 348,876)
Fair value of plan assets	<u>241,068</u>	<u>226,278</u>
Net defined benefit liability	<u>(\$ 70,621)</u>	<u>(\$ 122,598)</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2022</u>			
Balance at January 1	(\$ 348,876)	\$ 226,278	(\$ 122,598)
Current service cost	(1,541)	-	(1,541)
Interest (expense) income	(2,449)	1,611	(838)
Past service cost	-	-	-
	<u>(352,866)</u>	<u>227,889</u>	<u>(124,977)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	8,870	8,870
Change in demographic assumptions	-	-	-
Change in financial assumptions	16,867	-	16,867
Experience adjustments	(3,970)	7,649	3,679
	<u>12,897</u>	<u>16,519</u>	<u>29,416</u>
Pension fund contribution	18,304	15,179	33,483
Paid pension	9,976	(18,519)	(8,543)
Balance at December 31	<u>(\$ 311,689)</u>	<u>\$ 241,068</u>	<u>(\$ 70,621)</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 398,526)	\$ 178,635	(\$ 219,891)
Current service cost	(2,787)	-	(2,787)
Interest (expense) income	(1,284)	837	(447)
Past service cost	1,098	-	1,098
	<u>(401,499)</u>	<u>179,472</u>	<u>(222,027)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	1,430	1,430
Change in demographic assumptions	(289)	-	(289)
Change in financial assumptions	12,751	-	12,751
Experience adjustments	26,194	952	27,146
	<u>38,656</u>	<u>2,382</u>	<u>41,038</u>
Pension fund contribution	-	49,733	49,733
Paid pension	13,967	(5,309)	8,658
Balance at December 31	<u>(\$ 348,876)</u>	<u>\$ 226,278</u>	<u>(\$ 122,598)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or

foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.25%~2.00%	0.70%~0.75%
Future salary increases	2.00%~5.00%	1.00%~5.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	\$ 4,944	(\$ 5,093)	(\$ 3,701)	\$ 3,745
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ 5,924	(\$ 6,108)	(\$ 5,226)	\$ 5,156

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$2,470.

(g) As of December 31, 2022, the weighted average duration of that retirement plan is 9 to 18 years.

- 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 years ended December 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 years ended December 31, 2022 and 2021 were \$904,077 and \$821,840, respectively.

(20) Share capital

A. As of December 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 December 31, 2022 and 2021, the detailed information of Foxlink Image’s parent equity shares is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Thousand shares	27,503	27,503
Book value	<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						
	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 using equity method	Total
At January 1	\$ 9,337,850	\$ 71,336	\$ 589,709	\$ 3,829	\$ 250,151	\$ 10,252,875
Cash dividends distributed to subsidiaries	-	15,755	-	-	-	15,755
Adjustments due to not participating in the capital increase of investees proportionately	-	-	110,494	65	3,494	114,053
At December 31	<u>\$ 9,337,850</u>	<u>\$ 87,091</u>	<u>\$ 700,203</u>	<u>\$ 3,894</u>	<u>\$ 253,645</u>	<u>\$ 10,382,683</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 using equity method	Total
At January 1	\$ 9,337,850	\$ 45,078	\$ 196,481	\$ 3,336	\$ 246,001	\$ 9,828,746
Cash dividends distributed to subsidiaries	-	26,258	-	-	-	26,258
Adjustments due to not participating in the capital increase of investees proportionately	-	-	393,228	493	4,150	397,871
At December 31	<u>\$ 9,337,850</u>	<u>\$ 71,336</u>	<u>\$ 589,709</u>	<u>\$ 3,829</u>	<u>\$ 250,151</u>	<u>\$ 10,252,875</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 years ended December 31, 2022 and 2021 as a result of the use, disposal or reclassification of related assets. As of December 31, 2022 and 2021, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.
- E. (a) Details of the appropriation of 2021's and 2020's net income which was resolved at the stockholders' meeting on June 21, 2022 and July 15, 2021 are as follows:

	Year ended December 31, 2021		Year ended December 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>

- (b) The appropriation of 2022 earnings had been proposed by the Board of Directors on March 15, 2023. Details are summarized below:

	Year ended December 31, 2022	
	Amount	Dividend per share (NTD)
Legal reserve	\$ 153,911	\$ -
Special reserve	(237,890)	-
Cash dividends	1,127,119	2.2
Total	<u>\$ 1,043,140</u>	<u>\$ 2.2</u>

(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)
Valuation adjustment			
- Group	(5,302)	-	(5,302)
- Associates	(66,680)	-	(66,680)
Currency translation differences:			
- Group	-	353,222	353,222
- Associates	-	(43,350)	(43,350)
At December 31	<u>(\$ 544,591)</u>	<u>(\$ 1,819,170)</u>	<u>(\$ 2,363,761)</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)
Valuation adjustment			
- Group	(90,209)	-	(90,209)
- Associates	(76,177)	-	(76,177)
Currency translation differences:			
- Group	-	(404,900)	(404,900)
- Associates	-	5,981	5,981
At December 31	<u>(\$ 472,609)</u>	<u>(\$ 2,129,042)</u>	<u>(\$ 2,601,651)</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:

	Years ended December 31,	
	2022	2021
Systems and peripheral products	\$ 40,762,357	\$ 37,217,489
3C component	31,850,107	30,969,951
3C product retail	17,188,938	14,278,882
Energy service management	4,301,192	4,334,413
Total	<u>\$ 94,102,594</u>	<u>\$ 86,800,735</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 December 31, 2022 and 2021 are as follows:

Year	Year expected to recognise revenue	Contracted amount(before tax)
December 31, 2022	2022~2025	\$ 50,750,368
December 31, 2021	2022~2025	54,669,266

C. Contract assets and contract liabilities

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Contract assets:		
Contract assets-construction contracts	\$ 2,716,125	\$ 3,216,453
Contract liabilities:		
Contract liabilities-advance sales receipts	1,084,696	601,474
Contract liabilities-construction contracts	3,171	2,293
Total	<u>\$ 1,087,867</u>	<u>\$ 603,767</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Aggregate costs incurred plus recognised profits	\$ 8,411,401	\$ 4,366,249
Less: Progress billings	(5,698,447)	(1,152,089)
Net balance sheet position for construction in progress	<u>\$ 2,712,954</u>	<u>\$ 3,214,160</u>
Presented as:		
Current contract assets	\$ 2,716,125	\$ 3,216,453
Current contract liabilities	(3,171)	(2,293)
Total	<u>\$ 2,712,954</u>	<u>\$ 3,214,160</u>

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

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales revenue received in advance	<u>\$ 224,879</u>	<u>\$ 617,167</u>

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

(25) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 131,821	\$ 77,057

(26) Other income

	Years ended December 31,	
	2022	2021
Rental revenue	\$ 17,185	\$ 17,182
Other revenue-other	407,137	532,253
	<u>\$ 424,322</u>	<u>\$ 549,435</u>

(27) Other gains and losses

	Years ended December 31,	
	2022	2021
(Loss) gain on disposal of property, plant and equipment	(\$ 58,049)	\$ 3,397
Gain on disposal of investments	23,290	165,959
Net currency exchange gains (losses)	374,682	(65,339)
Impairment loss on intangible assets	-	(110,000)
Depreciation charge on investment property	(13,093)	(12,925)
Loss on indemnity and so on (Note)	(793,728)	-
Other gains and losses	(56,504)	(49,846)
	<u>(\$ 523,402)</u>	<u>(\$ 68,754)</u>

Note: Please refer to Note 9(1) C. for details.

(28) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	\$ 323,291	\$ 234,565
Corporate bonds	88,777	100,458
Lease liabilities	11,189	6,504
	<u>\$ 423,257</u>	<u>\$ 341,527</u>

(29) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 13,487,044	\$ 12,357,079
Depreciation expense	3,424,016	3,448,842
Amortisation charges on intangible assets	78,470	102,724
Transportation expense	674,103	649,674
Advertising costs	65,855	72,160
Operating lease payments	109,211	102,348
	<u>\$ 17,838,699</u>	<u>\$ 16,732,827</u>

(30) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 11,694,317	\$ 10,638,468
Labour and health insurance fees	544,165	512,631
Directors' remuneration	10,000	6,000
Pension costs	906,456	823,976
Other personnel expenses	332,106	376,004
	<u>\$ 13,487,044</u>	<u>\$ 12,357,079</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 years ended December 31, 2022 and 2021, employees' compensation was accrued at \$312,000 and \$130,000, respectively; directors' and supervisors' remuneration was both accrued at \$10,000 and \$6,000, respectively. 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 year ended December 31, 2022 and percentage as prescribed by the Company's Articles of Incorporation. The Board of Directors resolved the actual appropriation amounts of \$312,000 and \$10,000 and appropriated in cash in March 15, 2023.
- 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:

	Years ended December 31,	
	2022	2021
Current tax:		
Tax payable incurred in current year	\$ 989,167	\$ 613,192
Tax on undistributed surplus earnings	4,904	43,313
Prior year income tax (over) under estimation	47,279	17,645
Total current tax	1,041,350	674,150
Deferred tax:		
Origination and reversal of temporary differences	275,744	140,813
Total deferred tax	275,744	140,813
Income tax expense	\$ 1,317,094	\$ 814,963

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

	Years ended December 31,	
	2022	2021
Currency translation differences	\$ 108,773	(\$ 115,177)
Remeasurement of defined benefit obligations	5,883	8,207
	\$ 114,656	(\$ 106,970)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 1,461,113	\$ 871,908
Effect from items disallowed by tax regulation	(196,202)	(145,931)
Prior year income tax (over) under estimation underestimation	47,279	17,645
Effect from Alternative Minimum Tax	-	28,028
Tax on undistributed surplus earnings	4,904	43,313
Income tax expense	\$ 1,317,094	\$ 814,963

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income		December 31
			Business combination		
Temporary differences:					
-Deferred tax assets:					
Bad debts expense	\$ 18,619	\$ 374	\$ -	\$ -	\$ 18,993
Impairment losses on slow-moving inventory	21,522	(2,141)	-	-	19,381
Unrealised exchange (loss) gain	23,894	(23,894)	-	-	-
Unrealised profit from sales	24,511	6,741	-	-	31,252
Remeasurement of defined benefit	243	-	(243)	-	-
Currency translation differences	288,870	-	(108,773)	-	180,097
Tax losses	103,342	785	-	-	104,127
Others	88,171	6,759	-	-	94,930
Subtotal	<u>\$ 569,172</u>	<u>(\$ 11,376)</u>	<u>(\$ 109,016)</u>	<u>\$ -</u>	<u>\$ 448,780</u>
-Deferred tax liabilities:					
Gain on investments	(\$ 815,723)	(\$ 169,923)	\$ -	\$ -	(\$ 985,646)
Unrealised exchange (loss) gain	-	(96,536)	-	-	(96,536)
Unrealised appropriation of pension	(10,738)	(1,398)	-	-	(12,136)
Remeasurement of defined benefit	-	(340)	(5,640)	-	(5,980)
Others	(107,087)	3,829	-	(39,528)	(142,786)
Subtotal	<u>(\$ 933,548)</u>	<u>(\$ 264,368)</u>	<u>(\$ 5,640)</u>	<u>(\$ 39,528)</u>	<u>(\$ 1,243,084)</u>
Total	<u>(\$ 364,376)</u>	<u>(\$ 275,744)</u>	<u>(\$ 114,656)</u>	<u>(\$ 39,528)</u>	<u>(\$ 794,304)</u>

	2021				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income		December 31
			Business combination		
Temporary differences:					
-Deferred tax assets:					
Bad debts expense	\$ 18,993	(\$ 374)	\$ -	\$ -	\$ 18,619
Impairment losses on slow-moving inventory	22,679	(1,157)	-	-	21,522
Unrealised exchange (loss) gain	42,494	(18,600)	-	-	23,894
Unrealised profit from sales	44,995	(20,484)	-	-	24,511
Unrealised appropriation of pension	236	(236)	-	-	-
Remeasurement of defined benefit plan	8,450	-	(8,207)	-	243
Currency translation differences	173,693	-	115,177	-	288,870
Tax losses	126,760	(23,418)	-	-	103,342
Others	99,688	(11,517)	-	-	88,171
Subtotal	<u>\$ 537,988</u>	<u>(\$ 75,786)</u>	<u>\$ 106,970</u>	<u>\$ -</u>	<u>\$ 569,172</u>
-Deferred tax liabilities:					
Gain on investments	(\$ 731,164)	(\$ 84,559)	\$ -	\$ -	(\$ 815,723)
Unrealised appropriation of pension	-	(10,738)	-	-	(10,738)
Others	(137,357)	30,270	-	-	(107,087)
Subtotal	<u>(\$ 868,521)</u>	<u>(\$ 65,027)</u>	<u>\$ -</u>	<u>(\$ 933,548)</u>	
Total	<u>(\$ 330,533)</u>	<u>(\$ 140,813)</u>	<u>\$ 106,970</u>	<u>(\$ 364,376)</u>	

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011-2022	\$ 3,406,188	\$ 3,150,618	\$ 2,466,819	2022-2032

December 31, 2021				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011-2021	\$ 2,922,397	\$ 2,549,278	\$ 2,090,471	2022-2031

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary differences	<u>\$ 275,630</u>	<u>\$ 793,265</u>

G. 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, Foxwell Energy, Shinfox Natural Gas, Foxwell Power, DU Precision, WCT, FAT, Jing Jing, Zhi De Investment, Darts, Suntain and Straight A	Assessed and approved up to 2020
Shinfox	Assessed and approved up to 2019
Studio A, Foxlink Image, PQI, Glory Science and FIT Holding	Assessed and approved up to 2018

(32) Earnings per share

	Year ended December 31, 2022		
	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	\$ 1,522,518	484,824	\$ 3.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,522,518	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,353	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,522,518	491,177	\$ 3.10

	Year ended December 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	\$ 921,042	484,824	\$ 1.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 921,042	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,287	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 921,042	488,111	\$ 1.89

(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 Septemberzhe Co., Ltd. increased 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 \$365,812.

The second-tier subsidiary, Shinfox Energy Co., Ltd., and Foxwell Power Co., Ltd. increased its capital by issuing new shares in 2022. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 3.01% and 18.77%, respectively. The transaction increased non-controlling interest by \$2,381,970 and increased the equity attributable to owners of parent by \$109,968.

(34) Business combinations

- A. On February 14, 2022, the Group acquired 100% of the share capital of Elegant Energy for \$200,000 and obtained 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 \$9,641. Elegant Energy also contributed profit before income tax of \$9,415 over the same period. Had Elegant Energy been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of \$94,103,343 and profit before income tax of \$3,407,578.

(35) Supplemental cash flow information

A. Investment activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Purchase of property, plant and equipment	\$ 2,603,213	\$ 3,118,284
Add: Opening balance of payable on equipment	447,305	583,447
Less: Ending balance of payable on equipment	(514,893)	(447,305)
Cash paid during the year	<u>\$ 2,535,625</u>	<u>\$ 3,254,426</u>

B. The Group sold 58.50% of its shares in the subsidiary, Junezhe, on December 27, 2022 and therefore lost control over the subsidiary (please refer to Note 4(3)B.). The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	<u>December 27, 2022</u>
Consideration received	
Cash	\$ 134,550
Carrying amount of assets and liabilities of Junezhe	
Cash	11,788
Accounts receivable	16,790
Other current assets	1,091
Property, plant and equipment	173,333
Accounts payable (including related parties)	(4,013)
Other payables	(3,587)
Current tax liabilities	(7,081)
Other current liabilities	(17)
Total net assets	<u>\$ 188,304</u>

(36) Changes in liabilities from financing activities

	2022						Liabilities from
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>financing activities - gross</u>	
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	5,325,393	192,637	-	4,617,347	(323,786)	9,811,591	
Impact of changes in foreign exchange rate	-	-	-	-	(129,950)	(129,950)	
Interest expense	-	-	-	-	11,189	11,189	
Changes in other non-cash items	-	-	3,804	-	1,013,954	1,017,758	
At December 31	<u>\$ 9,550,241</u>	<u>\$ 1,789,159</u>	<u>\$ 6,582,374</u>	<u>\$ 16,096,464</u>	<u>\$ 977,569</u>	<u>\$ 34,995,807</u>	
	2021						Liabilities from
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>financing activities - gross</u>	
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	(115,830)	1,209,300	-	(1,346,651)	(235,401)	(488,582)	
Impact of changes in foreign exchange rate	(904)	-	-	-	27,034	26,130	
Interest expense	-	-	-	-	6,651	6,651	
Changes in other non-cash items	-	-	3,588	-	190,344	193,932	
At December 31	<u>\$ 4,224,848</u>	<u>\$ 1,596,522</u>	<u>\$ 6,578,570</u>	<u>\$ 11,479,117</u>	<u>\$ 406,162</u>	<u>\$ 24,285,219</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
Synergy Co., Ltd. (Synergy)	Associate (Note 1)
Changpin wind power Ltd. (Changpin)	Joint venture (Note 2)
Hsin Hung International Investment Co., Ltd. (HSIN HUNG)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party

Names of related parties	Relationship with the Group
Changde Kingplus Electronic Technology CO., LTD. (Changde Kingplus)	Other related party (Note 3)
Foxwell Energy Co., Ltd.	Other related party (Note 4)
Changyuan Wind Power Ltd. (Changyuan)	Other related party (Note 4)
Beiyuan Wind Power Ltd. (Beiyuan)	Other related party (Note 4)
Shinfox Power Co., Ltd. (Shinfox Power)	Other related party (Note 4)
Chern Feng Engineering Tech Co., Ltd. (Chern Feng)	Other related party (Note 5)

Note 1: The Group acquired the investment accounted for using equity method in the fourth quarter of 2021, so it is listed as a related party.

Note 2: The Group acquired the investment accounted for using equity method in the second quarter of 2022, so it is listed as a related party.

Note 3: 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 4: FIT Holding resigned its directorship from Foxwell Energy Co., Ltd. on May 20, 2021, therefore, Foxwell Energy Co., Ltd. and its subsidiaries were no longer related parties since May 20, 2021.

Note 5: Chern Feng was the Group's related party because Chern Feng was the major shareholder of the Group's subsidiary - Junezhe. However, the Group disposed all the equity interest in Junezhe on December 27, 2022. As a result, Chern Feng was no longer a related party of the Group starting from December 27, 2022.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
- Associates	\$ 1,635	\$ 1,155
- Other related parties	809,822	1,078,879
	<u>\$ 811,457</u>	<u>\$ 1,080,034</u>
	Years ended December 31,	
	2022	2021
Sales of services:		
-Joint ventures	\$ 60,000	\$ -
-Associates	7,635	1,030
-Other related parties	-	399,190
	<u>\$ 67,635</u>	<u>\$ 400,220</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>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchases of goods:		
- Associates	\$ 393,253	\$ 197,105
- Other related parties	1,064,707	1,032,795
	<u>\$ 1,457,960</u>	<u>\$ 1,229,900</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>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Construction cost		
- Other related parties	\$ 60,007	\$ 14,318

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. Receivables from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
- Other related parties	\$ 339,390	\$ 244,686
- Associates	74,797	68,219
	<u>\$ 414,187</u>	<u>\$ 312,905</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables (Financing):		
- Associates		
Microlink	\$ 55,000	\$ 55,000
Other receivables (Others):		
- Associates	11,184	-
- Other related parties	364	6,213
	<u>\$ 66,548</u>	<u>\$ 61,213</u>

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

D. Payables to related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
- Associates	\$ 123,552	\$ 61,683
- Other related parties	57,572	110,424
	<u>\$ 181,124</u>	<u>\$ 172,107</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables-Receipts under custody:		
- Associates	\$ 20,476	\$ -
- Other related parties	-	14,144
	<u>\$ 20,476</u>	<u>\$ 14,144</u>

E. 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) Acquisitions of right-of-use assets

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ 4,654	\$ -
Other related parties	-	26,762
	<u>\$ 4,654</u>	<u>\$ 26,762</u>

(c) Lease liability

i. Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ 11,660	\$ 10,943
Other related parties	13,380	22,391
	<u>\$ 25,040</u>	<u>\$ 33,334</u>

ii. Interest expense

	Years ended December 31,	
	2022	2021
Associates	\$ 358	\$ 211
Other related parties	294	200
	<u>\$ 652</u>	<u>\$ 411</u>

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Short-term employee benefits	\$ 218,468	\$ 96,494
Post-employment benefits	2,732	1,997
Total	<u>\$ 221,200</u>	<u>\$ 98,491</u>

8. PLEGGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Property, plant and equipment	\$ 2,637,959	\$ 2,552,974	Short-term notes and bills, short and long-term borrowings, debt mortgage guarantee
Right-of-use assets	198,125	199,897	Debt mortgage guarantee
Repatriation of capital from Taiwan's offshore companies (shown as financial assets at amortised cost-current)	184,629	76,009	Repatriation of capital from Taiwan's offshore companies
Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current)	2,848,235	1,885,170	Customs deposit, guarantee for L/C issued for purchases of materials, government grants coupon trust, construction performance security deposit, short-term borrowings and guaranteed bill
Refundable deposits (shown as other current assets)	999,711	2,657	Construction performance security deposit, performance security deposit
Restricted deposits and time deposits-non-current (shown as financial assets at amortised cost-non-current)	450,052	145,116	Litigation deposit and collateral for long-term borrowings, reserve account and performance security deposit and development deposit
Refundable deposits (shown as other non-current assets)			Customs deposit, plant deposit and rental performance security deposit, security deposit and Electrical energy performance security deposit
	642,607	331,480	
	<u>\$ 7,961,318</u>	<u>\$ 5,193,303</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 pawnage 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 the “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, an extension was applied for according to the law year by year and the Work

Permit was obtained as approved and issued by the Ministry of Economic Affairs. Certain litigations that ensued during the period of application for the renewal of the Work Permit were as follows:

(a) Administrative appeal

The local indigenous peoples (the “Petitioners”) filed a petition on May 14, 2021 with the Administrative Appeals Committee of the Executive Yuan (AAC), requesting “the suspension of the Project” and “the revocation of work permit in 2021 issued by the Ministry of Economic Affairs”. Regarding the dispute with the former, the administrative appeal was dismissed from the the AAC on May 31, 2021; and regarding the dispute with the latter, the decision of administrative appeal was rendered by the AAC on March 3, 2022 and the original administrative action was revoked.

In accordance with the decision of the AAC, the Ministry of Economic Affairs sent a letter to Shih Fong on March 10, 2022, ordering it to consult and obtain consent and participation from the indigenous peoples or tribes. Shih Fong disagreed with the judgement and filed an administrative litigation according to the law on April 29, 2022, requesting the Executive Yuan to revoke the decision of administrative appeal of Shih Fong’s Work Permit in 2021. Currently, the case trial has been initiated by the court on November 9, 2022. However, as of the reporting date, the judgement had not been made.

(b) Administrative litigation

The Petitioners disagreed with the decision of dismiss on May 31, 2021 by the AAC and filed an administrative litigation with the Taipei High Administrative Court (THAC). On December 3, 2021, the THAC rendered a judgement that the Project is suspended until the administrative litigation is finalised. The Ministry of Economic Affairs and Shih Fong disagreed with the abovementioned judgement and filed an counterappeal with the Supreme Administrative Court (THAC). On March 31, 2022, the THAC revoked the original verdict, excluding certain final judgements.

However, in order to conduct the construction smoothly in the future and respect the will of local peoples, Shih Fong sent a letter to the Zhuoxi Township Office on April 7, 2022, requesting it to consult and obtain consent from the tribes. Shih Fong completed relevant tribal consultation and obtained a majority of consent in December 2022 and sent a letter to the Bureau of Energy to report the results of the tribal consultation. The Company had obtained the renewal Work Permit in 2021 and 2022 in December 2022 and the Work Permit in 2023 was renewed by the Ministry of Economic Affairs in February 2023 which will be valid until December 31, 2023.

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 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". Fugang Electric (Maanshan) Co., Ltd., received the dismissal of the administrative litigation by the Ma'anshan Intermediate People's Court in Anhui Province on May 6, 2022 and filed an appeal to the Ma'anshan Higher People's Court in Anhui Province on May 13, 2022. The administrative litigation has been filed as a case by the Ma'anshan Higher People's Court in Anhui Province on July 6, 2022. Additionally, on August 8, 2022, the Ma'anshan Higher People's Court in Anhui Province denied the appeal and upheld the original administrative litigation. According to the judgement, on August 24, 2022, FG MAANSHAN filed a motion for a retrial with Supreme People's Court, and on October 10, 2022, the case had been filed. Because the litigants had reached a settlement, on October 31, 2022, FG MAANSHAN withdrew the motion for retrial.

On December 7, 2021, FG MAANSHAN filed a second instance appeal with the Higher People's Court of Anhui Province to request to modify or remand the decision according to the first instance. Trials of the case had been initiated by the Higher People's Court of Anhui Province on May 11, 2022. On October 14, 2022, FG MAANSHAN and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. signed the settlement agreement, and on October 18, 2022, both parties reached a settlement in Anhui Ma'anshan Intermediate People's Court. Based on the agreement, FG MAANSHAN should repay the borrowing principal from

Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. in the amount of RMB 31.44 million before October 31, 2022. The residual of RMB 333.96 million should be repaid by using right-of-use assets, property and all buildings and affiliated facilities in relation to property on the accounts of FG MAANSHAN, and the actual written transfer procedures should be completed before January 20, 2023. Because of the settlement agreement, FG MAANSHAN was responsible for the loss on disposal of assets transferred and indemnity in the amount of RMB 179.25 million (accounted as other gains and losses).

- 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 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 letter stating that it was a lawful termination of the contract and it reserves the right to claim compensation from the contractor. As of November 11, 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.
- E. The Group's subsidiary, Foxlink International, Inc. ("Foxlink"), has a lawsuit with Azoooca, Inc ("Azoooca"). Azoooca filed a lawsuit against Foxlink on February 9, 2021 and claimed a compensation of US\$6 million for the development of interactive game product in 2015. Foxlink filed a counterclaim on March 15, 2021 and requested a compensation of US\$821,800. The lawsuit will be heard by a jury. The judge expected to hold the pre-trial conference of the lawsuit on January 29, 2024 and start the trial on February 13, 2024 according to the hearing results on January 11, 2023. There had been no judgement rendered as of the financial reporting date.

(2) Commitments

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equipment purchase contract		
Contract price	\$ <u>2,504,383</u>	\$ <u>1,033,214</u>
Outstanding amount	\$ <u>668,407</u>	\$ <u>507,771</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Construction contract		
Contract price	\$ <u>38,700,551</u>	\$ <u>39,631,214</u>
Outstanding amount	\$ <u>28,572,525</u>	\$ <u>34,837,318</u>

- B. As of December 31, 2022 and 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", both amounted 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 \$1,626,602 and \$1,620,000, respectively, the amounts of endorsements and guarantees provided by the Group were \$3,780,000 and \$4,700,000, respectively, and the amounts of collateral pledged by using the letters of guarantee issued by the subcontractor were \$1,608,370.
- C. As of December 31, 2022 and 2021, the letters of guarantee to be issued by the bank, which are required for contracting the Solar System Integration Project, amounted to \$75,144 and \$100,699, 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 December 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., Beiyuan 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.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

- (1) Details of the appropriation of 2022 earnings as resolved by the Board of Directors on March 15, 2023 are provided in Note 6(22).
- (2) The plant of the Group's subsidiary, FOXLINK INDIA ELECTRIC PRIVATE LIMITED, in Tirupati, India caught fire on February 27, 2023. The subsidiary has insurance coverage for the plant, equipment and inventories. Loss on the fire will be confirmed after the identification of the fire.
- (3) On February 24, 2023, the Board of Directors of the Group's subsidiary, Shinfox Energy Co. Ltd., resolved the issuance of overseas convertible bonds and the limit on the total issuance amount was temporarily set at US\$300 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>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,521,378	\$ 1,116,311
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	11,246,441	8,707,603
Financial assets at amortised cost	3,550,956	2,403,421
Notes receivable	59,703	46,874
Accounts receivable	18,419,850	16,682,787
Other receivables	595,359	373,774
Guarantee deposits paid	1,642,318	334,137
	<u>\$ 37,036,005</u>	<u>\$ 29,664,907</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 9,550,241	\$ 4,224,848
Short-term notes and bills payable	1,789,159	1,596,522
Notes payable	657	150
Accounts payable	15,833,624	17,067,133
Other accounts payable	6,108,349	4,617,534
Corporate bonds payables	6,582,374	6,578,570
Lease liability	977,569	406,162
Long-term borrowings (including current portion)	16,096,464	11,479,117
Guarantee deposits received	41,082	38,885
	<u>\$ 56,979,519</u>	<u>\$ 46,008,921</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:

				December 31, 2022		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$	452,220		30.71	\$	13,887,676
RMB : NTD		86,330		4.41		380,715
HKD : NTD		48,346		3.94		190,483
EUR : NTD		1,117		32.72		36,548
JPY : NTD		545,591		0.23		125,486
USD : RMB		27,387		6.96		841,055
HKD : RMB		22,044		1.12		86,853
<u>Non-monetary items</u>						
RMB : USD	\$	29,181		0.14	\$	128,687
RMB : HKD		286,985		1.12		1,265,605
INR : USD		97,897		0.01		36,222
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$	656,384		30.71	\$	20,157,553
RMB : NTD		85,626		4.41		377,611
HKD : NTD		4,360		3.94		17,178
EUR : NTD		1,189		32.72		38,904
JPY : NTD		41,033		0.23		9,438
USD : RMB		85,206		6.96		2,616,676
USD : HKD		4,152		7.80		127,508

	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>			
RMB : 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

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to \$374,682 and (\$65,339), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 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%	\$ 138,877	\$ -
RMB : NTD	1%	3,807	-
HKD : NTD	1%	1,905	-
EUR : NTD	1%	365	-
JPY : NTD	1%	1,255	-
USD : RMB	1%	8,411	-
HKD : RMB	1%	869	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 201,576	\$ -
RMB : NTD	1%	3,776	-
HKD : NTD	1%	172	-
EUR : NTD	1%	389	-
JPY : NTD	1%	94	-
USD : RMB	1%	26,167	-
USD : HKD	1%	1,275	-

	Year ended December 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%	\$ 178,433	\$ -
RMB : NTD	1%	2,664	-
HKD : NTD	1%	1,232	-
EUR : NTD	1%	161	-
JPY : NTD	1%	1,160	-
USD : RMB	1%	747	-
USD : HKD	1%	31	-
RMB : HKD	1%	2	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 231,580	\$ -
RMB : NTD	1%	3,725	-
HKD : NTD	1%	691	-
EUR : NTD	1%	5,735	-
JPY : NTD	1%	104	-
USD : RMB	1%	31,899	-
USD : HKD	1%	38	-
HKD : RMB	1%	28	-

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 years ended December 31, 2022 and 2021 would have increased (decreased) by \$12,171 and \$8,930, 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 years ended December 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 December 31, 2022 and 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 years ended December 31, 2022 and 2021 would have been \$128,772 and \$91,833 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 December 31, 2022 and 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 December 31, 2022</u>					
Expected loss rate	0.03%~0.12%	0.03%~9.69%	5.37%~70.70%	100%	
Total book value	\$ 17,161,008	\$ 751,389	\$ 184,216	\$ 35,800	\$ 18,132,413
Loss allowance	\$ 16,231	\$ 64,829	\$ 9,890	\$ 35,800	\$ 126,750
<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

- 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
Provision for (reversal of) impairment loss	13,792	(6,295)
Effect of foreign exchange	1,450	(570)
At December 31	<u>\$ 126,750</u>	<u>\$ 111,508</u>

(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:

December 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	\$ 9,838,606	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,791,564	-	-	-	-
Lease liabilities	290,251	154,081	89,995	163,709	430,047
Long-term borrowings (including current portion)	998,692	8,359,883	6,162,777	1,090,393	176,064

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	8,598,833	1,381,087	3,302,689	189,678

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.

	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,582,374	\$ -

	December 31, 2021			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,578,570	\$ -

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:

December 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	\$ -	\$ -	\$ 1,521,378	\$ 1,521,378

December 31, 2021	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	\$ -	\$ -	\$ 1,116,311	\$ 1,116,311

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 years ended December 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 years ended December 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	(42,267)	(254,701)
Acquired in the year	431,984	173,760
Decreased in the year	-	(96,184)
Transfers into level 3	-	310,840
Effect of exchange rate changes	<u>15,350</u>	<u>(4,108)</u>
At December 31	<u>\$ 1,521,378</u>	<u>\$ 1,116,311</u>

- H. For the years ended December 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:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,521,378	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 December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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

- 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 December 31, 2022 and 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 fourth quarter of 2022.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

For the investees' information, refer to investees' independent accountant attestation report.

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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(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 March 15, 2023, 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 December 31, 2022, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.
- 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:

		Year ended December 31, 2022	
Company name	General ledger account	Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 22,462,964	37%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 16,108,184	27%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 13,420,213	22%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 3,578,987	6%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 1,786,779	3%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 328,892	1%
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 241,290	-
		December 31, 2022	
Company name	General ledger account	Amount	Percentage of total amount
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 3,181,103	30%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,372,597	13%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 1,543,890	15%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,264,745	12%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 435,289	4%
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 123	-

- (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 year ended December 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	Year ended December 31, 2022	
		Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 10,745,657	33%
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	\$ 9,374,522	28%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 8,300,586	25%
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,474,735	4%
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 965,508	3%
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 249,212	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 186,240	1%

Company name	General ledger account	Year ended December 31, 2022	
		Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 46,350	8%
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 45,789	8%
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 33,275	5%
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 2,569	-
Fugang Electric (Maanshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 17	-

Company name	General ledger	December 31, 2022	
		Amount	Percentage of total amount
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 1,442,477	23%
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 665,130	11%
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	\$ 628,265	10%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 435,039	8%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	\$ 114,408	2%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	\$ 63,990	1%
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 32,893	-
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 13,056	-
Fugang Electronic (Dongguan) Co., Ltd.	Other receivables	\$ 10,334	-
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 477	-
Foxlink Tianjin Co., Ltd.	Other receivables	\$ 78	-

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

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:

Year ended December 31, 2022

	3C component department	Systems and peripheral products department	3C product retail department	Energy service management	Adjustments	Total
External Revenue	\$ 31,850,107	\$ 40,762,357	\$ 17,188,938	\$ 4,301,192	\$ -	\$ 94,102,594
Revenue from Internal Customers	1,879,810	161,824	-	-	(2,041,634)	-
Segment Revenue	<u>\$ 33,729,917</u>	<u>\$ 40,924,181</u>	<u>\$ 17,188,938</u>	<u>\$ 4,301,192</u>	<u>(\$ 2,041,634)</u>	<u>\$ 94,102,594</u>
Segment Profit	<u>\$ 758,883</u>	<u>\$ 2,102,750</u>	<u>\$ 417,673</u>	<u>\$ 252,387</u>	<u>\$ -</u>	<u>\$ 3,531,693</u>

Year ended December 31, 2021

	3C component department	Systems and peripheral products department	3C product retail department	Energy service management	Adjustments	Total
External Revenue	\$ 30,969,951	\$ 37,217,489	\$ 14,278,882	\$ 4,334,413	\$ -	\$ 86,800,735
Revenue from Internal Customers	1,457,174	140,173	-	-	(1,597,347)	-
Segment Revenue	<u>\$ 32,427,125</u>	<u>\$ 37,357,662</u>	<u>\$ 14,278,882</u>	<u>\$ 4,334,413</u>	<u>(\$ 1,597,347)</u>	<u>\$ 86,800,735</u>
Segment (Loss) Profit	<u>(\$ 81,636)</u>	<u>\$ 1,021,306</u>	<u>\$ 362,377</u>	<u>\$ 608,794</u>	<u>\$ -</u>	<u>\$ 1,910,841</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.

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Years ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 14,689,833	\$ 9,412,021	\$ 11,726,035	\$ 7,308,651
China	27,334,678	15,801,037	29,596,210	16,506,341
America	29,552,766	587,302	23,697,140	31,634
Hong Kong	5,819,606	1,213	5,520,447	1,190
Korea	2,157,239	63,930	2,461,013	32,838
Others	14,548,472	2,755,907	13,799,890	2,251,205
	<u>\$ 94,102,594</u>	<u>\$ 28,621,410</u>	<u>\$ 86,800,735</u>	<u>\$ 26,131,859</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

		Years ended December 31,		
		2022	2021	
	Revenue	Segment	Revenue	Segment
A	\$ 14,422,164	Systems and peripheral products department	\$ 11,379,948	Systems and peripheral products department
D	<u>12,968,277</u>	3C component department	<u>12,383,498</u>	3C component department
	<u>\$ 27,390,441</u>		<u>\$ 23,763,446</u>	

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Loans to others
Year ended December 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 year ended December 31, 2022	Balance at December 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	\$ -	\$ -	-	2	\$ -	Operations	\$ -	-	\$ -	\$ 4,884,519	\$ 9,769,037	
1	Fugang Electric (Kunshan) Co., Ltd.	Fugang Electric (Yancheng) Co., Ltd.	Other receivables-related parties	Yes	57,642	-	-	-			Operations	-	-	-	2,882,021	2,882,021	
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Other receivables-related parties	Yes	27,036	26,448	26,448	-	2	-	Operations	-	-	-	2,882,021	2,882,021	
2	World Circuit Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables-related parties	Yes	60,000	-	-	-	2	-	Operations	-	-	-	109,465	109,465	
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	55,000	55,000	-	2	-	Operations	-	-	-	109,465	109,465	
2	World Circuit Technology Co., Ltd.	Suntain Co., Ltd.	Other receivables	Yes	40,000	-	-	-	2	-	Operations	-	-	-	109,465	109,465	
3	Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	225,300	220,400	220,400	-	2	-	Operations	-	-	-	236,868	236,868	
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	174,447	171,912	171,912	-	2	-	Operations	-	-	-	177,700	177,700	
5	Foxlink International Investment Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	-	-	-	2	-	Operations	-	-	-	1,187,241	1,187,241	
5	Foxlink International Investment Ltd.	FOXLINK VETNAM CO., LTD.	Other receivables	Yes	64,400	61,420	61,420	1%	2	-	Operations	-	-	-	1,187,241	1,187,241	
6	Fu Uei International Investment Ltd.	Foxlink International Investment Ltd.	Other receivables	Yes	30,000	-	-	-	2	-	Operations	-	-	-	1,298,094	1,298,094	
6	Fu Uei International Investment Ltd.	FOXLINK ARIZONA INC.	Other receivables	Yes	128,800	122,840	61,420	1%	2	-	Operations	-	-	-	1,298,094	1,298,094	
6	Fu Uei International Investment Ltd.	Suntain Co., Ltd.	Other receivables	Yes	40,000	40,000	40,000	-	2	-	Operations	-	-	-	1,298,094	1,298,094	
7	FOXLINK TECHNOLOGY LIMITED	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	128,800	122,840	122,840	-	2	-	Operations	-	-	-	878,619	878,619	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	Other receivables	Yes	705,180	672,549	672,549	-	2	-	Operations	-	-	-	878,619	878,619	
8	Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Other receivables	Yes	393,120	352,640	352,640	-	2	-	Operations	-	-	-	1,430,837	1,430,837	
8	Foxlink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	Yes	247,830	-	-	-	2	-	Operations	-	-	-	1,430,837	1,430,837	
8	Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	Other receivables	Yes	130,320	-	-	-	2	-	Operations	-	-	-	1,430,837	1,430,837	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 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			
9	Zhi De Investment Co., Ltd.	CU INTERNATIONAL LTD.	Other receivables	Yes	\$ 100,000	\$ 100,000	\$ 100,000	1%	2	-	Operations	\$ -	-	\$ -	\$ 241,671	\$ 241,671	
10	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Other receivables	Yes	202,770	-	-	-	2	-	Operations	-	-	-	10,587,002	10,587,002	
10	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Other receivables	Yes	168,975	165,300	165,300	-	2	-	Operations	-	-	-	10,587,002	10,587,002	
11	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Other receivables	Yes	349,259	348,232	348,232	-	2	-	Operations	-	-	-	7,160,055	7,160,055	
12	Fuzhan Electronics (Shanghai) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Other receivables	Yes	49,566	-	-	-	2	-	Operations	-	-	-	51,957	51,957	
13	Fushineng Electronics (Kunshan) Co., Ltd.	Fugang Electric (Yancheng) Co., Ltd.	Other receivables	Yes	36,048	35,264	35,264	-	2	-	Operations	-	-	-	1,480,242	1,480,242	
14	Studio A Inc.	Straight A Inc.	Other receivables	Yes	250,000	250,000	-	-	2	-	Operations	-	-	-	307,270	307,270	
15	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	Other receivables	Yes	123,150	118,140	118,140	2%	2	-	Operations	-	-	-	498,492	498,492	
15	Studio A Technology Limited	AShop Co., Ltd.	Other receivables	Yes	185,520	184,260	128,982	2%	2	-	Operations	-	-	-	498,492	498,492	
16	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Yes	900,000	900,000	670,000	1.700%	2	-	Operations	-	-	-	2,363,005	3,150,674	
17	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Other receivables	Yes	300,000	-	-	1.2%	2	-	Operations	-	-	-	1,136,714	1,136,714	
17	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Yes	478,720	264,480	176,320	1.5%-2.5%	2	-	Operations	-	-	-	1,136,714	1,136,714	
17	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Yes	500,000	400,000	-	1.650%	2	-	Operations	-	-	-	1,136,714	1,136,714	
18	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Yes	28,838	28,211	-	3%	2	-	Operations	-	-	-	280,758	280,758	
18	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Yes	225,300	220,400	158,688	3%	2	-	Operations	-	-	-	280,758	280,758	
19	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Yes	600,000	600,000	600,000	Average borrowing interest rate plus 0.1%	2	-	Group's capital management	-	-	-	4,141,477	4,141,477	
20	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Yes	540,720	528,960	528,960	2.5%	2	-	Group's capital management	-	-	-	711,821	711,821	

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. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 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 December 31, 2022	Outstanding endorsement/ guarantee amount at December 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.	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	\$ 36,633,887	\$ 1,351,800	\$ 1,322,400	\$ 1,322,400	\$ -	5.56	\$ 73,267,773	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INCORPORATION	The Company's third-tier subsidiary	36,633,887	1,043,280	995,004	221,143	-	4.18	73,267,773	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	36,633,887	1,288,000	1,228,400	514,734	-	5.17	73,267,773	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	36,633,887	1,365,250	1,228,400	136,045	-	5.17	73,267,773	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	The Company's third-tier subsidiary	36,633,887	897,280	829,170	147,408	-	3.49	73,267,773	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	ASHOP CO., LTD.	The Company's forth-tier subsidiary	36,633,887	901,600	859,880	94,587	-	3.62	73,267,773	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	The Company's third-tier subsidiary	36,633,887	2,133,600	460,650	90,097	-	1.94	73,267,773	Y	N	N	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subsidiary	36,633,887	105,792	105,792	74,936	-	0.44	73,267,773	Y	N	Y	
1	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s sibling company	36,633,887	1,236,672	-	-	-	-	73,267,773	N	N	Y	
2	Studio A Inc.	Studio A Technology Limited	Studio A Inc.'s subsidiary	36,633,887	305,900	291,745	-	-	1.23	73,267,773	Y	N	N	
3	FOXLINK INTERNATIONAL IND.	FOXLINK ARIZONA INC.	FOXLINK INTERNATIONAL IND.'s sibling company	36,633,887	554,613	528,949	528,949	-	2.22	73,267,773	N	N	N	
4	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	47,260,116	1,636,103	1,635,869	765,869	-	20.77	47,260,116	Y	N	N	
4	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	47,260,116	1,224,190	1,222,240	657,240	-	15.52	47,260,116	Y	N	N	
4	FIT Holding Co., Ltd.	Shin Fong Power Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	47,260,116	3,000,000	-	-	-	-	47,260,116	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 December 31, 2022	Outstanding endorsement/ guarantee amount at December 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											
4	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Foxlink Image Technology Co., Ltd.'s third-tier subsidiary	\$ 17,050,716	\$ 1,025,000	\$ 1,025,000	\$ 925,000	-	13.01	\$ 17,050,716	N	N	N	
5	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s sibling company	17,050,716	300,000	300,000	300,000	-	3.81	17,050,716	N	N	N	
6	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.' s subsidiary	62,122,164	25,950,000	25,950,000	16,542,997	-	329.45	62,122,164	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 150% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 150% of the Company's net asset value.
- (2) For FIT Holding Co.,Ltd., limit on endorsements and guarantees for a single party is 600% 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 600% 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 300% of the Company's net asset value.
- (2) FIT Holding Co.,Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 600% 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. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 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 December 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	92,130	40.07	92,130	
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	19,222	12.50	19,222	
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	44,080	4.00	44,080	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Zhongneng Lithium Battery Technology Taizhou Co., Ltd	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	922	88,160	3.35	88,160	
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	88,160	0.61	88,160	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	TBB POWER (XIAMEN) Co.Ltd	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	2,149	220,400	4.35	220,400	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Shaha Technology (Shanghai) co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	163	123,424	14.00	123,424	
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	88,160	6.33	88,160	
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	-	4,188	9.50	4,188	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income-non-current	21,147	\$ 210,529	12.00	\$ 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	213,454	0.80	213,454	
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	213,454	0.80	213,454	
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	-	74,517	12.90	74,517	
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	-	-	-	-	
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. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal				Balance as at December 31, 2022	
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	Investment accounted for using equity method	Note 1	Subsidiary	13,335	\$ 535,714	3,640	\$ 358,732	-	\$ -	\$ -	\$ -	16,975	\$ 894,446
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Investment accounted for using equity method	Note 1	Subsidiary	73,519	1,880,146	20,073	1,766,454	-	-	-	-	102,951	3,646,600

Note 1 : Capital increase by cash.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

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	(\$ 19,986,459)	(32)	Note 1	Note 1	Note 1	\$ 5,764,180	41	
The Company	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Sales	(798,909)	(1)	Note 1	Note 1	Note 1	336,096	2	
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company's second-tier subsidiary	Sales	(203,912)	-	Note 1	Note 1	Note 1	-	-	
The Company	Dongguan Fuqiang Electronics Co., Ltd.	"	Purchases	22,462,964	37	Note 2	Note 2	Note 2	-	-	
The Company	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	16,108,184	27	Note 2	Note 2	Note 2	(3,181,103)	(30)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	1,786,779	3	Note 2	Note 2	Note 2	-	-	
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	3,578,987	6	Note 2	Note 2	Note 2	(1,543,890)	(15)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	328,892	1	Note 2	Note 2	Note 2	(435,289)	(4)	
The Company	Well Shin Technology Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Purchases	390,858	1	Note 2	Note 2	Note 2	(123,272)	(1)	
The Company	Fugang Electric (Xuzhou) Co., Ltd.	The Company's second-tier subsidiary	Purchases	13,420,213	22	Note 2	Note 2	Note 2	(1,372,597)	(13)	
The Company	Hon Hai Precision Industry Co., Ltd.	The Company's investee company accounted for using equity method	Purchases	880,175	1	Note 2	Note 2	Note 2	(52,471)	-	
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	241,290	-	Note 2	Note 2	Note 2	-	-	

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	SINOBEST BROTHERS LIMITED	The Company's subsidiary	Purchases	\$ 201,827	-	Note 2	Note 2	Note 2	(\$ 58,290)	(1)	
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company's second-tier subsidiary	Purchases	577,416	1	Note 2	Note 2	Note 2	(634,488)	(6)	
FOXLINK INTERNATIONAL INC.	The Company	This company is the ultimate parent company of the Company	Purchases	19,986,459	100	Note 2	Note 2	Note 2	(5,764,180)	(86)	
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company	The Company's second-tier subsidiary	Purchases	203,912	10	Note 2	Note 2	Note 2	-	-	
Dongguan Fuqiang Electronics Co., Ltd.	The Company	This company is the ultimate parent company of the Company	Sales	(22,462,964)	(88)	Note 1	Note 1	Note 1	-	-	
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	Sales	(16,108,184)	(83)	Note 1	Note 1	Note 1	3,181,103	66	
Fugang Electric (Kunshan) Co., Ltd.	The Company	"	Sales	(1,786,779)	(72)	Note 1	Note 1	Note 1	-	-	
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	"	Sales	(3,578,987)	(80)	Note 1	Note 1	Note 1	1,543,890	78	
Fugang Electric (Maanshan) Co., Ltd.	The Company	"	Sales	(328,892)	(67)	Note 1	Note 1	Note 1	435,289	83	
Fugang Electric (Xuzhou) Co., Ltd.	The Company	"	Sales	(13,420,213)	(90)	Note 1	Note 1	Note 1	1,372,597	97	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company	"	Sales	(241,290)	(39)	Note 1	Note 1	Note 1	-	-	
SINOBEST BROTHERS LIMITED	The Company	"	Sales	(201,827)	(94)	Note 1	Note 1	Note 1	58,290	99	
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company	"	Sales	(577,416)	(28)	Note 1	Note 1	Note 1	634,488	53	
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	(655,867)	(3)	Note 1	Note 1	Note 1	-	-	
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	655,867	3	Note 2	Note 2	Note 2	-	-	

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	
Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	"	Sales	(\$ 590,109)	(2)	Note 1	Note 1	Note 1	\$ -	-	
DU Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Purchases	590,109	-	Note 2	Note 2	Note 2	-	-	
Suntain Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Purchases	184,533	55	Note 2	Note 2	Note 2	(5,100)	(100)	
Shanghai Fugang Electric Trading Co., Ltd.	Studio A Inc.	Affiliated company	Purchases	225,955	14	Note 2	Note 2	Note 2	-	-	
Studio A Inc.	Shanghai Fugang Electric Trading Co., Ltd.	"	Sales	(225,955)	(14)	Note 1	Note 1	Note 1	-	-	
Straight A Inc.	Studio A Inc.	"	Sales	(521,744)	(25)	Note 1	Note 1	Note 1	30,059	3	
Studio A Inc.	Straight A Inc.	"	Purchases	521,744	4	Note 2	Note 2	Note 2	(30,059)	(3)	
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	"	Sales	(1,070,729)	(67)	Note 1	Note 1	Note 1	238,778	100	
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Purchases	1,070,729	95	Note 2	Note 2	Note 2	(238,778)	(100)	
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(138,846)	-	Note 1	Note 1	Note 1	45,977	-	
ACCU-IMAGE TECHNOLOGY LIMITED	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	138,846	1	Note 2	Note 2	Note 2	(45,977)	(1)	
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	(467,655)	(1)	Note 1	Note 1	Note 1	169,688	1	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	467,655	-	Note 2	Note 2	Note 2	(169,688)	-	
Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.	"	Sales	(118,476)	-	Note 1	Note 1	Note 1	6,849	-	
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Purchases	118,476	-	Note 2	Note 2	Note 2	(6,849)	-	

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

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

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

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 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.	Great-grandchild company	\$ 5,764,180	3.47	None	N/A	\$ 4,352,476	None
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	1,442,477	Note 1	"	N/A	300,799	"
The Company	Hon Hai Precision Industry Co., Ltd.	This company's chairman is the second-degree relative of the Company's chairman	336,096	2.38	"	N/A	80,515	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	435,039	Note 1	"	N/A	299,900	"
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	114,408	Note 1	"	N/A	-	"
The Company	Fugang Electric (Xuzhou) Co., Ltd.	The Company's second-tier subsidiary	665,130	Note 1	"	N/A	298,700	"
The Company	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	The Company's second-tier subsidiary	628,265	Note 1	"	N/A	152,000	"
The Company	SINOBEST BROTHERS LIMITED	The Company's subsidiary	197,289	Note 1	"	N/A	-	"
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company's second-tier subsidiary	2,377,076	Note 1	"	N/A	182,817	"
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,543,890	2.32	"	N/A	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,264,745	0.00	"	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	3,181,103	5.06	"	N/A	-	"
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	The Company	This company is the ultimate parent company of the company	435,289	0.76	"	N/A	-	"
Fugang Electric (Xuzhou) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,372,597	0.78	"	N/A	-	"
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company	This company is the ultimate parent company of the company	634,488	0.91	"	N/A	-	"
Well Shin Technology Co., Ltd.	The Company	The Company's investee company accounted for using equity method	123,272	3.17	"	N/A	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 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	\$ 100,000	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	143,933	Note 1	None	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	CU INTERNATIONAL LTD.	Affiliated company	105,828	0.00	"	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	279,378	Note 1	"	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Affiliated company	354,187	Note 1	348,232	Overdue receivable are expected to be gradually collected in 2023	-	"
Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Affiliated company	308,437	Note 1	165,300	Overdue receivable are expected to be gradually collected in 2023	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Affiliated company	1,835,691	0.00	None	N/A	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	Affiliated company	132,958	0.00	"	N/A	-	"
Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	220,400	Note 1	220,400	Overdue receivable are expected to be gradually collected in 2023	-	"
Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Affiliated company	298,502	Note 1	None	N/A	-	"
Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Affiliated company	352,640	Note 1	352,640	Overdue receivable are expected to be gradually collected in 2023	-	"
Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	171,912	Note 1	171,912	Overdue receivable are expected to be gradually collected in 2023	-	"
Foxlink Tianjin Co., Ltd.	CU INTERNATIONAL LTD.	Affiliated company	387,937	0.00	None	N/A	-	"
FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	Affiliated company	678,807	Note 1	672,549	Overdue receivable are expected to be gradually collected in 2023	-	"
FOXLINK TECHNOLOGY LIMITED	The Company	Affiliated company	122,840	Note 1	122,840	Overdue receivable are expected to be gradually collected in 2023	-	"
Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	135,052	0.13	None	N/A	-	"
Studio A Inc.	Kunshan Fugang Electric Trading Co., Ltd.	Affiliated company	118,140	Note 1	118,140	Overdue receivable are expected to be gradually collected in 2023	-	"
Studio A Technology Limited	AShop Co., Ltd.	The Company's subsidiary	128,982	Note 1	128,982	Overdue receivable are expected to be gradually collected in 2021	-	"
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	Affiliated company	238,778	4.48	None	N/A	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
FTT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Subsidiary	\$ 670,000	Note 1	None	N/A	\$ -	None
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	176,320	Note 1	"	N/A	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	350,909	0.03	"	N/A	-	"
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	166,070	Note 1	"	N/A	-	"
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliated company	259,800	Note 1	"	N/A	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	139,433	Note 1	"	N/A	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliated company	273,968	2.92	"	N/A	-	"
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliated company	112,862	0.02	"	N/A	-	"
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliated company	169,688	4.46	"	N/A	78,714	"
Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliated company	528,960	Note 1	"	N/A	-	"

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

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting periods
Year ended December 31, 2022

Table 7

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	\$ 19,986,459	Sales prices are based on the mutual agreement	21
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Accounts receivable	5,764,180	The collections depend on the financial situation after offsetting the receivables against the payables	6
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Purchases	22,462,964	Purchase prices are based on the mutual agreement	24
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Purchases	1,786,779	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	435,039	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	3,578,987	Purchase prices are based on the mutual agreement	4
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Other receivables	1,442,477	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	1,543,890	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	16,108,184	Purchase prices are based on the mutual agreement	17
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	3,181,103	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	114,408	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	1,264,745	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	122,840	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	CU INTERNATIONAL LTD.	1	Prepaid expenses	103,809	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	Purchases	328,892	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Other receivables	628,265	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	435,289	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	\$ 665,130	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Xuzhou) Co., Ltd.	1	Purchases	13,420,213	Purchase prices are based on the mutual agreement	14
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Xuzhou) Co., Ltd.	1	Accounts payable	1,372,597	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Purchases	241,290	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Other receivables	197,289	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	Purchases	201,827	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Other receivables	2,377,076	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Accounts payable	634,488	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Sales	203,912	Sales prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Purchases	577,416	Purchase prices are based on the mutual agreement	1
1	CU INTERNATIONAL LTD.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	143,933	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	173,826	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	CU INTERNATIONAL LTD.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts payable	105,828	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	387,937	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	CU INTERNATIONAL LTD.	FOXLINK TECHNOLOGY LIMITED	3	Other payables	678,807	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	100,000	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	298,502	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	352,640	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	207,894	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 Electronic (Dongguan) Co., Ltd.	3	Purchases	\$ 655,867	Purchase prices are based on the mutual agreement	1
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	279,378	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	Accounts receivable	132,958	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fuqiang Electric (Maanshan) Co., Ltd.	3	Other receivables	308,437	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fuqiang Electric (Maanshan) Co., Ltd.	3	Accounts payable	135,052	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	1,835,691	The collections depend on the financial situation after offsetting the receivables against the payables	2
3	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Energy (Tianjin) Ltd.	3	Other payables	171,912	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Culink Tianjin Co., Ltd.	3	Other payables	220,400	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	3	Sales	590,109	Purchase prices are based on the mutual agreement	1
4	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	354,187	The collections depend on the financial situation after offsetting the receivables against the payables	-
5	Studio A Inc.	Kunshan Fugang Electric Trading Co., Ltd.	3	Other receivables	118,140	The collections depend on the financial situation after offsetting the receivables against the payables	-
5	Studio A Inc.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	225,955	Sales prices are based on the mutual agreement	-
6	Studio A Technology Limited	AShop Co., Ltd.	3	Other receivables	128,982	The collections depend on the financial situation after offsetting the receivables against the payables	-
7	Straight A Inc.	Studio A Inc.	3	Sales	521,744	Sales prices are based on the mutual agreement	1
8	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	1,070,729	Sales prices are based on the mutual agreement	1
8	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Accounts receivable	238,778	The collections depend on the financial situation after offsetting the receivables against the payables	-
9	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	1	Other receivables	670,000	Based on the company's policy	1
10	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	176,320	Based on the company's policy	-
11	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	259,800	Based on the company's policy	-

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)
11	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	\$ 350,909	Based on the company's policy	-
11	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	139,433	Based on the company's policy	-
12	Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.	3	Sales	118,476	Based on the company's policy	-
13	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	166,070	Based on the company's policy	-
14	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	273,968	The flexible collection based on the financial situation	-
14	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing income	770,514	The flexible collection based on the financial situation	1
15	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	112,862	The flexible collection based on the financial situation	-
15	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing income	143,585	The flexible collection based on the financial situation	-
16	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	169,688	The flexible collection based on the financial situation	-
16	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	467,655	The flexible collection based on the financial situation	-
16	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	138,846	The flexible collection based on the financial situation	-
17	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	528,960	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.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Information on investees
Year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 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	\$ 14,690,129	\$ 14,149,633	478,350	100	\$ 25,409,499	\$ 1,531,337	\$ 1,534,647	
The Company	CULINK INTERNATIONAL LTD.	British Virgin IS.	Reinvestment business	989,722	989,722	32,228	100	1,472,408	445,582	445,582	
The Company	Foxlink International Investment Ltd.	Taiwan	General investments holdings	3,350,000	3,350,000	408,750	100	3,696,037	26,771	26,771	
The Company	Fu Uei International Investment Ltd.	Taiwan	General investments holdings	4,250,000	3,550,000	425,000	100	3,230,556	(61,361)	(61,361)	
The Company	Well Shin Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication components	270,065	270,065	22,282	18.84	1,278,262	759,540	142,827	
The Company	Darts Technologies Corporation	Taiwan	Manufacture of electronic telecommunication and wireless components	762,566	762,566	47,576	97	879,437	81,796	79,208	
The Company	DU Precision Industry Co., Ltd.	Taiwan	Sales of raw materials and products of various connectors	600,000	600,000	60,000	100	69,294	20,380	20,380	
The Company	FOXLINK TECHNOLOGY LIMITED.	HONG KONG	Reinvestment business	341,425	341,425	86,700	100	890,227	(10,688)	(10,688)	
The Company	Suntain Co., Ltd.	Taiwan	Electroplating processing services	190,810	190,810	20,602	100	236,699	19,690	19,690	
The Company	FOXLINK ARIZONA INC.	USA	Energy service management	224,183	-	7,300	100	45,339	(173,570)	(173,570)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
The Company	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	\$ 635,820	\$ 635,820	20,704	91.19	\$ 316,883	(\$ 83,012)	(\$ 75,700)	
FOXLINK TECHNOLOGY LIMITED.	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	61,043	61,043	2,000	8.81	30,610	(83,012)	(7,312)	
SINOBEST BROTHERS LIMITED	FOXLINK MYANMAR COMPANY LIMITED	Myanmar	Manufacture and sales of electronic telecommunication components	697,240	697,240	22,704	100	401,591	(53,504)	(53,504)	
DU Precision Industry Co., Ltd.	CELINK INTERNATIONAL LTD.	British Virgin IS.	Sales of raw materials and products of various connectors	507,821	507,821	16,536	100	-	-	-	
Darts Technologies Corporation	BENEFIT RIGHT LTD.	British Virgin IS.	General investments holdings	302,371	302,371	9,846	100	930,027	87,075	87,075	
BENEFIT RIGHT LTD.	POWER CHANNEL LIMITED	HONG KONG	General investments holdings	236,774	236,774	6	64.25	869,869	134,185	86,215	
CU INTERNATIONAL LTD.	NEW START INDUSTRIES LTD.	British Virgin IS.	Reinvestment business	264,106	264,106	8,600	100	2,781,274	(275,247)	(275,247)	
CU INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture and sales of electronic telecommunication components	99,132	99,132	209,400	34.30	41,189	(36,328)	(12,474)	
CU INTERNATIONAL LTD.	SOLTERAS LIMITED	British Virgin IS.	Reinvestment business	61,420	61,420	1,960	100	-	-	-	
Fugang Electric (Maanshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication components	39,616	39,616	5,000	100	47,366	(269)	(269)	
CULINK INTERNATIONAL LTD.	PACIFIC WEALTH LIMITED	Cayman Islands	General investments holdings	30,710	30,710	1,000	100	(120,856)	(17,740)	(17,740)	
CULINK INTERNATIONAL LTD.	Foxlink Technical India Private Ltd.	INDIA	Manufacture and sales of electronic telecommunication components	166,870	166,870	21,546	65.70	78,407	(36,328)	(23,869)	
CULINK INTERNATIONAL LTD.	Foxlink Powerbank International Technology Private Ltd.	INDIA	Manufacture and sales of electronic telecommunication components	594	594	160	0.73	609	(897)	(8)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
CULINK INTERNATIONAL LTD.	Glorytek Science India Private Limited	INDIA	Trading and manufacture	\$ 594	\$ 594	160	0.73	\$ 591	(\$ 1,076)	(\$ 5)	
PACIFIC WEALTH LIMITED	FOXLINK INTERNATIONAL, INC	USA	Sales of electronic telecommunication components	15,355	15,355	500	100	(120,856)	(17,740)	(17,740)	
Foxlink Technical India Private Ltd.	Tegna Electronics Private Limited	INDIA	Trading and manufacture	11,134	11,134	3,001	10	12,173	(5,177)	(518)	
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,357,624	1,357,624	58,303	23.67	1,769,431	529,589	120,977	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	Taiwan	Manufacture and sales 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 sales of telecommunication equipment and apparatus	80,000	80,000	6,857	21.43	(22,732)	(5,697)	(1,221)	
Foxlink International Investment Ltd.	World Circuit Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication components and flexible printed circuit	469,500	469,500	15,650	69.56	190,348	10,455	7,272	
Foxlink International Investment Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	900,000	900,000	15,000	13.60	1,478,851	68,773	8,944	
Foxlink International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sales of electronic telecommunication components	160,662	160,662	31,439	10.22	57,568	(306,278)	(34,650)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	Taiwan	Sales of electronic telecommunication components	10,000	10,000	1,000	15.38	9,884	(652)	(100)	
Foxlink International Investment Ltd.	FOXLINK VIETNAM CO., LTD.	USA	Sales of electronic telecommunication components	119,318	36,089	4,300	100	20,685	(80,506)	(80,506)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	\$ 257,656	\$ 257,656	4,294	3.89	\$ 174,890	\$ 68,773	\$ 2,558	
World Circuit Technology Co., Ltd.	VALUE SUCCESS LTD.	British Virgin IS.	Holding company and reinvestment business	196,544	196,544	5,000	100	33,381	(286)	(286)	
VALUE SUCCESS LTD.	CAPITAL GUARDIAN LIMITED	HONG KONG	Sales of electronic telecommunication components	196,544	196,544	3,005	100	33,312	(286)	(286)	
CAPITAL GUARDIAN LIMITED	World Circuit Technology (Hong Kong) Limited	HONG KONG	Sales of electronic telecommunication components	34,316	34,316	-	100	37,652	(286)	(286)	
Fu Uei International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	456,240	456,240	14,690	5.97	393,769	529,589	30,445	
Fu Uei International Investment Ltd.	Studio A Inc.	Taiwan	Sales of electronic telecommunication components	96,200	96,200	13,196	51	402,416	192,079	97,960	
Fu Uei International Investment Ltd.	VA Product Inc.	Taiwan	Sales of electronic telecommunication components	16,642	16,642	2,400	100	29,868	12,223	12,223	
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	Taiwan	General investments holdings	2,184,388	2,184,388	170,918	100	604,177	44,610	44,610	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	Taiwan	Venture capital industry	150,000	150,000	15,000	42.86	128,032	1,522	695	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Mechanical installation and piping engineering	694,170	373,810	18,673	8.64	894,446	225,212	19,745	
Fu Uei International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sales of electronic telecommunication components	1,010,999	728,621	276,315	89.78	505,964	(306,278)	(271,628)	
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,258,208	1,258,208	21,056	8.55	440,422	529,589	43,690	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 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 and sales of electronic telecommunication components	\$ 3,000	\$ 3,000	300	60	\$ -	\$ -	\$ -	
Studio A Inc.	Straight A Inc.	Taiwan	Sales of electronic telecommunication components	101,232	66,600	6,660	100	211,841	93,721	93,721	
Studio A Inc.	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	10,042	10,042	2,550	51	254,231	65,881	33,600	
Studio A Inc.	Jing Jing Technology Co., Ltd.	Taiwan	Sales of electronic telecommunication components	3,700	3,700	370	100	7,955	4	4	
Studio A Inc.	Junezhe Co., Ltd	Taiwan	Dredging industry	-	100,000	-	-	-	30,576	7,434	Note 2
Studio A Technology Limited	Studio A Macau Limited	MACAO	Sales of electronic telecommunication components	-	1,969	-	-	-	(1)	(1)	
Studio A Technology Limited	ASHOP CO., LTD	South Korea	Sales of electronic telecommunication components	4,607	-	10	100	77,689	1,590	1,590	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	2,814,868	2,214,868	60,000	100	695,925	(288,663)	(288,663)	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture and sales of image scanners and multifunction printers	3,011,140	3,011,140	164,994	100	3,575,292	693,126	686,912	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Energy service management	3,372,180	3,372,180	444,691	100	4,861,812	158,141	156,526	
FIT Holding Co., Ltd.	Shin Fong Power Co., Ltd.	Taiwan	Energy service management	299,952	299,952	37,500	16.30	386,182	(2,742)	(447)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics industry, Renewable energy and Energy technical services	\$ 36,760	\$ 36,760	3,676	36.76	\$ 33,353	(\$ 6,780)	(\$ 2,492)	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin IS	Manufacture of image scanners and multifunction printers	1,325,962	1,110,992	20,241	100	2,065,845	292,660	292,660	
Foxlink Image Technology Co., Ltd.	Shin Fong Power Co., Ltd.	Taiwan	Energy service management	957,600	957,600	79,800	34.70	953,276	(2,742)	(951)	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	HONG KONG	General investments holdings	150,479	150,479	4	35.75	585,875	134,185	47,971	
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin IS.	General investments holdings	1,372,936	1,372,936	40,700	100	95,368	(274,877)	(274,877)	
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments holdings	769,305	780,074	25,051	100	387,279	(147,276)	(147,276)	
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin IS.	Sales agent	491,360	494,837	16,000	100	(301,971)	(126,543)	(126,543)	
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Trading and manufacture	103,366	99,927	21,773	99.27	80,341	(1,076)	(1,068)	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	INDIA	Trading and manufacture	11,134	11,181	3,001	10	12,025	(5,177)	(518)	
Foxwell Energy Corporation Ltd.	Power Quotient International(H.K.) Co., Ltd.	HONG KONG	Sales of electronic telecommunication components	417,822	417,822	106,100	100	712,265	11,317	11,317	
Foxwell Energy Corporation Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24	100	(155,591)	-	-	
Foxwell Energy Corporation Ltd.	SYSCOM DEVELOPMENT CO., LTD	British Virgin IS.	Specialized investments holding	333,602	333,602	10,863	100	83,046	(881)	(881)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxwell Energy Corporation Ltd.	Apix LIMITED	British Virgin IS.	Specialized investments holding	\$ 3,177,539	\$ 3,177,539	13	100	\$ 1,212,623	\$ 78,129	\$ 78,129	
Foxwell Energy Corporation Ltd.	PQI Mobility Inc.	Samoa	Specialized investments holding	-	307,100	-	-	-	1,599	-	Note 1
Foxwell Energy Corporation Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical instruments	10,000	10,000	1,000	100	13,160	107	107	
Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Mechanical installation and piping engineering	3,646,600	1,880,146	102,951	47.63	4,931,464	225,212	107,268	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	6,100,000	3,000,000	610,000	100	6,289,095	186,554	186,554	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	360,000	120,000	36,000	80	300,692	(36,892)	(29,514)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	672,600	99,000	48,140	80.23	733,053	25,883	20,766	
Shinfox Energy Co., Ltd.	Junezhe Co., Ltd	Taiwan	Dredging industry	-	134,000	-	-	-	30,576	-	Note 2
Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	1,100,000	30,000	110,000	100	1,092,329	(7,660)	(7,660)	
Shinfox Energy Co., Ltd.	Chung Chia Power Co., Ltd.	Taiwan	Steam power cogeneration	180,000	180,000	12,000	20	170,089	(36,176)	(7,235)	
Shinfox Energy Co., Ltd.	Elegant Energy TECH Co., Ltd.	Taiwan	Natural gas power generation business	200,000	-	500	100	204,303	7,321	7,321	
Shinfox Energy Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Afforestation	10,000	-	1,000	100	9,946	(54)	(54)	
Shinfox Energy Co., Ltd.	Changpin wind power Ltd.	Taiwan	Energy service management	120,000	-	12,000	50	116,102	(896)	(448)	
Shinfox Energy Co., Ltd.	Diwei Power Co., Ltd	Taiwan	Electricity generating enterprise	30,000	-	3,000	100	29,950	(50)	(50)	
Shinfox Energy Co., Ltd.	Guanwei Power Co., Ltd	Taiwan	Electricity generating enterprise	35,700	-	3,570	100	35,669	(31)	(31)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousand shares)	Ownership (%)	Book value			
Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte Ltd	Singapore	Energy service management	\$ 981,545	\$ -	981,545	98.46	\$ 981,545	\$ -	\$ -	
Foxwell Energy Corporation Ltd.	Liangwei Power Co., Ltd	Taiwan	Electricity generating enterprise	40,000	-	4,000	100	39,961	(39)	(39)	
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	INDIA	Sales of electronic telecommunication components	103,277	103,277	21,790	99.27	80,419	(897)	(890)	
Apix LIMITED	Sinocity Industries Limited	HONG KONG	Sales of electronic telecommunication components	2,658,150	2,658,150	6,000	100	953,004	61,273	61,273	
Apix LIMITED	Perennial Ace Limited	British Virgin IS.	Specialized investments holding	654,123	654,123	-	100	259,477	16,855	16,855	
Sinocity Industries Limited	DG Lifestyle Store Limited	MACAO	Sales of electronic telecommunication components	382	382	100	100	(9,913)	(8,811)	(8,811)	
Perennial Ace Limited	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	4,998	4,998	1,225	24.50	122,882	68,796	16,855	
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	INDIA	Trading and manufacture	11,134	11,134	3,001	10	12,024	(5,177)	(518)	

Note 1: The company completed the liquidation in October 2022.

Note 2: All the equity interest in Junezhe Co., Ltd. has been disposed on December 27, 2022.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Information on investments in Mainland China
Year ended December 31, 2022

Table 9

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 year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of 31-Dec-22	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 1,792,666	Investment through an existing company in the third area	\$ 1,792,666	\$ -	\$ -	\$ 1,792,666	\$ 1,238,199	100	\$ 1,238,199	\$ 7,160,054	\$ -	
Culink Tianjin Co., Ltd.	Manufacture and sales of electronic telecommunication components	122,840	Investment through an existing company in the third area	30,710	-	-	30,710	482	100	482	236,871	-	
Fugang Electric (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	3,731,265	Investment through an existing company in the third area	3,731,265	-	-	3,731,265	(450,772)	100	(450,772)	2,882,023	-	
Dong Guan Fu Shi Chang Co., Ltd.	Manufacture and sales of electronic telecommunication components	3,686	Investment through an existing company in the third area	3,686	-	-	3,686	-	100	-	2,472	-	
Dongguan Fuqiang Electronics Co., Ltd.	Manufacture and sales of electronic telecommunication components	4,262,855	Investment through an existing company in the third area and the investee company in Mainland China	3,034,455	614,200	-	3,648,655	1,320,707	100	1,320,707	10,587,003	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	189,610	Investment through an existing company in the third area and the investee company in Mainland China	92,130	-	-	92,130	(52,073)	100	(52,073)	283,665	-	
Foxlink Energy (Tianjin) Ltd.	Manufacture and sales of electronic telecommunication components	122,840	Investment through an existing company in the third area	122,840	-	-	122,840	842	100	842	177,700	-	
Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	368,520	Investment through an existing company in the third area	368,520	-	-	368,520	215,553	100	215,553	1,480,241	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	138,195	Investment through an existing company in the third area	138,195	-	-	138,195	(3,052)	100	(3,052)	68,767	-	

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 year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of 31-Dec-22	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fu Gang Electronic (Nan Chang) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 1,535,500	Investment through an existing company in the third area and the investee company in Mainland China	\$ 1,535,500	\$ -	\$ -	\$ 1,535,500	\$ 97,158	100	\$ 97,158	\$ 1,223,867	\$ -	
Fugang Electric (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	92,130	Investment through an existing company in the third area	73,704	-	-	73,704	1,639	80	1,311	52,190	-	
Fugang Electric (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	307,100	Investment through an existing company in the third area	307,100	-	-	307,100	(11,481)	100	(11,481)	(36,292)	-	
Foxlink Tianjin Co., Ltd.	Manufacture and sales of electronic telecommunication components	552,780	Investment through an existing company in the third area	159,692	-	-	159,692	(533,181)	100	(533,181)	1,431,758	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	921,300	Investment through the investee company in Mainland China	921,300	-	-	921,300	59,921	100	59,921	1,749,416	-	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Manufacture and sales of electronic telecommunication components	934,540	Investment through an existing company in the third area	307,100	-	-	307,100	(987,334)	100	(987,334)	(1,100,442)	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	Manufacture and sales of electronic telecommunication components	244,452	Investment through the investee company in Mainland China	244,452	-	-	244,452	(539)	100	(539)	33,304	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sales of electronic telecommunication components	172,111	Investment through the investee company in Mainland China	-	-	-	-	8,733	51	4,454	15,148	-	
Kunshan Fu Shi You Trading Co., Ltd.	Sales of electronic telecommunication components	61,712	Investment through the investee company in Mainland China	-	-	-	-	(105)	51	(54)	13,265	-	
Shanghai Fugang Electric Trading Co., Ltd.	Sales of electronic telecommunication components	8,816	Investment through the investee company in Mainland China	-	-	-	-	27,308	51	13,927	(55,724)	-	
Shanghai Standard Information Technology Co., Ltd.	Sales of electronic telecommunication components	4,408	Investment through the investee company in Mainland China	-	-	-	-	(8,587)	51	(4,379)	(6,582)	-	
Sharetronic Data Technology Co., Ltd.	Manufacture and sales of electronic telecommunication components	682,880	Investment through an existing company in the third area	236,774	-	-	236,774	653,194	19.94	133,679	1,265,605	-	

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 year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of 31-Dec-22	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fujiang Electric (Maanshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 153,550	Investment through the investee company in Mainland China	\$ -	\$ -	\$ -	\$ -	(\$ 27)	100	(\$ 27)	\$ 140,987	\$ -	
Fugang Electric (Xuzhou) Co., Ltd.	Manufacture and sales of electronic telecommunication components	1,750,470	Investment through an existing company in the third area	1,136,270	614,200	-	1,750,470	950,027	100	950,027	2,754,132	-	
Dongguan Banrin Robot Technology Co., Ltd.	Manufacture and sales of automated equipment	132,240	Investment through the investee company in Mainland China	-	-	-	-	4,309	31.03	(2,391)	128,687	-	
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Trading and manufacture	11,020	Investment through the investee company in Mainland China	-	-	-	-	(75)	55.56	(210)	23,896	-	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	440,800	Investment through an existing company in the third area	-	-	-	-	(7,408)	50	(3,704)	427,260	-	
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	187,442	Investment through an existing company in the third area	187,442	-	-	187,442	27,462	100	27,462	302,566	-	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	249,127	Investment through an existing company in the third area	183,200	-	-	183,200	(33,807)	100	(33,807)	184,226	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sales of image scanners, multifunction and parts printers	460,650	Investment through an existing company in the third area	153,550	-	-	368,520	115,027	100	115,027	593,014	-	
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of parts and moulds of photocopiers and scanners	184,260	Investment through an existing company in the third area	163,019	-	-	163,019	119,158	100	119,158	486,751	-	
Glorytek (Suzhou) Co., Ltd.	Trading and manufacture	429,940	Investment through an existing company in the third area	399,490	-	-	399,490	(94,443)	100	(94,443)	280,758	-	
Glorytek (Yancheng) Co., Ltd.	Trading and manufacture	276,390	Investment through an existing company in the third area	256,815	-	-	256,815	(143,279)	100	(143,279)	(562,508)	-	
Yancheng Yaowei Technology Co., Ltd.	Trading and manufacture	44,080	Investment through the investee company in Mainland China	-	-	-	-	(58,511)	100	(58,511)	85,597	-	
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacture	951,101	Investment through an existing company in the third area and the investee company in Mainland China	326,960	-	-	326,960	(151,454)	100	(151,454)	318,187	-	

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 year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of 31-Dec-22	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Power Quotient Technology (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 614,200	Investment through an existing company in the third area	Note 1	\$ -	\$ -	\$ -	\$ 7,496	100	\$ 7,496	\$ 711,821	\$ -	
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sales of electronic telecommunication components	44,080	Investment through the investee company in Mainland China	Note 2	-	-	-	117	100	117	44,319	-	
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,536	Direct investment	1,536	-	-	1,536	8,775	100	8,775	27,027	-	

Note 1: The financing amount remitted to PQI's indirect investment of POWER QUOTIET 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 QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 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.	\$ 15,464,759	\$ 16,533,218	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.	1,046,296	994,410	1,705,071
Glory Science Co., Ltd.	983,265	1,288,285	417,916
Power Quotient International Co., Ltd.	1,536	670,860	6,357,945

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: Investment income (loss) recognised by the Company for the year ended December 31, 2022 was audited by 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. and subsidiaries
Major shareholders information
Year ended December 31, 2022

Table 10

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%