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Cheng Uei Precision Industry Co., Ltd.

2022 Annual Report

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<https://www.foxlink.com/>

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The company has no overseas securities listed for trading as of the date of publication
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I. Letter to Shareholders

Here, a report on the business status of the Company in 2022 is given as follows:

The Company's consolidated net operating revenues for 2022 came to NTD 94,102,594 thousand; compared with the consolidated net operating revenue of NTD 86,800,735 thousand in 2021 and this marked an increase of 8%. Net profit after tax in 2022 was NTD 1,522,350 thousand and after-tax earnings per share came to NTD 3.14. This represented an increase of 65% from the net profit after tax of NTD 921,042 thousand or NTD 1.90 per share seen in 2021. The Company experienced significant profitability growth last year and we would like to thank all employees for their hard work and contributions during this period.

The prior year did witness extremely drastic changes both in terms of the overall economy and in geopolitical developments. Indeed, the global economic performance suffered due to factors including variant virus strains, the Ukraine-Russia war and high inflation. Meanwhile, the global economic outlook has been darkened further by financial pressures generated by tightening monetary policies and interest rate hikes designed to combat inflation. The challenges of last year thus will continue into this year, including intensified geopolitical risks and the reorganization of corporate supply chains. If the Ukraine-Russia war continues, moreover, this will impact international prices for food, raw materials and energy. On top of this, rising interest rates and mounting inflation will greatly influence economic momentum. All of these factors in turn are bringing significant disruptions to business operations. We must therefore adopt a conservative attitude in anticipating economic growth this year. Businesses should accelerate destocking for the sake of maintaining greater agility in response to challenges.

Even amid last year's poor environment, the Company nonetheless posted both revenue and profit growth on an annual basis. This was mainly attributable to substantial growth in video game products that was generated in turn by the stay-at-home economy. At the same time, the retail channel has also greatly improved its performance due to the government's "Living Tablet" policy and we have expanded market share in this channel. In addition, the Company looks beyond its own business as we additionally strive to achieve ESG goals while strengthening our implementation of corporate social responsibility and sustainable management. Last year, the Company completed its Taiwan greenhouse gas inventory and obtained a greenhouse gas verification statement from the external verification agency Taiwan SGS Limited (SGS). With respect to our published sustainability reports, we completed the appointment of a third party to provide Type 1 moderate-level assurance per the AA1000 Assurance Standard. Furthermore, we carried out a beach clean-up activity at Zhuwei Beach in Taoyuan last October to promote the concept of "Sustainable Beach Cleaning, An Earth that's Always Green." Accordingly, the Company will also be committed to promoting ESG while pursuing performance growth with the expectation of achieving the goal of common social prosperity and environmental codependency.

In order for the Company to grow and thrive on a continuous and stable basis and create greater profits for shareholders, we must be prepared to face challenges and resolve problems. We have absolute

confidence to move toward the set goals, create best business performance for the Company and go after maximum profits for shareholders. I hope that all shareholders can continue to provide support and encouragement to the Company. Finally, I wish all shareholders all the best and that all your hopes be fulfilled.

1. 2022 Business Results

(1) Business plan implementation results

Unit: NTD Thousand

Item	2022	2021	Growth rate
Operating revenue	94,102,594	86,800,735	8.41%
Operating costs	82,008,395	77,225,461	6.19%
Operating gross profit	12,094,199	9,575,274	26.31%
Operating Expenses	8,562,506	7,664,433	11.72%
Operating profit	3,531,693	1,910,841	84.82%
Non-operating income and expenses	(119,900)	242,626	149.42%
Net profit before tax	3,411,793	2,153,467	58.43%
Net profit for the period	2,094,699	1,338,504	56.50%
Net after-tax of other comprehensive profits and losses for the current period	335,687	(757,192)	144.33%
Total comprehensive income for the period	2,430,386	581,312	318.09%

(2) Budget implementation

The Company did not prepared 2022 financial forecasts, so this is not applicable.

(3) Financial income and expenditure status

Unit: NTD Thousand

Item	2022	2021	Amount of change
Net cash inflow (outflow) from operating activities	(265,341)	(3,550,197)	3,284,856
Net cash inflow (outflow) from investing activities	(8,416,504)	22,370	(8,438,874)
Net cash inflow (outflow) from financing activities	11,086,756	1,503,570	9,583,186

(4) Profitability analysis

Year		2022	2021
Return on assets (%)		2.68	1.95
Return on shareholders' equity (%)		6.09	4.28
Contribution to paid-in capital Percentage (%)	Operating profit	68.93	37.30
	Net profit before tax	66.59	42.03
Net profit margin (%)		2.23	1.54
Earnings per share for the period (NTD) (Note)		3.14	1.90

Note: Earnings per share is calculated based on the number of shares after retrospective adjustment.

(5) Research and development status of the Company

The main research and development directions and strategies of the Company are:

- A. Closely integrate technology into products to generate differentiated competitive advantages.
- B. Integrate the technical fields of materials, machinery, electronics, optics, electroacoustics, etc.; e.g., through: optical inspection automation, engineering analysis capabilities, secondary processing electroplating technology, antenna design, and wire nano coating development.
- C. Build professional laboratories for high frequency technology, electroacoustic technology, surface technology, and so on.
- D. Lead and continue to develop various halogen-free, lead-free materials and application products that meet future environmental protection requirements.
- E. Participate in the development process of customers' new products to provide them with various solutions and technical support.
- F. Strengthen the ability to integrate existing technologies and evaluate and introduce new product development technologies.
- G. Integrate the technology platform of electro-optic sound to expand products and market share.

2. Business Plan Summary For 2023

(1) Business strategy

A. Business purpose:

With core capabilities in molds, forms, stamping, secondary processing, and automation, integrate materials, machinery, electronics, optics, electroacoustics, energy, assembly, and R&D technology. Establish a global marketing and supply chain management network to provide customers with high-quality products in a timely manner, oriented by consumer electronics, information, communications, and automotive market demand; and create value for customers by combining digital content, environmental protection, and energy saving. Constantly seek to surpass ourselves based on concepts of sincerity, a holistic view, and conscientiousness, using our team spirit to create an optimal business performance for the enterprise.

B. Business philosophy:

(i) Sincerity: Simplicity and pragmatism, and being as good as one's word

Keeping promises is an important value to establish long-term cooperative relations with customers and suppliers, so as to take creation of long-term benefits for all three parties as a direction for our thinking.

(ii) Holistic view: Great things can only be achieved with tolerance, and small beginnings yield

major trends

By applying technological innovation, accumulating practical experience, and constantly pursuing self-transcendence and accumulated achievements, only then can the Company become a representative of the high-tech industry.

(iii) Conscientiousness: Making an all-out effort, with a unity of knowledge and action

From the capital, technology, and human resources used to coordinate our plans and from execution to assessment, there is a complete and consistent operational system that demonstrates its performance in a wide range of work functions; and the results of these joint efforts have created the Company's core competitiveness.

(2) Expected sales volume and its basis

The Company's products are mainly components of communications and consumer electronics. With the active expansion of customers and the development of new products this year, it is expected that the sales volume of each product will reach a trend of steady growth.

(3) Important production and sales policies

Continuously improve internal management capabilities to reduce various production costs and provide customers with the best service and technical resources, establishing a good cooperative relationship with customers to achieve a win-win goal.

3. Future Development Strategy For The Company

(1) The Company will position itself under the OEM, ODM, and JDM models as it commits to consumer electronics, computers, communications, automotive electronics, digital content, and other product markets.

(2) We will utilize the Company's core capabilities: Development will center on molds, forms, stamping, secondary processing, and automation, and thereupon integrate technical fields encompassing materials, machinery, electronics, optics, electroacoustics, energy saving, and environmental protection. In this way, we can develop differentiated competitive advantages over our competitors.

(3) We will use our customer orientation, closeness to market leaders, and joint development of new products to create value for the Company.

(4) We will deeply cultivate existing customers, expand different product lines for current customers, and provide customers with diversified products and services.

(5) From materials, parts, components to system products, we will leverage and strengthen the company's vertical integrated manufacturing advantages to reduce manufacturing costs and enhance competitiveness.

(6) We will establish development and mass production manufacturing capabilities for key components in order to obtain an irreplaceable competitive advantage.

(7) We will develop the retail channel market, be close to consumers and grasp market demand and trends, and then combine the advantages of production and sales to develop a new niche for the Company. This will also establish an irreplaceable competitive advantage.

4. Effects Of The External Competitive Environment, Regulatory Environment, And Overall Business Environment

Due to the instantaneous changes in the external environment and industry, the competition faced by the Company is no longer limited to Taiwan, but in all parts of the world. The targets of the Company's services are world-class customers, so it must be able to meet the global competitive environment and survival requirements. "Cost reduction" and "value creation" will be the most important issues for the Company's sustainability. The Company needs to be able to reduce costs in order to gain a competitive advantage, attracting new customers and expanding into new markets. At the same time, we must be able to create product value, service value and differentiated value from this in order to retain customers and meet their various needs.

At the same time, in the retail channel market, it is necessary to be able to grasp the acceptance and preference of consumers for all kinds of new 3C products at any time. We must understand the consumption habits and tendencies of target consumers in various regions, so as to propose different sales strategies to respond. In addition, we should offer different services and product content from competitors to strengthen our competitive advantage.

Responsible person: T.C. Gou

Manager: T.C. Gou

Accountant in charge: Chen-Phan Pu

II. Company Profile

1. Date Of Establishment: July 14, 1986

2. Company History

- 1986
 - Cheng Uei Precision Industry Co., Ltd. established with capital of NTD 18,000 thousand and mainly focusing on the manufacturing, processing, assembly, and trading of plastic connector injection molded products and their components
- 1995
 - Increased capital to NTD 190,000 thousand and added machinery and equipment. Established the wire assembly business division, engaged in the development of connectors for personal computers and peripherals, mobile phone connectors, and personal computer network products
 - Passed ISO 9002 quality certification
- 1996
 - In line with plant expansion plans, capital was increased to NTD 360,000 thousand for the purchase of additional land in the Tucheng Industrial Zone
 - Established power supply and electronics business divisions engaged in the research and development and production of battery modules for mobile phones and notebook computers, and power management modules for large-scale uninterrupted power systems for cable TV networks
 - Launched mobile phone battery module products
 - Approved as a public company by the Securities and Futures Commission of the Ministry of Finance
- 1997
 - Paid-in capital after capitalization of retained earnings was NTD 420,000 thousand
 - Launched new product manufacturing and production of power management modules
 - In order to strengthen the operating lineup of the Company, undertook re-election of directors and supervisors, increased the number of supervisors from one to two, and elected T.C. Gou as chairman
 - To reduce costs and improve market competitiveness, invested in the establishment of subsidiary Cu International in the British Virgin Islands while also establishing a processing plant in mainland China. In the same year, invested in the establishment of subsidiary Culink in the British Virgin Islands for the establishment of overseas marketing service bases. To acquire 100% equity of Foxlink International Ltd., established sales offices in San Francisco, Los Angeles, and Chicago to develop new markets and increase market share
 - Obtained patents for USB electrical connectors and electronic connectors
- 1998
 - Paid-in capital after capitalization of retained earnings and cash capital increase was NTD 716,000 thousand
 - Moved international headquarters to new factory in the Tucheng Industrial Zone. The scale of production was expanded with this land area of about 1,200 pings and plant area of about 6,600 pings.
 - Launched laptop battery module products
 - Via the Culink subsidiary, invested in Foxlink Singapore Pte. to establish a Singapore sales base to develop new markets and serve customers
 - In order to strengthen the supervision of the Company's operations, an additional supervisor position was established
 - Recognized as an Excellent Supplier by Sanyo, an important customer of the Company

- Obtained patent for USB duplex electrical connector
- 1999 • Paid-in capital after capitalization of retained earnings was NTD 818,000 thousand
- In order to ensure the stability of the company's management rights, all directors and supervisors of the Company resigned, and five directors and three supervisors were elected in accordance with the Company's Articles of Incorporation.
- The Company's stock was officially listed for trading on the Taiwan Stock Exchange Co., Ltd. in September
- 2000 • Paid-in capital after cash capital increase and capitalization of retained earnings was NTD 1,170,000 thousand
- Invested in the establishment of Foxlink International Investment Ltd.
- Signed a Component Purchase Agreement with Microsoft Corporation of the United States to cooperate in the production of connectors and cable assemblies used in Xbox game consoles
- Obtained patent rights in the United States for "Structure of Jack for Modular Plugs"
- Obtained patent rights in the United States for "Electrical Jack Assembly for Modular Plugs"
- 2001 • Paid-in capital after capitalization of retained earnings was NTD 1,435,000 thousand
- Issued overseas unsecured convertible bonds, USD 50,000 thousand
- Obtained patent rights in the United States for "Flexible Board Connector with Rotatable Cover"
- The Fudong Factory in Dongguan, China was completed. The land area is 98,926 square meters, and the workshop area is 131,877 square meters, thus expanding production scale
- 2002 • As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, five directors and three supervisors were elected including one independent director and one independent supervisor
- Paid-in capital after capitalization of retained earnings was NTD 2,005,207 thousand
- Obtained QS 9000 certification
- Invested NTD 200 million in Well Shin Technology Co., Ltd., with a shareholding ratio of 33.27%
- 2003 • Paid-in capital after capitalization of retained earnings was NTD 2,282,378 thousand
- Obtained the right to set up in the Dingpu High-tech Park in Tucheng, Taipei County
- Obtained patent rights in the United States for "Electrical Connector with Improved Terminals"
- 2004 • Invested in the establishment of Fu Uei International Investment Ltd.
- Paid-in capital after capitalization of retained earnings was NTD 2,587,616 thousand
- The first phase of the Kunshan plant in mainland China was completed
- The laboratory of the Dongguan Fudong Factory won China's National Laboratory Certification
- 2005 • Approved the establishment of the Hsinchu R&D Center

- Paid-in capital after capitalization of retained earnings was NTD 2,926,377 thousand
- Beijing marketing office officially opened
- Won the Excellent Service Award from Microsoft
- Issued overseas unsecured convertible bonds, USD 100,000 thousand
- 2006
 - Passed ISO/TS16949 international certification
 - Paid-in capital after capitalization of retained earnings was NTD 3,732,207 thousand
 - Established Korea marketing office
 - Foxlink Group's Dingpu R&D Building was officially opened
 - Issued domestic unsecured convertible bonds, NTD 5,000,000 thousand
- 2007
 - Cheng Uei's invested affiliate Well Shin Technology goes public
 - Paid-in capital after capitalization of retained earnings was NTD 4,015,817 thousand
 - Invested in the establishment of DU Precision Industry Co., Ltd.
 - Implemented QC 080000 green product management system
 - Issued 40,000 units of employee stock option certificates
- 2008
 - Announced Lean Six Sigma to promote the results
 - Gumi Office in Gumi, South Korea was formally established
 - Passed QC080000 international certification
 - Invested in the establishment of Gaoqiang Optoelectronics Co., Ltd.
 - Paid-in capital after capitalization of retained earnings was NTD 4,374,609 thousand
- 2009
 - Collaborated with Qualcomm to officially launch 4.5-generation Mirasol display manufacturing plant
 - Invested in Studio A to obtain 51% equity, officially entering the retail channel market
 - Paid-in capital after capitalization of retained earnings was NTD 4,539,655 thousand
- 2010
 - Invested in Power Quotient International (PQI), a major memory module manufacturer, acquiring 15.29% equity in total
 - The Technology Development Committee joined National Taipei University of Technology in achieving fruitful results, publishing five improved technologies to improve product competitiveness
 - In the 2010 ranking of the top 100 patents in Taiwan, the Company placed third with 402 certifications
 - Entered the Electronic Procurement Platform and the Target Management System of the Formosa Plastics Network, under the Formosa Plastics Group, creating a high-quality e-commerce and workflow environment to provide customers with more product advantages and services
 - Paid-in capital after capitalization of retained earnings was NTD 4,635,093 thousand
- 2011
 - Invested in Yancheng factory in Jiangsu to integrate manufacturing and marketing channel services
 - Established an Access Business Group cross-channel layout
 - Established Nanchang factory in Jiangxi to fully take advantage of flexible

- manufacturing
- Invested in Shinfox Energy Co., Ltd. to step into the field of smart energy
 - Studio A set up a fourth boutique location in Hong Kong. Between April and November, established China based specialty stores located in Hefei (Jiangsu), Kunshan, Changzhou, and Huai'an (Hebei)
- 2012
- Invested in LED production equipment company Smart Vision Co., Ltd., acquiring a 31.25% equity stake
 - Invested affiliate Glory Science Co., Ltd. listed shares on the OTC market
 - Kunshan phase IV factory started construction
 - Embedded modules obtained Verizon 3G network certification
- 2013
- Invested to establish Cheng Uei Ma On Shan Science and Technology Park, with the park covering an area of 222 acres
 - Acquired private equity shares of PQI Company, increasing the shareholding ratio of PQI to 42.56%
 - Successfully entered the supply chain of electric vehicle components and obtained business opportunities and official shipments of wearable products
 - Studio A's channel layout in the mainland expanded from the original Jiangsu Province, Anhui Province, Zhejiang Province, and Shanghai to further add new store locations in Fujian Province
- 2014
- Dongguan Fu-Chan Electronics completed its 3rd factory where the plant covers an area of 168 acres.
 - Obtained cash capital increase shares of Glory Science and increased shareholding to 42.25%
 - Signed an agreement with Tamkang University for educational-industrial cooperation plan to carry out comprehensive promotion and technology research and development cooperation both across the Taiwan Strait and internationally; aimed at developing and promoting digital writing tools completed by the digital e-pen calligraphy and painting system developed by Tamkang University as well as content and products related to dynamic handwriting.
 - Completed development of 6-axis robotic arm and introduced of alternative materials for key components; carried out the construction and application promotions of the robotic arm production line
- 2015
- Invested in cultural and creative business by acquiring 15,000 thousand shares of cash capital increase of Central Motion Picture Corporation, with shareholding ratio at 13.6%
 - Completed corporate social responsibility report of Cheng Uei Co.
 - The Company's annual turnover in 2015 reached a record high of NTD 108.2 billion
- 2016
- Completed development of a new 6-axis 900 arm-length robotic arm, fully incorporating it into the production line
 - Used Industry 4.0 concepts to improve mold production technology and increase production efficiency
 - On February 6, a strong earthquake occurred in southern Taiwan and caused severe damage to the area around Tainan. Foxlink Group donated NTD 10 million to assist in post-disaster reconstruction
- 2017
- As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, nine directors were elected including three independent directors

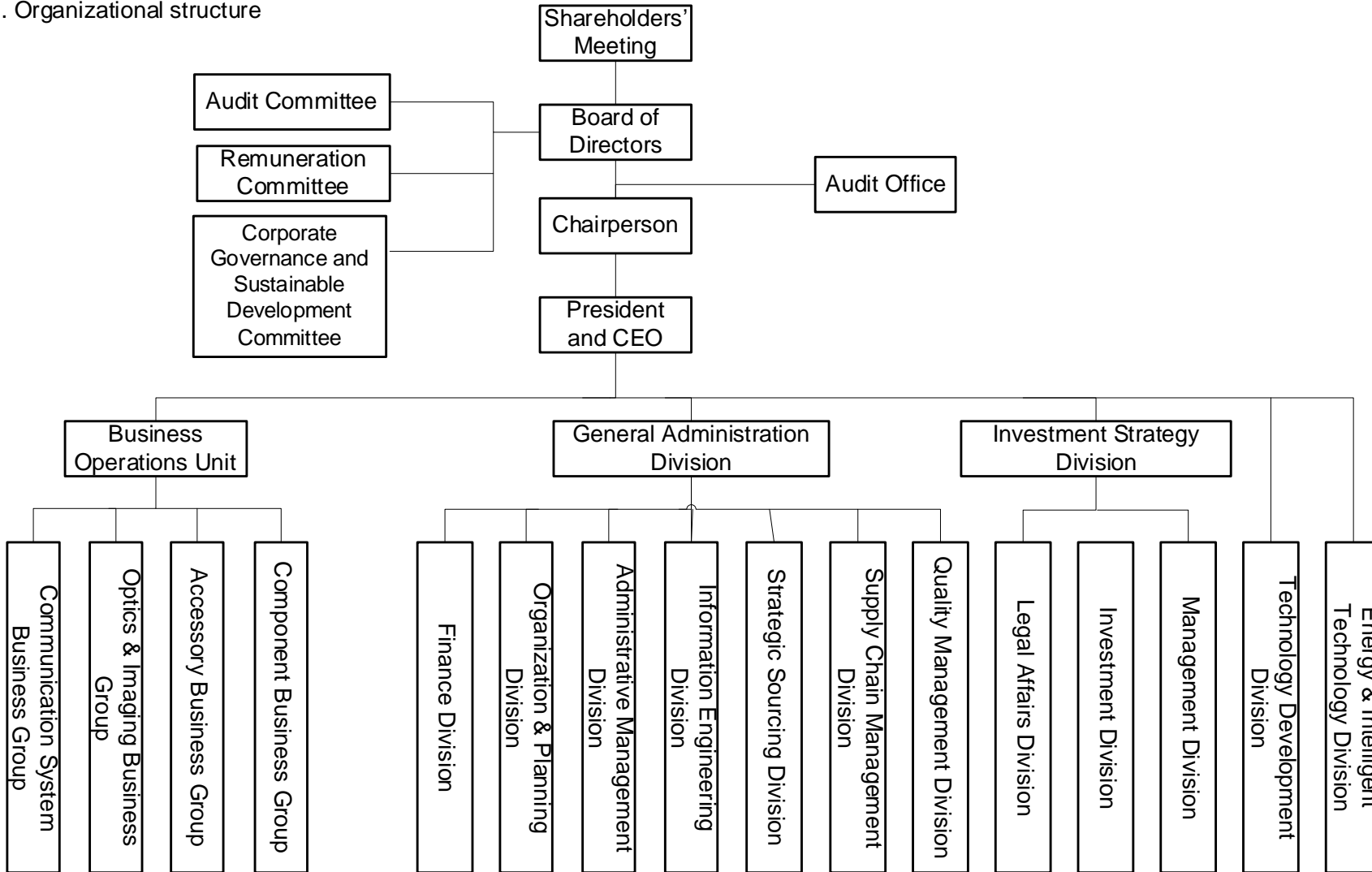
- Set up an Audit Committee to fill in for the authority of supervisors
- Invested in the establishment of an Indian subsidiary with an initial investment amount of Rs 160 million
- In July 2017, the Maanshan factory in mainland China was officially opened, with a plant area of 133,464 square meters
- 2018 • In April 2018, invested in the construction of the Xuzhou factory in Jiangsu Province. The initial investment amount was USD 8 million.
- Foxlink Group subsidiaries PQI, Foxlink Image, and Glory Science jointly established FIT Holding Co., Ltd. via conversion of shares.
- Acquired 100% equity of Hong Kong company Sinobest Brothers Ltd. and indirectly obtained 100% equity of Myanmar company Foxlink Myanmar Company Limited
- 2019 • First-ever issue of NT\$3 billion of guaranteed general corporate bonds in 2019
- Acquired 100% equity of Hong Kong company Journ Ta Brothers Limited and indirectly acquired 100% equity of Myanmar company Hua Tai Enterprise Company Limited
- 2020 • A new subsidiary was established in southern India with an initial investment of NTD 300 million
- First issue of NT\$3.6 billion of guaranteed general corporate bonds in 2019
- As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, nine directors were elected with three being independent directors
- Set up in Central Taiwan Science Park and established new Central Taiwan Science Park Branch
- Subsidiary Shinfox Energy Co., Ltd. was listed on the Emerging Market board in December
- 2021 • Officially launched our R&D site in the Central Taiwan Science Park
- Subsidiary Shinfox Energy Co., Ltd. was officially listed on Taiwan Stock Exchange
- Appointed a corporate governance officer
- Established the Corporate Governance and Sustainable Development Committee to promote ESG and sustainable management
- Invested in the establishment of a subsidiary in Vietnam with an initial investment amount of USD 1.3 million
- 2022 • Invested in the establishment of Foxlink Arizona, Inc. to expand investments in the green energy industry
- Completed greenhouse gas inventory and obtained Taiwan SGS Limited (SGS) greenhouse gas verification statement.
- 2021 sustainability report completed by a third party for Type 1 moderate-level assurance per the AA1000 Assurance Standard.
- Hosted a beach clean-up activity to promote the mission goals of “Sustainable Beach Cleaning, An Earth that’s Always Green.”

III. Corporate Governance Report

1. Organization System

(1) Organizational Structure

1. Organizational structure



(2) Business operations of each department

Key departments	Business operations
Audit Division	<ol style="list-style-type: none"> 1. Operation and implementation of audits of the Company's internal control system 2. Inspection and evaluation of the soundness and effectiveness of the Company's internal control system
Communication System Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of communication and system products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Optics & Imaging Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of optoelectronic products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Component Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of component products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Accessory Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of accessory products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Finance Division	<ol style="list-style-type: none"> 1. The Company's overall financial and tax planning 2. Capital utilization scheduling and risk management 3. Planning and drafting of the Company's financial and accounting systems and operating procedures
Organization & Planning Division	<ol style="list-style-type: none"> 1. Responsible for the Company's development plan and budget preparation 2. Setting up organization, recruiting, order system, build system 3. Responsible for selecting, employing, educating, and retaining human resources
Administrative Management Division	<ol style="list-style-type: none"> 1. Planning and supervision of factory construction 2. Responsible for the purchase of supporting facilities for factory construction 3. Organizational maintenance and planning for administration, factory affairs, environmental safety and health, etc.
Information Engineering Division	<ol style="list-style-type: none"> 1. Information system and network architecture establishment and planning
Strategic Sourcing Division	<ol style="list-style-type: none"> 1. Responsible for the formulation of strategic procurement management system 2. Reduce procurement costs and control execution of major procurement cases
Supply Chain Management Division	<ol style="list-style-type: none"> 1. Plan and manage materials and finished products receiving and shipping operations of each factory 2. Manage global logistics and transportation business 3. Inventory management and audit 4. HUB storage location layout planning and management 5. Cost-effective control of logistics
Quality Management Division	<ol style="list-style-type: none"> 1. Establishment of the quality system and the promotion and audit of the quality management plan. 2. Responsible for laboratory energy establishment, product quality and product safety related testing and certification management.
Legal Affairs Division	<ol style="list-style-type: none"> 1. Handling of relevant legal documents and litigation cases within the group
Investment Division	<ol style="list-style-type: none"> 1. Strategic planning and investment management of intra-group transfer investments
Management Division	<ol style="list-style-type: none"> 1. Performance evaluation analysis and improvement tracking of various departments and business entities of the Company
Technology Development Division	<ol style="list-style-type: none"> 1. R&D and core technology development plan introduction and resource integration for the Group. 2. Intellectual property, trademark, patent application and management within the Group.
Energy & Intelligent Technology Division	<ol style="list-style-type: none"> 1. Introduction of new energy technologies 2. Integration of Group automation and process optimization technology to improve production technology 3. Application of advanced technology to realize intelligent production

2. Information On Directors, Supervisors, The General Manager, Deputy General Managers, Associate Managers, And Supervisors Of Various Departments And Branches:

(1) Directors and Supervisors:

Director information (I)

April 2, 2023 Unit: Thousand shares

Job Title	Nationality	Name	Gender Age	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Chairperson	Republic of China	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	
	Republic of China	T.C. Gou (Note 1)	Male 61~70	2020.06.19	Three years	1997.01.17	6,009	1.17%	6,009	1.17%	46	0.01%	0	0	University graduate, President of Hon Hai Company	President, Cheng Uei Precision Industry; Corporate Chairperson of FIT Holding, Power Quotient International, Foxlink Image, Glory Science, Studio A, Microlink Communications, DU Precision, FII, Hsin Hung Investment, Central Motion Picture, Central Motion Picture Industry Co., CMPC Cultural & Creative, Central Motion Picture Bade Co., Central Motion Picture Culture City Co., Central Motion Picture International, Deepwaters, Shinfox Energy, Shinfox Natural Gas, Shih Fong, Central Motion Picture USA Corporation, Luminys Systems Corp. Well Benefit Limited, Pilot Time Limited	None	None	None	Note 4
Director	Republic of China	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	
	Republic of China	Chen-Phan Pu (Note 1)	Male 61~70	2020.06.19	Three years	2020.12.13	32	0.01%	32	0.01%	63	0.01%	0	0	College graduate, Vice President of Cheng Uei Company	Finance and Accounting Supervisor, Cheng Uei Co.; Corporate supervisor of Microlink, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Nanoshield Technology, Fu Lin, Fulian, Zheng Fa, Taifu, Kunshan Fu Shi You, Glory (Yancheng), Glory (Suzhou), Glory (Yancheng),	None	None	None	None

Job Title	Nationality	Name	Gender Age	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
																Yancheng Yaowei Technology, Queen Mao, Fugang (Yancheng), Fuqiang (Yancheng), PQI (Yancheng), Shanghai Fugang Electronic Trading, Shanghai Benchmark Information Technology, Ashop; Chairman of Synergy Co., Ltd. corporate director of Taiwan Fulin, Xinxian Kongqi, Dongguan Fuqiang, Fugang (Kunshan); corporate director of Foxlink Myanmar, Cync Design; details of other related companies given in pages 437-443 of the annual report.				
Director	Republic of China	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	None
	Republic of China	T.C. Wang (Note 1)	Male 61~70	2020.06.19	Three years	1998.06.11	24	0	24	0	0	0	0	0	University graduate, Chairperson of Quark Opto-Electronics	Chairperson, Core Pacific Development Corporation	None	None	None	None
Director	Republic of China	Fu Lin International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic of China	James Lee (Note 2)	Male 61~70	2020.06.19	Three years	2002.05.30 (Note 3)	0	0	0	0	0	0	0	0	University graduate, Group General Manager of Communication System Business of Cheng Uei Company	Group General Manager of Communication System Business of Cheng Uei Company, President of Glory Science Co., Ltd. Chairman of Wolfpack Co., Ltd.	None	None	None	None
Director	Republic of China	Fu Lin International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Eric Huang (Note 2)	Male 51~60	2020.06.19	Three years	2020.06.19	8	0.00%	8	0.00%	0	0	0	0	Research institute graduate, Component Business Group General Manager of Cheng Uei Company	Component Business Group General Manager, Cheng Uei Company	None	None	None	None
Director	Republic of China	Fu Lin International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic	Jui-Hsia Wan	Female	2020.06.19	Three	2002.05.30	0	0	0	0	0	0	0	0	Research institute	Director, Healthconn Corp.	None	None	None	None

Job Title	Nationality	Name	Gender Age	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
	of China .		71~75		years									graduate Accountant and Associate Professor						
Independent Director	Republic of China .	Randy Lee	Male 61~70	2020.06.19	Three years	2014.06.12	0	0	0	0	0	0	0	0	Master's Degree from Missouri University, U.S.A.; Chairman of EToday	Vice Chairman of the Chinese Cultural University Alumni Association; director, TOPLUS Global Co., Ltd.	None	None	None	Note 4
Independent Director	Republic of China	Chien-Chung Fu	Male 51~60	2020.06.19	Three years	2017.06.08	0	0	0	0	0	0	0	0	Ph.D., Karlsruhe Institute of Technology, Germany Assistant Professor/Associate Professor/Professor, Institute of Nano Engineering and Microsystems, National Tsing Hua University	Professor, Department of Power Machinery, National Tsing Hua University Independent director, Saultech Technology Co., Ltd.	None	None	None	None
Independent Director	Republic of China .	Jing-Mi Tang	Male 61~70	2020.06.19	Three years	2017.06.08	0	0	0	0	9	0.00%	0	0	Ph.D. in Aerospace Engineering from Georgia Institute of Technology, U.S.A. Associate Professor	Associate Professor, Tamkang University	None	None	None	None

Note 1: Representative: of Hsin Hung International Investment Co., Ltd.

Note 2: Representative: of Fu Lin International Investment Co., Ltd.

Note 3: Served as a director of the Company from 2002.5.30 to 2014.6.11.

Note 4: If the Company's chairman and general manager or equivalent (top manager) are the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.). The Chairman of the Company also serves as the President, mainly to improve the efficiency of operation and management and the execution of decision-making. At present, more than half of the members of the Board of Directors are not concurrently serving as employees of the Company, so the independence of the board of directors is secure. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operating status and planning guidelines to implement corporate governance. In the future, the Company plans to increase the number of independent directors to enhance the functions of the Board of Directors and strengthen the supervision function.

Major shareholders of corporate shareholders

Names of corporate shareholders	Major shareholders of corporate shareholders	Percentage of shareholding
Hsin Hung International Investment Co., Ltd.	British Virgin Islands Shangling Co., Ltd.	84.7%
Fu Lin International Investment Co., Ltd.	British Virgin Islands Shangmeijia Co., Ltd.	87.5%

Major shareholders of major shareholders who are juridical persons

Names of corporations	Major shareholders of corporations	Percentage of shareholding
British Virgin Islands Shangling Co., Ltd.	Well Benefit Ltd.	100%
British Virgin Islands Shangmeijia Co., Ltd.	Well Benefit Ltd.	100%

Director information (II)

A. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Name	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
Chairperson T.C. Gou	Currently as the Chairman of the Company, FIT Holding Co., Ltd., Shinfox Energy Co., Ltd., and other publicly listed companies; has more than five years of work experience in business and finance, as well as experience needed to conduct the Company's business; has been committed to business operation in the electronic component industry for more than 30 years; possesses leadership, marketing, business management, and strategic planning abilities to lead the Company to become a pioneer in the industry and achieve sustainable development.	<ol style="list-style-type: none"> (1) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) (2) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) (3) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply. (4) He/she is not the spouse or relative within the second degree of kinship of another director. (5) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act. 	None

Terms Name	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
Director Chen-Phan Pu	As the Company's financial accounting supervisor concurrently; has more than five years of work experience in business, finance, and accounting, as well as experience needed to conduct the Company's business; specializes in corporate financial and accounting affairs; possesses professional leadership, business management, and strategic planning capabilities, and has extensive experience in business planning.	<ol style="list-style-type: none"> (1) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders. (2) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) (3) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) (4) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) (5) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special 	None

Name	Terms	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
			<p>Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(6) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(7) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p>	
Director T.C. Wang		<p>Currently as the Chairman of Core Pacific Development Corporation; has more than five years of work experience in business and finance as well as experience needed to conduct the Company's business; has an international perspective, strategic planning ability, and global professional market competition judgment ability, and innovative leadership.</p>	<p>(1) Not an employee of the Company or its affiliates.</p> <p>(2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.</p> <p>(4) Not a manager listed in (1) or spouse or relative within the second degree of kinship of (2) or (3) or immediate blood relation within the third degree of kinship.</p> <p>(5) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(6) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company,</p>	None

<div style="text-align: center;">Terms</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
		<p>subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(7) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(8) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(9) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(10) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p>	
<p>Director James Lee</p>	<p>As the General Manager of the Company's Communication Products Business Group concurrently and the President of Glory Science Co., Ltd.; has more than five years of work experience in business as well as experience needed to conduct the Company's business; has business management and strategic planning</p>	<p>(1) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.</p> <p>(2) Directors and supervisors who are indirect shareholders who hold more than 5% of the Company's total issued shares, the top five shareholders, or juristic person shareholders who appoint representatives to act as company directors or supervisors in</p>	<p>None</p>

Name	Terms	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
		abilities; specializes in market strategy and has extensive experience in business promotion.	<p>accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(3) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(4) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(5) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(6) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the</p>	

<div style="text-align: center;">Terms</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
		<p>past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(7) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(8) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p>	
<p>Director Eric Huang</p>	<p>As the General Manager of the Company's Component Business Group concurrently; has more than five years of work experience in business as well as experience needed to conduct the Company's business; has business management and strategic planning abilities; specializes in market strategy and has extensive experience in business promotion.</p>	<p>(1) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.</p> <p>(2) Directors and supervisors who are indirect shareholders who hold more than 5% of the Company's total issued shares, the top five shareholders, or juristic person shareholders who appoint representatives to act as company directors or supervisors in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(3) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(4) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof.</p>	<p style="text-align: center;">None</p>

<div style="text-align: center;">Terms</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
		<p>(However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(5) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(6) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(7) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(8) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p>	
Director Jui-Hsia Wan	As a member of the Company's Corporate Governance and Sustainable Development Committee and a director at Healthconn Corp.; has a CPA license; once as an associate professor, Accounting, National Taiwan University; has more	<p>(1) Not an employee of the Company or its affiliates.</p> <p>(2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation</p>	None

<div style="text-align: center;">Terms</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
	<p>than five years of experience in teaching relevant disciplines, including business, finance, accounting, and disciplines needed to conduct the Company's business as a professor at public and private colleges and universities; has more than five years of work experience in business, finance, and accounting, and corporate business as well as experience needed to conduct the Company's business; specializes in corporate finance and accounting affairs.</p>	<p>shall not apply.)</p> <p>(3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.</p> <p>(4) Not a manager listed in (1) or spouse or relative within the second degree of kinship of (2) or (3) or immediate blood relation within the third degree of kinship.</p> <p>(5) Directors and supervisors who are indirect shareholders who hold more than 5% of the Company's total issued shares, the top five shareholders, or juristic person shareholders who appoint representatives to act as company directors or supervisors in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(8) Not a director, supervisor, manager, or shareholder holding more</p>	

<div style="text-align: center;">Terms</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
		<p>than 5% of a particular company or institution with financial or business dealings with the Company. (However, in the case of a particular company or organization that holds more than 20% of the Company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)</p> <p>(9) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(10) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(11) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p>	
Independent Director Randy Lee	As the convener of the Company's Audit Committee, Remuneration Committee, Corporate Governance and Sustainable Development Committee; used to be the Chief Operating Officer of Eastern Home Shopping & Leisure Co., Ltd., the Chairman of ETtoday, and the Vice President of the Ting Hsin International Group; has more than five years of work experience in business and finance as well as experience needed to conduct the Company's business; has an international	<p>(1) Not an employee of the Company or its affiliates.</p> <p>(2) Not a director or supervisor of the Company or its affiliates.</p> <p>(3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.</p> <p>(4) Not a manager listed in (1) or spouse or relative within the second degree of kinship of (2) or (3) or immediate blood relation within the third degree of kinship.</p> <p>(5) Directors and supervisors who are indirect shareholders who hold more than 5% of the Company's total issued shares, the top five shareholders, or juristic person shareholders who appoint</p>	None

Name	Terms Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
	perspective, global professional market competition judgment ability, and innovative leadership.	representatives to act as company directors or supervisors in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof.	
Independent Director Chien-Chung Fu	As a member of the Company's Audit Committee, Remuneration Committee, Corporate Governance and Sustainable Development Committee, a professor, Department of Power Machinery, National Tsing Hua University, and an independent director at Saultech Technology Co., Ltd.; has more than five years of experience in teaching relevant disciplines, including business and disciplines needed to conduct the Company's business as a professor at public and private colleges and universities; has more than five years of work experience in business as well as experience needed to conduct the Company's business; is committed to the nano-engineering research and provides professional advice on the Company's product development and sales.	<p>(6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors.</p> <p>(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof.</p> <p>(8) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the Company.</p> <p>(9) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years.</p> <p>(10) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(11) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.</p> <p>(12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.</p>	1
Independent Director Jing-Mi Tang	As a member of the Company's Audit Committee, Remuneration Committee, Corporate Governance and Sustainable Development Committee and an associate professor, Department of Aerospace Engineering, Tamkang University; has more than five years of experience in teaching relevant disciplines, including business and disciplines needed to conduct the Company's business as a professor at public and private colleges and universities; has more than five years of work		None

Name	Terms Professional qualifications and experience	Independence criteria	Number of other public companies where he/she/it concurrently serves as an independent director
	experience in business as well as experience needed to conduct the Company's business; is committed to the aerospace engineering research and provides professional advice on the Company's product development and sales. Associate Professor		

B. Board diversity and independence:

a. Board diversity

The Company's Corporate Governance Best Practice Principles stipulates that the Company shall consider the principle of diversity for the composition of the Board of Directors and formulate an appropriate diversity policy based on its operation, operating model, and development needs. The policy should include but is not limited to the following two criteria:

- (i) Basic criteria and values: gender, age, nationality, and culture.
- (ii) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The board members shall generally possess the knowledge, skills, and qualities needed to perform their duties. To achieve the ideal goals of corporate governance, the board of directors as a whole should possess the capabilities and skills below:

- (1) Business judgment
- (2) Accounting and financial analysis
- (3) Business management
- (4) Crisis management
- (5) Industry knowledge
- (6) International perspective
- (7) Leadership
- (8) Decision-making

The Company's Board of Directors consists of nine directors. The specific management goals and achieving status of the board diversity policy are as follows:

Management goals	Achieving status
At least one female member on the board	Achieved
Independent directors should serve for no more than three consecutive terms	Achieved
Professional knowledge and skills	Achieved

Implementation of the board diversity policy:

Diversity item		Basic composition							Diversified core competencies									
		Name	Nationality	Gender	As an employee concurrently	Age			Length of term of independent directors (3 to 9 years)	Business judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International perspective	Leadership	Decision-making	
						51-60 years old	61-70 years old	71-75 years old										
Director	T.C. Gou	Republic of China	Male	v		v			v	v	v	v	v	v	v	v	v	
	Chen-Phan Pu		Male	v		v			v	v	v	v	v	v	v	v	v	v
	T.C. Wang		Male			v			v		v	v	v	v	v	v	v	v
	James Lee		Male	v		v			v		v	v	v	v	v	v	v	v
	Eric Huang		Male	v	v				v		v	v	v	v	v	v	v	v
	Jui-Hsia Wan		Female					v		v	v	v	v	v	v	v	v	v
Independent Director	Randy Lee			Male			v		v	v	v	v	v	v	v	v	v	v
	Chien-Chung Fu			Male		v			v	v			v	v	v	v	v	v
	Jing-Mi Tang			Male			v		v	v			v	v	v	v	v	v

b. Independence of the Board of Directors:

The Board of Directors consists of nine directors, including three independent directors. The number of independent directors accounts for 33% of the total number of directors, and the directors are not spouses or relatives within the second degree of kinship to each other and are not under any circumstances under Article 26-3, paragraphs 3 and of the Securities and Exchange Act. The Board of Directors' primary responsibility is to supervise the Company's compliance with laws, financial transparency, timely disclosure of material information and exercise objective and independent judgments on the Company's financial business. Therefore, directors already met the requirements under the law when elected.

(2) Information on the general manager, deputy general managers, associate managers, and supervisors of various departments and branches:

April 2, 2023 Unit: Thousand shares

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
President	Republic of China	T.C. Gou	Male	1996.01.01	6,009	1.17%	46	0.01%	0	0	Department of Law, National Chung Hsing University President of Hon Hai Precision Industry Co., Ltd.	President, Cheng Uei Precision Industry; Corporate Chairperson of FIT Holding, Power Quotient International, Foxlink Image, Glory Science, Studio A, Microlink Communications, DU Precision, FII, Hsin Hung Investment, Central Motion Picture, Central Motion Picture Industry Co., CMPC Cultural & Creative, Central Motion Picture Bade Co., Central Motion Picture Culture City Co., Central Motion Picture International, Deepwaters, Shinfox Energy, Shinfox Natural Gas, Shih Fong, Central Motion Picture USA Corporation, Luminy Systems Corp. Well Benefit Limited, Pilot Time Limited	None	None	None	Note
Communication System Business Group General Manager	Republic of China	James Lee	Male	1986.07.14	0	0	0	0	0	0	University graduate, business manager of Hon Hai Company	President, Glory Science; Chairman of Wolfpack Co., Ltd.	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Component Business Group General Manager,	Republic of China	Eric Huang	Male	2013.12.01	8	0	0	0	0	0	Master's degree in Department of Aeronautics and Astronautics from National Cheng Kung University Research fellow, Material and Chemical Research Laboratories, ITRI	None	None	None	None	None
Optics & Imaging Business Group General Manager	Republic of China	Julius Chu	Male	2018.05.16	0	0	0	0	0	0	Graduated from Soochow University Vice President, Cheng Uei Precision Industry Co., Ltd.	Director of Glorytek (Yancheng), Glory Optics (Yancheng); President of Glorytek (Suzhou), Glorytek (Yancheng), Yancheng Yaowei Technology	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Vice President	Republic of China	Chen-Phan Pu	Male	2002.02.08	32	0.01%	63	0.01%	0	0	Graduated from Bank Management Department, Tamsui Oxford University College Manager of Cathay United Bank Special Assistant, Directors' Office, Cheng Uei Company	Finance and Accounting Supervisor, Cheng Uei Co.; Corporate supervisor of Microlink, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Nanoshield Technology, Fu Lin, Fulian, Zheng Fa, Taifu, Kunshan Fu Shi You, Glory (Yancheng), Glory (Suzhou), Glory (Yancheng), Yancheng Yaowei Technology, Queen Mao, Fugang (Yancheng), Fuqiang (Yancheng), PQI (Yancheng), Shanghai Fugang Electronic Trading, Shanghai Benchmark Information Technology, Ashop; Chairman of Synergy Co., Ltd. corporate director of Taiwan Fulin, Xinxian Kongqi, Dongguan Fuqiang, Fugang (Kunshan); corporate director of Foxlink Myanmar, Cync Design; details of other related companies given in pages 437-443 of the annual report.	None	None	None	None
Vice President	Republic of China	Malcolm Lin	Male	2006.08.01	5	0	0	0	0	0	Ph.D. of Electrical Engineering, University of Pennsylvania, USA Engineer, Electronic and Optoelectronic System Research Laboratories, ITRI	None	None	None	None	None
Vice President	Republic of China	Y.Y. Wu	Male	2014.12.22	290	0.06%	5	0	0	0	Graduated from Hosei University, Japan Assistant Vice President, Cheng Uei Company	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Vice President	Republic of China	Daniel Wu	Male	2017.07.01	0	0	1	0	0	0	PhD in Information Management, National Taiwan University of Science and Technology Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Wanson Hsu	Male	2018.01.09	0	0	0	0	0	0	Graduated from Institute of Electrical Engineering, National Cheng Kung University Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Spencer Yeh	Male	2019.03.04	0	0	0	0	0	0	PhD, National Cheng Kung University General Manager of NexPower Technology Corp. Assistant Vice President of Wah Hong Industrial Corp.	None	None	None	None	None
Vice President	Republic of China	Luc Chu	Male	2019.08.11	0	0	0	0	0	0	Graduated from Tamkang University Assistant Vice President of Cheng Uei Precision Industry Co., Ltd.	None	None	None	None	None
Vice-President	Republic of China	PK Chou	Male	2022.04.12	5	0	10	0	0	0	Graduated from the National Taiwan University of Science and Technology Vice-President, Foxlink Image Technology	None	None	None	None	None
Vice-President	Republic of China	Gordon Lin	Male	2022.08.01	0	0	0	0	0	0	Master's degree from the Department of Automatic Control Engineering, Feng Chia University Assistant Vice-President of Cheng Uei Precision Industry Co., Ltd.	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Head of Corporate Governance	Republic of China	Kufn Lin	Male	2021.03.26	582	0.11%	0	0	0	0	Department of Accounting, FJCU Special Assistant, Directors' Office, Cheng Uei Company	Special Assistant, Cheng Uei Co.; corporate director of Well Shin, Microlink, Trinity Investment, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Deepwaters, Fu Lin, Taifu, Fulian, Taiwan Star Telecom, Weijie Biomedical, Changpin Wind Power Co., Ltd., Fushineng (Kunshan), Foxlink Automotive Technology, Fu Gang (Nan Chang), PQI (Yancheng), Sharetronic, Shinfox Far East, etc.; Chairperson of Central Motion Picture Management Consulting, Deepwaters Xuanxiu, Xinxian Kongqi, Zheng Fa, etc.; Deputy Chairperson of Fugang (Dongguan); supervisor of CYNC Design, Chung Chia Power Co., Ltd., Fugang (Xuzhou) details of other related companies given in pages 437-443 of the annual report	None	None	None	None

Note: If the general manager or equivalent (top manager) and the chairperson is the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be disclosed (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.)

The Chairman of the Company also serves as the President, mainly to improve the efficiency of operation and management and the execution of decision-making. At present, more than half of the members of the Board of Directors are not concurrently serving as employees of the Company, so the independence of the board of directors is secure. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operating status and planning guidelines to implement corporate governance. In the future, the Company plans to increase the number of independent directors to enhance the functions of the Board of Directors and strengthen the supervision function.

3. Remuneration Paid To Directors, Supervisors, The President, And Vice President(S) In The Most Recent Year

(1) Remuneration paid to directors, supervisors, the President, vice president(s), etc., in 2022

A. Remuneration to directors (including independent directors)

Unit: NTD Thousand

Title	Name	Directors' Remuneration								Ratio of the total amount of A, B, C and D vs. net profit after tax		Remuneration paid to part-time employees								Ratio of the total amount of A, B, C, D, E, F and G vs. net profit after tax		Compensation from parent company and business investments other than subsidiaries
		Remuneration (A)		Pension (B)		Remuneration for Directors (C)		Expenses for Execution of Business (D)				Wages, rewards, special allowances, etc. (E)		Retirement Pension (F)		Remuneration for Employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Director	Hsin Hung International Investment Co., Ltd.	0	0	0	0	7,000	9,380	0	60	7,000	9,440	72,764	80,052	456	748	18,960	0	18,960	0	99,180	109,200	None
	Corporate representative: T.C. Gou																					
	Corporate representative: Chen-Phan Pu																					
Director	Fu Lin International Investment Co., Ltd.	0	0	0	0	7,000	9,380	0	60	7,000	9,440	72,764	80,052	456	748	18,960	0	18,960	0	99,180	109,200	None
	Corporate representative: T.C. Wang																					
	Corporate representative: James Lee																					
Independent Director	Randy Lee	0	0	0	0	3,000	3,000	0	0	3,000	3,000	0	0	0	0	0	0	0	0	3,000	3,000	None
	Chien-Chung Fu																					
	Jing-Mi Tang																					

1. Please state the policies, systems, standards and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration of independent directors of the company is based on the evaluation results of the Board of Directors Performance Evaluation Measures and the Remuneration Committee Charter. It considers individual responsibilities and time put in, and also refers to the individual performance achievement rate and contribution rate of independent directors to provide appropriate remuneration; and after the approval of the remuneration committee, it is submitted to the Board of Directors for approval.

2. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees): Nil.

Note: 1. The amount of retirement pensions for 2022 constitutes the total amount set out in accordance with the old and new pension systems.
2. Based on the proposed employee compensation amount of NTD 312,000,000 in 2022 as approved by the Board of Directors of the Company, the proposed amount is estimated based on the actual amount allocated in the previous year.

Table of Remuneration Scales

Range of remuneration paid to each director of the Company	Director name			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than 1,000,000	0	0	0	0
1,000,000 (inclusive)~2,000,000 (exclusive)	Ordinary director: T.C. Gou, Chen-Phan Pu, T.C. Wang, James Lee, Eric Huang, Jui-Hsia Wan Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Ordinary director: T.C. Gou, T.C. Wang, James Lee, Eric Huang, Jui-Hsia Wan Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Ordinary director: T.C. Wang, Jui-Hsia Wan Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Ordinary director: T.C. Wang, Jui-Hsia Wan Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang
2,000,000 (inclusive)~3,500,000 (exclusive)	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.	Ordinary director: Chen-Phan Pu, Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.
3,500,000 (inclusive)~5,000,000 (exclusive)	0	0	0	0
5,000,000 (inclusive)~10,000,000 (exclusive)	0	0	0	0
10,000,000 (inclusive)~15,000,000 (exclusive)	0	0	Ordinary director: Chen-Phan Pu	Ordinary director: Chen-Phan Pu
15,000,000 (inclusive)~30,000,000 (exclusive)	0	0	Ordinary directors: T.C. Gou, James Lee	Ordinary director: T.C. Gou
30,000,000 (inclusive)~50,000,000 (exclusive)	0	0	Ordinary director: Eric Huang	Ordinary directors: Eric Huang, James Lee
50,000,000 (inclusive)~100,000,000 (exclusive)	0	0	0	0
Over NTD 100,000,000	0	0	0	0
Total	11	11	11	11

B. Remuneration paid to President and vice president(s)

Unit: NTD Thousand

Position	Name	Salary (A)		Pension (B)		Rewards and Special expenses etc. (C)		Employee bonuses amount (D)				Ratio of the total amount of A, B, C and D vs. net profit after tax (%)		Compensation from parent company and business investments other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	T.C. Gou	30,275	39,758	1,417	1,709	102,017	106,512	40,200	0	40,200	0	173,909 11.42%	188,179 12.36%	0
Group General Manager	James Lee													
Group General Manager	Eric Huang													
Group General Manager	Julius Chu													
Vice President	Chen-Phan Pu													
Vice President	Malcolm Lin													
Vice President	YY. Wu													
Vice President	Daniel Wu													
Vice President	Wanson Hsu													
Vice President	Spencer Yeh													
Vice President	Luc Chu													
Vice President	PK Chou													
Vice President	Gordon Lin													

Note: 1. The amount of retirement pensions for 2022 constitutes the total amount set out in accordance with the old and new pension systems.

2. Based on the proposed employee compensation amount of NTD312,000,000 in 2022as approved by the Board of Directors of the Company, the proposed amount is estimated based on the actual amount allocated in the previous year.

Table of Remuneration Scales

Range of remunerations paid to President and vice president(s)	Name of General Manager and Deputy General Manager(s)	
	The Company	All companies included in the financial statements E
Less than 1,000,000	0	0
1,000,000 (inclusive) ~ 2,000,000 (exclusive)	0	0
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Wanson Hsu	Wanson Hsu
3,500,000 (inclusive) ~ 5,000,000 (exclusive)	Spencer Yeh, PK Chou	Spencer Yeh, PK Chou
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Malcolm Lin, Y.Y. Wu, Luc Chu, Gordon Lin	Malcolm Lin, Y.Y. Wu, Luc Chu, Gordon Lin
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Chen-Phan Pu, Daniel Wu	Chen-Phan Pu, Daniel Wu
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	T.C. Gou, James Lee, Julius Chu	T.C. Gou
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	Eric Huang	Eric Huang, James Lee, Julius Chu
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	0	0
Over NTD 100,000,000	0	0
Total	11	11

Names of managerial officers entitled to employee bonuses and amounts entitled

December 31, 2022; Unit: NTD thousand

Item	Position	Name	Stock bonus amount	Cash bonus amount	Total	As percentage of income after tax (%)
Manager	President	T.C. Gou	0	40,200	40,200	2.64%
	Group General Manager	James Lee				
	Group General Manager	Eric Huang				
	Group General Manager	Julius Chu				
	Vice President	Chen-Phan Pu				
	Vice President	Malcolm Lin				
	Vice President	Y.Y. Wu				
	Vice President	Daniel Wu				
	Vice President	Wanson Hsu				
	Vice President	Spencer Yeh				
	Vice President	Luc Chu				
	Vice President	PK Chou				
	Vice President	Gordon Lin				

Note: Based on the proposed employee compensation amount of NTD 312,000,000 in 2022 as approved by the Board of Directors of the Company, the details of the employee remuneration scheme have not yet been decided as of the publication date of the annual report. Therefore, the proposed amount is estimated based on the actual disbursement amount of the previous year.

(2) Amount of compensation paid in the last two years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general manager, and deputy general managers, and the respective proportion of such compensation to the income after tax in parent company only or individual financial statement, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and future risk.

A. Proportion to net profits after tax of the total of the remuneration paid to directors, general managers and deputy general managers by the Company and all companies in the consolidated financial statements in the most recent two years

Item Position	Proportion of total remuneration to net profit after tax				Proportion of increase (decrease)	
	2022		2021		The Company	All companies included in the financial statements
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements		
Director	0.59%	0.75%	0.65%	0.92%	(0.06%)	(0.17%)
Supervisor	0%	0%	0%	0%	0%	0%
President and Vice Presidents	11.42%	12.36%	6.95%	7.93%	4.47%	4.43%

Note: Based on the proposed employee remuneration amount of NTD 312,000,000 in 2022 and directors' remuneration of NTD 10,000,00 as approved by the Board of Directors of the Company, the details of the employee remuneration scheme have not yet been decided as of the publication date of the annual report. Therefore, the proportion of total remuneration to net profit after tax is estimated based on the actual amount paid in 2021.

B. Correlation between the policies, standards and combinations of payment, procedures for determination of remuneration, business performance and future risks:

In respect to the proportion of remuneration distributed to the directors and managers of the company, according to Article 26 of the Articles of Incorporation of the Company, if the Company makes a profit during the year, it should allocate no less than 6% for employee remuneration and no more than 3% for directors' remuneration.

Managers' remuneration includes salary and bonuses. Out of this, salary is set in reference to industry standards as well as factors including titles, position, academic (professional) background, professional abilities and responsibilities, etc. Bonus schemes consider managers' performance appraisal items, which in turn incorporate financial metrics (such as achievement rates for the Company's revenues, net profit before tax, and net profit after tax) as well as non-financial metrics (e.g., serving as an instructor or evaluator for an innovation incubation plan, or the occurrence of major shortfalls in compliance with laws and regulations and operational risks in divisions under the manager's responsibility). Furthermore, and in line with the recommended allocation principles set forth by the Remuneration Committee, the Chairman shall examine and approve in accordance with operating performance.

4. Corporate Governance Status

(1) Operation of the Board of Directors

The Board of Directors met 7 times in the most recent year (A) and directors' attendance was as follows:

Position	Name	Number of times actually attending (observing) (B)	Frequency of attendance	Actual attendance (observation) rate (%) [B/A]	Remarks
Chairperson	T.C. Gou (Note 1)	7	0	100%	-
Director	Chen-Phan Pu (Note 1)	7	0	100%	-
Director	T.C. Wang (Note 1)	7	0	100%	-
Director	James Lee (Note 2)	7	0	100%	-
Director	Eric Huang (Note 2)	7	0	100%	-
Director	Jui-Hsia Wan (Note 2)	7	0	100%	-
Independent Director	Randy Lee	7	0	100%	-
Independent Director	Chien-Chung Fu	7	0	100%	-
Independent Director	Jing-Mi Tang	7	0	100%	-

Other matters to be recorded:

A. If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:

- (i) The circumstances referred to in Article 14-3 of the Securities and Exchange Act: For all the resolutions of the Board of Directors in 2022, please refer to pages 81 to 83 All resolutions on the matters listed in Article 14-3 of the Securities and Exchange Act have been approved by independent directors.
- (ii) Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: None.

B. For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting:

- (i) On August 30, 2022, the Board of Directors approved the allocation of directors' remuneration for 2021. With regard to the remuneration of directors, T.C. Gou, Chen-Phan Pu, T.C. Wang, James Lee, Eric Huang, Jui-Hsia Wan, Randy Lee, Chien-Chung Fu, and Jing-Mi Tang, were all recused from discussion and voting in accordance with the law and based on their personal interests in the matter. The remaining eight directors passed the proposal without objection.
- (ii) On August 30, 2022, the Board of Directors approved the allocation of managerial staff remuneration for 2020. In regard to the remuneration of directors concurrently serving as staff T.C. Gou, Chen-Phan Pu, James Lee, and Eric Huang, all recused from discussion and voting in accordance with the law and based on their personal interests in the matter. After the remaining 8 directors passed the proposal without objection, the remuneration of the other managerial staff was approved by all the directors present without objection.

C. The Board of Directors status of evaluation and implementation

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Implemented once per year	2022.01.01~ 2022.12.31	<ul style="list-style-type: none"> ● Board of Directors performance evaluation ● Board member performance evaluation ● Functional committee performance evaluation 	Internal self-evaluation by the Board of Directors Board member self-evaluation	<p>Board of Directors self-evaluation</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Improving the quality of board decisions 3. Board composition and structure 4. Election and continuing education of the directors 5. Internal Control <p>Board member self-evaluation</p> <ol style="list-style-type: none"> 1. Master the company's goals and tasks 2. Director's responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Director's professionalism and continuing education 6. Internal Control <p>Functional committee self-evaluation</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Recognition of functional committee responsibilities 3. Improving decision-making quality of functional committees 4. Functional committee composition and member selection 5. Internal Control

- (i) The performance evaluation indicators of the Board of Directors include five major aspects and a total of 41 indicators. The total average of the evaluation results is 5 points (maximum score being 5 points). This shows that the Board of Directors has the responsibility to guide and supervise the company's strategy, major business and risk management, and can establish a proper internal control system. The overall operation situation is optimal and meets the requirements of corporate governance.
- (ii) The performance evaluation indicators for board members include six major aspects and a total of 23 indicators. The overall average of the evaluation results is 4.97 points (maximum score being 5 points). This shows that the directors have positive comments on the efficiency and effectiveness of the operation of various indicators.
- (iii) Functional committees include the Audit Committee and the Remuneration Committee. The indicators include five major aspects and a total of 24 indicators. The total average of the evaluation results is 5 points (with the maximum score being 5 points). It shows that the overall operation of the

functional committee is optimal and meets the requirements of corporate governance, effectively enhancing the functions of the Board of Directors.

D. Assessment of objectives (e.g. setting up an Audit Committee, enhancing the transparency of information, etc.) and implementation status in respect of strengthening the powers of the Board of Directors for the current and immediately past years to be carried out: The Company has established a Remuneration Committee, an Audit Committee and Corporate Governance and Sustainable Development Committee, respectively assisting the Board of Directors in performing their supervisory duties.

Note 1: Corporate representative of Hsin Hung International Investment Co., Ltd.

Note 2: Corporate representative of Fu Lin International Investment Co., Ltd.

(2) Information on operation of the Audit Committee

Five meetings have been held by the Audit Committee in the most recent year. Independent directors attended as follows:

Position	Name	Actual attendance Frequency (B)	Frequency of attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Randy Lee	5	0	100%	Independent Director
Committee member	Chien-Chun Fu	5	0	100%	Independent Director
Committee member	Jing-Mi Tang	5	0	100%	Independent Director

Other matters to be recorded:

A. If the operation of the Audit Committee falls into one of the circumstances, the date, session, the content of the proposal, independent directors' objections, reservations, or major suggestions, Audit Committee' resolution results, and the Company's response to such opinions shall be stated.

(i) Matters listed in Article 14-5 of the Securities and Exchange Act: After the approval of the Audit Committee, they are reported to the Board of Directors.

Date and session/ term	Proposal content, resolution status, and subsequent handling
January 21, 2022 (9th meeting of 2nd term)	<ol style="list-style-type: none"> 1. Proposal content: <ol style="list-style-type: none"> (1) Reported on the implementation of the Company's internal audit operations (2) On the Company's capital loan case with subsidiary Foxwell Energy, the loan amount is NTD 30 billion 2. Independent directors' objections, reservations or major suggestions: None 3. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass 4. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present
March 24, 2022 (10th meeting of 2nd term)	<ol style="list-style-type: none"> 1. Proposal content: <ol style="list-style-type: none"> (1) Reported on the implementation of the Company's internal audit operations (2) Reported accountant communication matters (3) Discussed the Company's 2021 financial statements and business status. (4) Discussed the Company's 2021 profit distribution (5) Discussed proposal for investment in the U.S. subsidiary, Foxlink Arizona, Inc. (6) Discussed amendment to the Procedures for Asset Acquisition and Disposal (7) Discussed amendment to the Procedures for Endorsements and Guarantees (8) Discussed the assessment of the accountant's independence and competency and their remuneration

	<p>(9) Discussed the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2021.</p> <p>2. Independent directors' objections, reservations, or major suggestions: None</p> <p>3. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>4. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
<p>May 5, 2022 (11st meeting of 2nd term)</p>	<p>1. Proposal content:</p> <p>(1) Reported on the implementation of the Company's internal audit operations</p> <p>(2) Discussed proposal for the Company's consolidated financial statements for the first quarter of 2022.</p> <p>(3) Discussed NTD 400 million capital increase of 100%-owned subsidiary Fu Uei International Investment, Ltd.</p> <p>(4) Discussed Central Taiwan Science Park Branch additional acquisition of right to use assets from related party Glory Science Co., Ltd.</p> <p>2. Independent directors' objections, reservations, or major suggestions: None</p> <p>3. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>4. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
<p>August 12, 2022 (12th meeting of 2nd term)</p>	<p>1. Proposal content:</p> <p>(1) Reported on the implementation of the Company's internal audit operations</p> <p>(2) Discussed proposal for the Company's consolidated financial statements for the second quarter of 2022.</p> <p>2. Independent directors' objections, reservations, or major suggestions: None</p> <p>3. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>4. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
<p>November 11, 2022 (13th meeting of 2nd term)</p>	<p>1. Proposal content:</p> <p>(1) Reported on the implementation of the Company's internal audit operations</p> <p>(2) Discussed proposal for the Company's consolidated financial statements for the third quarter of 2022</p> <p>(3) Discussed amendment to the Company's Procedures for Handling Materials Inside Information</p> <p>(4) Discussed the Company's internal audit plan for 2023</p> <p>2. Independent directors' objections, reservations, or major suggestions: None</p>

	<p>3. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>4. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
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- (ii) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: None.
- B. For recusal of independent directors from motions due to conflicts of interest, specify the names of the independent directors, the content of the motions, the reasons for recusal, and the participation in voting: None.
- C. The communication between the independent directors and the audit supervisor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered).
- (i) The Company's internal audit supervisor regularly reports on the implementation of internal audits to the quarterly audit committee. In 2022, the internal audit supervisor reported to the independent directors on the audit committee regarding the implementation of audit operations five times. After discussion and communication in the five meetings, the independent directors all had a grasp and understanding of the audit execution results. No other objections or suggestions were raised.
- (ii) After being reviewed or checked by a certified public accountant, the financial statements of the Company are sent to the Audit Committee for discussion. And after its approval, a report or resolution is submitted to the Board of Directors. The CPAs usually discuss and communicate with independent directors by e-mail, but arranges at least 1-2 actual attendances of the Audit Committee every year. On March 24, 2022, the Audit Committee arranged for the CPAs to attend in person, and report and communicate with independent directors on matters such as the financial statement audit plan, major financial reports, and the update of accounting and auditing laws and regulations. After discussion and communication, the independent directors had no opinion on the accountants' reports. Therefore, the independent directors of the Company have good communication with the CPAs.
- D. Annual working focus and operational status of the Audit Committee:
The Audit Committee of the Company held five meetings in 2022. All audit committee members attended each meeting, and their main working focus and authority were as follows:
- (i) Establishing or amending the internal control system in accordance with Article 14 of the Securities and Exchange Act.
 - (ii) Evaluation of the effectiveness of the internal control system.
 - (iii) Formulating or modifying the processing procedures for major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, lending of funds to others, endorse or provide guarantees to third parties.
 - (iv) Matters involving director self-interest.
 - (v) Significant asset or derivative commodity transactions.
 - (vi) Significant capital loans, endorsements or guarantees.
 - (vii) Raising, issuing or private placement of equity securities.
 - (viii) Appointment, dismissal or remuneration of certified public accountants.
 - (ix) Appointment and removal of financial, accounting or internal audit supervisors.
 - (x) Annual financial reports and quarterly financial reports.
 - (xi) Implementation of internal audit operations.
 - (xii) Other important matters specified by the Company or the competent authority.

(3) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
1. Has the Company prepared and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has formulated a code of practice for corporate governance	No difference
2. The equity structure and shareholders' equity of the Company				
(i) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	V		The Company has a spokesperson, acting spokesperson, and stock affairs division responsible for handling shareholder suggestions, disputes, and other issues. There are also regulations for the management of external spokesperson activities to standardize related operations.	No difference
(ii) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	V		The Company keeps track of shares held by directors, supervisors, managers, and major shareholders holding more than 10% of shares, and it reports such shareholdings in a timely manner.	
(iii) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	V		The Company has established transaction procedures and risk control management measures for related enterprises to control various operating procedures and various risks, and to eliminate unconventional transactions.	
(iv) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	V		The Company has set up Procedures for Handling Material Inside Information and advocates these Procedures to insiders at least once per year.	

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
3. Composition and duties of the Board of Directors				
(i) Has the Board of Directors formulated a Board diversity policy and specific management objectives and implemented them accordingly?	V		A diversity policy for the composition of the Board of Directors has been specified under Article 20 of the Company's Corporate Governance Best Practice Principles. When considering and selecting director candidates, we will consider their professional background, professional skills, and industry experience based on the diversity policy, while as per the scale of the Company's business, shareholders' shareholdings, as well as the practical needs. Please refer to pages 27 to 28 of the annual report for details.	No difference
(ii) Does the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?	V		The Company has established a Remuneration Committee and an Audit Committee in accordance with the law and established a Corporate Governance and Sustainable Development Committee in 2021 to strengthen our management and efforts to fulfill corporate social responsibility and promote sustainable development.	
(iii) Does the company formulate the board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the board of directors, and apply it to individual directors' remuneration and nomination renewal?	V		The Company has set up its Board of Directors Performance Evaluation Measures, and the scope of evaluation includes performance evaluation of the overall Board of Directors, individual directors and functional committees. Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by board members, appointment of external professional institutions, performance evaluation by experts or other appropriate methods. Metrics for the performance evaluation of the Board of Directors include the following five aspects	

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
(iv) Has the Company assessed the independence status of the CPAs at regular intervals?	V		<ul style="list-style-type: none"> (i) Participation in the operation of the Company. (ii) Improvement of the quality of the board of directors' decision making. (iii) Composition and structure of the board of directors. (iv) Election and continuing education of the directors. (v) Internal control. <p>The Company's Board of Directors regularly evaluates the independence and competence of CPAs every year. The accounting unit of the Company refers to the Accounting Act and Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 to formulate its independence assessment items for evaluation. Furthermore, on March 24, 2022, the Board of Directors resolved to pass a proposal for the assessment of accountant independence and competency.</p> <p>Every year, the Company's CPAs submit the "Statement of Independence" of the Company. In addition, the rotation of the Company's CPAs is also handled in accordance with relevant regulations.</p>	
4. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws	V		<p>In order to implement corporate governance and urge the Board of Directors to perform its due functions to protect the rights and interests of investors, the Board of Directors passed a resolution on March 26, 2021 and appointed Kufn Lin from the Investment Strategy Division of the Company as Head of Corporate Governance. The scope of authority of the Head of Corporate Governance and focus of business implementation in the current year are as follows:</p> <ul style="list-style-type: none"> (i) Handling of matters relating to board of directors 	No difference

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?			<p>meetings and shareholders meetings in compliance with law.</p> <p>(ii) Preparation of minutes of the board of directors meetings and shareholders meetings.</p> <p>(iii) Assistance in onboarding and continuing education of the directors and supervisors.</p> <p>(iv) Provision of information required for performance of duties by the directors and supervisors.</p> <p>(v) Assistance in the directors' and supervisors' compliance of law.</p> <p>(vi) Other matters described or established in the articles of incorporation or under contract.</p>	
5. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	V		The Company's website has a special area for stakeholders and a dedicated person to serve as a communication channel with them; and it appropriately responds to important corporate social responsibility issues that are of concern to stakeholders.	No difference
6. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	V		The Company has appointed a professional stock affairs agency, the Shareholders' Service Agency Department of Grand Fortune Securities Co., Ltd., to handle various stock affairs of the Company on its behalf	No difference
7. Disclosure of Information (i) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate	V		The Company has installed a website for the disclosure of various information on its financial position and operation as well as information on its corporate governance.	Except for the third item which is still under planning, there is no difference

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
governance? (ii) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and videotaping institutional investor conferences)? (iii) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	V		The Company has set up a website in both Chinese and English, and has placed relevant information on institutional investor conferences and implemented a spokesperson system. In addition, a designated person is responsible for the collection and disclosure of Company information.	
	V		The Company completes relevant financial statements and reports on monthly operating conditions within the specified time limits	
8. Is there any other essential information that would help understand the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?	V		(i) Employee rights: The Company has formulated a number of employee welfare policies and management procedures that comply with local laws and regulations on labor relations, labor conditions and social responsibility, and protect the rights and interests of employees. (ii) Employee care: In order to increase employees' choices of leisure activities, the Company subsidizes employee club activities and signs contracts with a number of leisure sports centers for employees to keep fit. In addition, the Company also regularly implements employee health checkups and provides medical consultations to maintain employees' physical and mental health. Furthermore, it	No difference

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
			<p>continues to improve the working environment of employees to meet the requirements of international standards. Therefore, all employees can achieve the work agreed with the Company according to their wishes, without any physical or psychological coercion. Furthermore, they will not be discriminated against on the basis of any race, gender, age, religion or political orientation.</p> <p>(iii) Investor Relations: There is a stock affairs department and a spokesperson responsible for handling relevant stock affairs and shareholder suggestions and disputes.</p> <p>(iv) Supplier relationships: The Company has signed procurement contracts with its suppliers, and signs integrity commitments and confidentiality agreements; moreover, it has always been able to maintain good relationships with them.</p> <p>(v) Stakeholder rights: The Company has a spokesperson, and stakeholders can communicate through the Company's website, telephone and fax. At the same time, the Company's supervisors and the personnel of the Audit Division will also directly communicate with stakeholders if deemed necessary.</p> <p>(vi) Continuing education of directors and supervisors: The directors and supervisors of the Company have professional industry backgrounds and practical experience in operations and management. Moreover, the Company arranges for directors to participate in seminars on corporate governance topics from time to time.</p>	

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
			<p>(vii) Pursuit of a risk management policy and standard of risk assessment: The Company focuses on its own business and cooperates with relevant laws and regulations to implement various policies for promotion, and it establishes various standard operation implementation specifications to reduce and avoid possible risks. However, please refer to pages 421 to 422 of the annual report for the implementation of the Company's risk management policies and standard of risk assessment.</p> <p>(viii) Pursuit of a customer policy: The Company has operating bases both domestically and overseas. There is also a customer service department to provide channels for customer inquiries or services.</p> <p>(ix) Professional liability insurance coverage for the directors: The Company has purchased liability insurance for all directors.</p>	
<p>9. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year. (Not applicable for companies not evaluated by TSEC)</p> <p>The company had established the Audit Committee in June 8, 2017, The Board of Directors, in March 2021, approved the appointment of a corporate governance officer, and we established a Corporate Governance and Sustainable Development Committee in November of the same year to strengthen our corporate governance.</p> <p>The Company strengthened our disclosure of financial business and corporate governance on the Company's website and the Market Observation Post System last year, increasing the transparency of corporate information to implement the spirit of Corporate Governance Best Practice Principles. These efforts included the simultaneous uploading of English versions of shareholders' meeting-related materials and of financial statements as well as the publication of material information in English. We also formulated a code of practice for corporate governance while establishing a Corporate Governance and Sustainable Development Committee, with all directors completing training hours in accordance with specifications of the Main Points of Advanced</p>				

Evaluation Item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary Description	
<p>Training Implementation for Directors and Supervisors of Listed Companies. We hold at least two institutional investor conferences every year and have completed sustainability reports and obtained third-party certification. Meanwhile, we have formulated management policies and goals such as greenhouse gas reduction, appointment of corporate governance supervisors and arranging Insider Trading prevention training courses.</p> <p>This year, the Company will hold four institutional investor meetings and shall increase the number of independent directors seats upon the re-election of directors, and we plan to improve such that the number of corporate director seats totals no more than one-third.</p>				

(4) The composition and operation of the Remuneration Committee:

A. Information of Remuneration Committee Members

March 31, 2023

ID Classification	Terms	Professional qualifications and experience	Independence criteria	Number concurrently serving as members of the remuneration committees of
	Name			
Independent Director (Convener)	Randy Lee	Please refer to pages 25 to 28 for the disclosure of independent directors' independence under Director information (II).		None
Independent Director	Chien-Chung Fu			1
Independent Director	Jing-Mi Tang			None

B. Information on the operation of the Remuneration Committee

- (i) There are members of the Remuneration Committee of the Company.
- (ii) The current term of members: June 19, 2020 to June 18, 2023; the Remuneration Committee met 2 times (A) in the most recent year and member qualifications and attendance are as follows:

Position	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Randy Lee	2	0	100%	Serving another term
Committee member	Chien-Chung Fu	2	0	100%	Serving another term
Committee member	Jing-Mi Tang	2	0	100%	Serving another term

Other matters to be recorded:

A. Remuneration Committee's scope of authority:

- (i) Committee members should faithfully perform the following functions and powers with the attention of good managers, and be responsible to the Board of Directors as they submit their suggestions to the Board of Directors for discussion:
 - (a) Formulate and regularly review the policies, systems, standards and structures of directors, supervisors, and managers' performance evaluation and remuneration.
 - (b) Regularly evaluate and determine the remuneration of directors, supervisors, and managers.
- (ii) When the Committee performs the functions and powers of the preceding article, they should be based on the following principles:
 - (a) The performance evaluation and remuneration of directors, supervisors, and managers should refer to the usual level of payment in the industry. Furthermore, they should consider the reasonableness of the connection with personal performance, company

operating performance and future risks.

- (b) Directors and managers should not be incentivized to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.
 - (c) The ratio of dividends to directors and senior managers' short-term performance and the payment time of part of the variable salary shall be determined in consideration of industry characteristics and the nature of the Company's business.
 - (iii) The salary remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, employee stock bonuses, retirement benefits or severance payments, various allowances, and other measures with substantial incentives.
- B. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): None.
- C. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members shall be stated: None.
- D. Reasons for discussions and resolutions of the Remuneration Committee in 2022, and the company's handling of members' opinions:

Meeting date	Proposal	Resolution result	Company's handling
1st meeting of 2022, March 24, 2022	The Company's remuneration plan for directors for 2021	Approved by all members present	Proposed to the Board of Directors and approved by all directors present
	The Company's remuneration plan for employees for 2021		
2nd meeting of 2022 August 30, 2022	The Company's distribution plan for directors' remuneration for 2021	Approved by all members present	Proposed to the Board of Directors and approved by all directors present
	The Company's distribution plan for manager and employee remuneration for 2021		

(5) Status of promotion of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation item	Operational status			Differences and reasons for differences with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
1. Has the Company established exclusively (or concurrently) dedicated units to promote sustainable development, and has the Board of Directors placed senior management personnel in charge of the promotion and monitored the promotion?	V		<p>(i) The Board of Directors, on November 12, 2021, approved the establishment of the Corporate Governance and Sustainable Development Committee to promote and improve matters related to corporate governance and sustainable development.</p> <p>(ii) The Corporate Governance and Sustainable Development Committee held its first meeting on November 12, 2021 and approved the establishment of a corporate governance task force and a sustainable development task force, with senior managers as the conveners of the task forces to plan and implement the tasks related to corporate governance and sustainable development.</p> <p>(iii) The Corporate Governance and Sustainable Development Committee meets at least twice a year. Each task force puts forth an annual implementation plan at the beginning of the year and submits a report on the implementation results every six months. Said annual implementation plan and report on the implementation results are reviewed by the committee and reported to the Board of Directors.</p> <p>(iv) This year's committee meeting was held on January 21, 2022. The committee reviewed and approved each task force's annual work plan for 2022. The sustainable development task force was further divided into a social responsibility team, an environmental sustainability team, and an employee development team. Each team's annual work plan and targets have been submitted to the board meeting held on January 21, 2022. Meanwhile, a second committee meeting was convened on August 12, 2022 to review the implementation of the work in the first half of the year. Resolutions of the committee were also submitted to a convening</p>	No difference

			of the Board of Directors on the same day in accordance with the regulations.	
2. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	V		The company has formulated a Corporate Social Responsibility Policy. At the same time as the Company is operating, it is actively implementing corporate social responsibility to comply with the international trend of balancing the development of the environment, society and corporate governance. The Company has set up an Internal Audit Department to inspect and evaluate the effectiveness of the internal control system, and provide suggestions for improvement in a timely manner. It does so to ensure the continuous and effective implementation of various systems, and to assist the Board of Directors and management to achieve and set goals by evaluating and improving risk management. Through the establishment and maintenance of the Company's internal audit system, the improvement plan is developed thereby.	No difference
3. Environmental Issues				
(i) Has the Company established an appropriate environmental management system based on its industrial characteristics?	V		The Company has obtained ISO 14001, ISO14064, ISO50001, QC080000 and OHSAS18001 system certifications, fulfilling its commitment to environmental management policies. The ISO 14001 certificate is valid from June 27, 2022 through January 11, 2025, and the ISO50001 certificate is valid from February 22, 2022 through February 21, 2025.	No difference
(ii) Has the Company committed itself to improving the utilization efficiency of various resources, and to using recycled materials with low impact on the environment?	V		The Company cooperates with suppliers such that scrap produced after production is sold to recycling companies to reduce the impact on the environment.	No difference
(iii) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with	V		(i) In order to better implement the corporate social responsibility of environmental protection, the Company established a green product management organization that advances management operations for the restricted substance system, thereby ensuring the effective operation of hazardous substance system management. We require	No difference

<p>climate-related issues?</p>		<p>attention be paid to the latest developments in international laws, regulations and standards, and timely internal conversion to ensure that customers' expectations for green product production are met. We also pay attention to each manufacturing link and process, identify risks and effectively implement management and control, and comply 100% with global environmental regulations and customer standards. Furthermore, we strive to establish mutual trust and mutually beneficial supplier partnerships, comply with environmental protection standards and ethics, and grow together with suppliers.</p> <p>(ii) The Company announced its participation in SBTi in December 2021 and commissioned PWC to assist in the formulation of science-based carbon targets. We set a carbon reduction target aligned with preventing temperatures from increasing 1.5°C by 2030, and the carbon reduction plan was officially certified by SBTi in November 2022.</p>	
<p>(iv) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?</p>	<p>V</p>	<p>(i) The Company is committed to energy-saving and carbon-reducing measures. The greenhouse gas emissions of each plant are checked in accordance with the ISO14064-1 standard, and obtain third-party verification; which is based on caring for the Earth and energy saving and environmental protection. In the future, we will continue to promote energy saving and greenhouse gas reduction policies. With the goal of continuous reduction, we hope to become a low-carbon enterprise with sustainable environmental development.</p> <p>(ii) The Company has set targets for reduction of greenhouse gases, water consumption, and other waste management. Please refer to the Company's sustainability report for details.</p> <p>(iii) The Company announced its participation in SBTi in December 2021 and commissioned PWC to assist in the formulation of science-based carbon targets. We set a carbon reduction target aligned with preventing temperatures from increasing 1.5°C by 2030, and the carbon reduction plan was officially certified by SBTi in November 2022.</p> <p>(iv) The Company completed our greenhouse gas inventory in March 2022, and passed the physical inspection by the Taiwan SGS Limited (SGS) external verification agency in April this year; furthermore, we received a greenhouse gas verification statement from SGS in June.</p>	<p>No difference</p>

4. Social Issues				
(i) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	V		The Company complies with relevant laws and regulations such as the Labor Standards Act, and it formulates various management methods to protect the rights and interests of both employers and employees, and to institutionalize various internal operations of the company. There is also a social responsibility division to ensure that employees' basic rights and social responsibilities are followed and implemented.	No difference
(ii) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	V		The Company's internal regulations stipulate corporate ethics, and a reasonable salary and remuneration policy, as well as a clear performance appraisal, reward and punishment system, in line with corporate social responsibility policies.	No difference
(iii) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	V		The Company implements labor safety promotions, firefighting seminars and drills for employees, and regularly implements employee health inspections and safety and health education and training.	No difference
(iv) Has the Company provided effective training in career planning for employees?	V		The company currently trains personnel through on-the-job training to ensure that employees perform duties in existing positions and also learn to acquire necessary skills for promotion.	No difference
(v) Regarding customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate	V		The Company complies with the relevant regulations and international standards for marketing and labeling of products and services. There is also a special area for stakeholders, providing a channel for customer questions, appeals or suggestions. The Company upholds the principle of good faith to protect the rights and interests of consumers.	No difference

<p>relevant consumer protection policies and appeal procedures?</p> <p>(vi) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?</p>	<p>V</p>	<p>In addition to committing to self-regulation with the strictest standards, the company also promotes suppliers' compliance with social responsibilities. Taking RBA, laws and regulations, and customer requirements as the standard or content, we formulate supplier social responsibility management procedures and adopt multiple channels to communicate social responsibility policies and regulations to suppliers. Furthermore, we incorporate labor, human rights, ethics, and environment as principles to conduct social responsibility compliance audits on new suppliers and major suppliers. In this way, we encourage all suppliers to meet social responsibility requirements.</p>	<p>No difference</p>
<p>5. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of corporate social responsibility reports and other reports that disclose the company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?</p>	<p>V</p>	<p>(i) The Company compiles and issues its corporate social responsibility report in accordance with the GRI Standard of the Global Reporting Initiative (GRI). It thus discloses the Company's sustainability issues, strategies, goals and measures, and the achievement of various indicators, and so on. In addition to complying with international trends and meeting the needs of customers and investors, it also exposes non-financial information that is not presented in the annual financial report. The content includes achievements in the economic, social, environmental and other related fields. The corporate social responsibility report can be viewed on the Company's official website.</p> <p>(ii) We completed the appointment of a third party to provide the Type 1 moderate-level assurance as per the AA1000 Assurance Standard for each sustainability report published by the Company from 2021 onwards. Sustainability reports published annually in the future shall also undergo third-party certification. For details, please refer to sustainability report announcements given on the Company's website.</p>	<p>No difference</p>
<p>6. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the difference between its operation and the established Principles: The Company has established its Corporate Social Responsibility Policies, and they have no major differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>			

Other important information that facilitates the understanding of the efforts in promotion of sustainable development:

The Company's business philosophy can be summed up as "sincerity, a holistic view, and conscientiousness." Out of these, sincerity indicates "simplicity and pragmatism, and being as good as one's word;" a holistic view implies that "great things can only be achieved with tolerance, and small beginnings yield major trends;" and conscientiousness means "making an all-out effort, with a unity of knowledge and action." Therefore, keeping promises is an important value of our business management. In order to fulfill corporate social responsibility, the Company emphasizes that integrity must be regarded as the highest ethical principle for business operations and employee behavior. Only in this way can we attain recognition from the public while exerting a positive influence on and long-term presence in human society.

In 2011, the Company donated a total of approximately NTD 1.5 million to related public welfare organizations. Furthermore, at the end of the year the Company appealed to public welfare, charity, and environmental protection by inviting disadvantaged groups on scene to receive gifts and to watch or participate in performances with colleagues. Colleagues at the Company were also called upon to donate winter clothing, and this was delivered using a special representative vehicle to Xifu House in Tzu Chi Banqiao Park.

In 2012, the Company donated a total of approximately NTD 2 million to related Taiwanese public welfare organizations and also donated a total of approximately RMB 400,000 to charities and schools in mainland China. Furthermore, at the end of the year the Company appealed to public welfare, charity, and environmental protection by inviting disadvantaged groups on scene to receive gifts and to watch or participate in performances with colleagues. Colleagues at the Company were also called upon to donate winter clothing and various materials, and these were delivered using a special vehicle to related charities.

In 2013, the Company donated a total of approximately NTD 5 million to related Taiwanese public welfare organizations and also donated a total of approximately RMB 400,000 to charities and schools in mainland China. In addition, the Group's Welfare Committee initiated the establishment of the Foxlink Group Charity Club, which regularly organizes visits to social welfare organizations and volunteer activities every month. According to the needs of the care recipients, it provides material collection, wheelchair help, Group health performances, environmental management, and so on.

In 2014, the Company initiated a blood donation campaign among Group colleagues for the first time, doing our part to address blood bank shortages. The Charity Club also arranged visits to orphanages, conservation centers, and welfare foundations during festivals and holidays. In addition to donating general materials, they actually participated in the work of care assistance and carried out related group health and entertainment activities, in order to gain a feeling of warmth and care in society. In addition, the Company invited public welfare groups to participate in joyous activities at the annual meeting as usual; and we donated NTD 5 million as well as about RMB 400,000 to mainland schools. In all these ways, we fully met our corporate social responsibilities.

In 2015, the seven affiliated companies of the Foxlink Group jointly organized a mountain hike. During the event, NTD 5 million was donated to 25 Taiwan charity organizations, and a total of about RMB 400,000 was donated to charities and educational units in mainland China. In addition, after the dust explosion at Formosa Fun Coast in New Taipei City, the Company immediately called on colleagues to initiate donation activities. Colleagues thereupon donated a collective NTD 483,400 to related units. The company's Charity Club also launched three blood drives in 2015, encouraging colleagues to participate in blood donations to help others and contribute to public welfare activities.

On February 6, 2016, a strong earthquake occurred in southern Taiwan, which severely damaged the Tainan area. Foxlink Group donated NTD 10 million to assist in post-disaster reconstruction. In addition, a total of NT\$2.7 million was donated to 13 elementary schools in New Taipei City, while mainland schools and social welfare organizations donations totaling RMB 350,000. At the same time, Foxlink also donated NTD 60,000 to the Tucheng Community Development Association to assist the community's Double Ninth Respect for the Elderly social welfare promotion and health service activities.

In 2017, Foxlink Group held an annual charity year-end celebration and employee party, and during the event NTD 3 million was donated to 12 charity organizations. At the same time, a total of RMB 350,000 was donated to charitable organizations and schools in mainland China. In addition, a total of three blood drives were handled in 2017 for a total blood volume of 756 bags (189,000 cc). Indeed, Foxlink Group has organized blood donation activities with the Taipei Blood Center every year since 2014. As of March 2018, a total of 13 blood drives had been arranged for 3,475 bags of blood in total (868,750 cc). In 2018, Foxlink Group held an annual charity year-end celebration and employee party, and during the event NTD 3 million was donated to 15 charity organizations. Also, a total of RMB 400,000 was donated to charitable organizations and schools in mainland China. The Charity Club arranged visits to orphanages, conservation centers, and welfare foundations during festivals and holidays. By donating general materials from time to time, colleagues were enabled to feel the warmth and care of society. In addition, a total of three blood drives were organized in 2018 with a total blood volume of 815 bags (203,750 cc) and 815 participants.

In 2019, Foxlink Group upheld its philanthropic principle of “Gratitude for Blessings, Giving Back to Society.” Through continuous care and assistance to disadvantaged groups in society, we undertake public welfare, show love, actively fulfill our corporate social responsibilities, and persistently practice environmental protection along with public welfare and charity concepts. This year, our public welfare program launched a joint fundraising agency for the first time to integrate donations. It started by taking care of ethnic groups in neighboring areas, paying attention to local needs, and using local hands to solve local problems. In this joint proposal, 15 local social welfare units were recommended and 10 of them selected by the Company; 2 million resources were shared equally. Through the power of the company, the promotion of the assistance plan would be more stable. In addition, a total of three blood drives were organized in 2019 with a total blood volume of 836 bags (209,000 cc) and 836 participants.

In 2020, the Company continued undertaking charitable donation activities to related public welfare organizations, such as caring for the elderly in the community, organizing warm meals for them, and donating materials to social welfare organizations. In addition, a total of three blood drives were organized in 2020 with a total blood volume of 915 bags (228,750 cc) and 541 participants.

The global economy was in the shadow of the COVID-19 pandemic in 2021. Cheng Uei responded to the community's common good activities by bringing together everyone's contributions and sharing them with those in need in every corner of the society. We hope that we will make further contributions to the community after the end of the pandemic. Chairman Guo donated COVID-19 self-test kits to the New Taipei City Government to help the government strengthen its anti-pandemic efforts and encourage others to make contribution, in the hope of identifying the asymptomatic individuals as soon as possible, curbing the virus from spreading further, and allowing the society to return to normal as soon as possible. In addition, a total of three blood drives were organized in 2021 with a total blood volume of 889 units (222,250 c.c.) and 889 participants.

In 2022, the Company continued undertaking charitable donation activities to related public welfare organizations, such as caring for the elderly in the community, organizing warm meals for them, and donating materials to social welfare organizations. In addition, a total of three blood drives were organized in 2022 with a total blood volume of 927 bags (231,750 cc) and 927 participants.

Climate Related Information of TWSE/TPEX-Listed Companies

1. Implementation status of climate-related information

Item	Implementation status
<p>1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.</p>	<ul style="list-style-type: none"> ■ The Company established a Corporate Governance and Sustainable Development Committee and elected Mr. Randy Lee as the committee convener while concurrently establishing a Corporate Governance Task Force and Sustainable Development Task Force, to be convened, respectively, by Kufn Lin and Vice-President Chen-Phan Pu. Among them, the Sustainable Development Task Force leads the supervision and governance of Cheng Uei's internal climate-related risks and opportunities. Task force members include the heads of the production departments and the heads of the central manufacturing site units. ■ The Committee reports implementation results, climate-related risk response strategies, and annual operating guidelines to Board of Directors every six months. At the same time, internal meetings are held regularly every month with meeting topics to include responses to major customer requirements, monitoring risk events, reviewing energy saving and emission reduction targets and annual budgets and overseeing the implementation performance of each department. ■ In cases involving climate and major capital investment, including energy-saving technological transformation projects, in accordance with the internal construction project contracting operation management measures, a bid review committee shall be established for a certain amount or more to review relevant materials and propose a bid award proposal. The Audit Committee composed of independent directors of the Company will then review the case and decide the bid.
<p>2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy, and finances (in the short, medium and long term).</p>	<ul style="list-style-type: none"> ■ The Company committed to setting science-based targets in 2021 and passed the Science Based Target Initiative (SBTi) compliance review in 2022. ■ Referring to the schedule of carbon reduction targets, we have set 2021 as the base year and the short term is defined as 1 to 3 years; the medium-term is 4 to 6 years; and the long term is more than 6 years. ■ Short-, medium- and long-term risks: <ol style="list-style-type: none"> (1) Short term: Increased cost of raw materials; stricter environmental and energy regulations; extreme weather such as typhoons and floods. (2) Medium term: Increased cost of renewable energy acquisition; cost of transition to a low-carbon economy (3) Long term: fuel/energy tax or carbon tax; net-zero emission trend; long-term difficulty in

Item	Implementation status
	<p>obtaining renewable energy.</p> <ul style="list-style-type: none"> ■ Short-, medium- and long-term opportunities: <ol style="list-style-type: none"> (1) Short term: the development of new products and circular economy innovation of raw materials; improving the natural disaster response and defense mechanism; and reducing the use of water resources. (2) Medium term: participation in renewable energy projects, carbon trading markets and energy-consuming equipment renovations. (3) Long term: improvement of energy resource production efficiency; investment in renewable energy; generation of opportunities for carbon assets and enhancement of our corporate reputation.
<p>3. Describe the financial impact of extreme climate events and transformational actions.</p>	<ul style="list-style-type: none"> ■ The Company identifies risks and opportunities covering products and services, supply chains, adaptation and mitigation activities, R&D investment, and operations and assesses the probability and extent of events according to each risk and opportunity. ■ The Company further analyzes the operating costs and revenues, capital expenditures and allocations, capital acquisitions, acquisitions and asset carve-out acquisitions that will result from the event to understand the financial impact of the event on the organization and develop response strategies.
<p>4. Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.</p>	<ul style="list-style-type: none"> ■ The Board of Directors appointed the Sustainable Development Committee to manage climate issues. Based on the climate-related risk issues collected by the committee, we have adopted the Recommendations of the Task Force on Climate-related Financial Disclosures risk framework while identifying, analyzing and tracking the implementation status of climate change-related plans/actions, ■ And take appropriate mitigation and adaptation measures depending on the likelihood of climate risk and the level of impact. ■ Led by the Environmental Sustainability Team of the Sustainable Development Task Force, we identify the priority of risks and opportunities according to “level of impact” and “likelihood of occurrence.” Regarding the management process of risks and opportunities prioritization, we ensure that material climate-related risks/mechanisms are all properly grasped and assessed.
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.</p>	<ul style="list-style-type: none"> ■ The scenario analysis reflects the Company's establishment of 2021 as the base year, adopting an emission scenario where the absolute carbon reduction must at least meet the 1.5°C target with the Absolute Contraction Approach under IPCC AR5 (2014) serving as the baseline scenario. The main financial impact comes from the payment of carbon fees, the increase in operating costs due

Item	Implementation status
	to the purchase of renewable energy electricity certificates and the increase in the installation and operation costs of carbon reduction equipment.
6. If there is a transition plan to address climate-related risks, describe the content of the plan and the indicators and objectives used to identify and manage physical and transition risks.	<ul style="list-style-type: none"> ■ The energy-saving technical transformation of the Taiwan manufacturing site was completed in November 2022. It is estimated that by 2023, an annual savings of 1,860,000 kWh can be achieved (energy-saving rate of 2.79%). ■ More than 55% of process water was re-used in the mainland manufacturing sites.
7. If internal carbon pricing is used as a planning tool, the basis for setting prices should be stated.	<ul style="list-style-type: none"> ■ Since the Company set 2021 as the base year, the operating period is still short and internal carbon pricing has not yet been introduced; it is expected to be implemented as a medium-term plan.
8. If there are climate-related targets, they should state the activities covered, the scope of greenhouse gas emissions, the planning period and the progress of achieving each year. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant target, the source and amount of carbon reduction credits or the number of RECs should be stated.	<ul style="list-style-type: none"> ■ Through STBi, Cheng Uei is committed to reducing absolute Scope 1 and Scope 2 emissions in the target year of 2030 by 42% compared with the base year of 2021. Scope 3 emissions from the use of goods and services purchased and sold were reduced by 25% compared to the base year of 2021. ■ In 2022, the Xuzhou and Kunshan manufacturing sites in mainland China purchased 18,706 Mwh in renewable energy certificates. The mainland's South China manufacturing site obtained about 1.7 million Mwh of renewable energy rights through the direct purchase additional agreement model, and the India manufacturing site purchased 8,760 Mwh of renewable energy certificates.
9. Greenhouse gas inventory and confirmation (filled in separately in 1-1).	<ul style="list-style-type: none"> ■ In accordance with the GHG Protocol, the Company inventories greenhouse gas emissions via direct emissions (Scope 1) and indirect emissions (Scope 2). In 2022, a total of seven manufacturing sites passed ISO 14064-1 greenhouse gas inventory verification. ■ From 2023, Scope 3 inventory will be conducted with reference to GHG Protocol Scope 3, including emissions from the purchase of goods and services and the use of products sold. For the relevant greenhouse gas inventory results, please refer to the sustainability report published on the Company's official website.

<p>Basic information of the Company</p> <p><input type="checkbox"/> Companies with capital of more than NTD 10 billion and those in the steel industry and cement industry</p> <p><input checked="" type="checkbox"/> Companies with capital of more than NTD 5 billion but less than NTD 10 billion</p> <p><input type="checkbox"/> Companies with capital of less than NTD 5 billion</p>	<p>In accordance with the regulations of the sustainable development road map of listed companies, disclosed at a minimum</p> <p><input checked="" type="checkbox"/> Standalone inventory of parent company</p> <p><input checked="" type="checkbox"/> Standalone confirmation for parent company</p> <p><input type="checkbox"/> Inventories of subsidiaries in the consolidated financial statements</p> <p><input type="checkbox"/> Confirmation of subsidiaries in the consolidated financial statements</p>
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Scope 1	Total emissions (CO ₂ e mt)	Intensity (CO ₂ e mt/NTD million) (Note 2)	Confirming agency	Explanation of confirmation status (Note 3)
Parent company	128.1729	0.001362	Taiwan SGS Limited	The greenhouse gas emission information of Cheng Uei Company in 2021 has been inspected by Taiwan SGS Limited (SGS) in accordance with ISO 14064-3:2006 and meets the requirements of the following standard ISO 14064-1:2018
Subsidiary				
Total				
Scope 2	Total emissions (CO ₂ e mt)	Intensity (CO ₂ e mt/NTD million)	Confirming agency	Explanation of confirmation status
Parent company	2,391.2289	0.02541	Taiwan SGS Limited	The greenhouse gas emission information of Cheng Uei Company in 2021 has been inspected by Taiwan SGS Limited (SGS) in accordance with ISO 14064-3:2006 and meets the requirements of the following standard ISO 14064-1:2018
Subsidiary				
Total	2,519.406	0.026773		
Scope 3	None			

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2021 of
**CHENG UEI PRECISION INDUSTRY
CO., LTD.**

No.18, Zhongshan Road, Tucheng Dist.,
New Taipei City, Taiwan (R.O.C.)



has been verified in accordance with ISO 14064-3:2006 as
meeting the requirements of

ISO 14064-1:2018

Direct emissions

128.1769 tonnes of CO₂e

Indirect emissions

2,391.2289 tonnes of CO₂e

Direct emissions and indirect emissions

2,519.406 tonnes of CO₂e

Authorized by

David Huang

Senior Director

Date: 17 June 2022

Version 1

TGP56A-15-6 2103

SGS Taiwan Ltd.

No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,

New Taipei City 24803, Taiwan

t (02) 22993279 f (02)22999453 www.sgs.com



Statement TW22/00193GG, continued

The emission of each category is described as below:

Unit: tonnes of CO₂e

Reporting Boundaries		GHG Emissions		
Inventory categories	Description	Location-based	Market-based	
Direct emissions	This direct GHG emissions are the sum of owned or controlled by the organization within the organization.	128.1769		
Indirect emissions	Imported energy	1,962.1654	1,876.8254	
	Transportation	16.1432		
	Products used by an organization	412.9204		
	Associated with the use of products from the organization	-		
	Other sources	-		
Direct emissions and indirect emissions		2,519.406	2,434.066	
Purchased Renewable Energy Certificate(s) Information				
Site/Location	Type	Renewable Energy Source/Location	Imported energy emissions	
			Location-based	Market-based
Foxlink Headquarters	T-REC	Solar energy / Taiwan	1,962.1654	1,876.8254

Statement TW22/00193GG, continued

SGS has been contracted by CHENG UEI PRECISION INDUSTRY CO., LTD. (hereinafter referred to as “Foxlink”), No.18, Zhongshan Road, Tucheng Dist., New Taipei City, Taiwan (R.O.C.) for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3:2006

as provided by CHENG UEI PRECISION INDUSTRY CO., LTD. (hereinafter referred to as “Foxlink”), No.18, Zhongshan Road, Tucheng Dist., New Taipei City, Taiwan (R.O.C.), in the GHG Assertion in the form of GHG report covering GHG emissions of the period 01 January 2021 to 31 December 2021.

Roles and responsibilities

The management of Foxlink is responsible for the organization’s GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS’s responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion for the period 01 January 2021 to 31 December 2021.

SGS conducted a third party verification of the provided GHG assertion against the principles of ISO 14064-1:2018, ISO 14064-3:2006 in the period 30 March 2022 to 26 April 2022. The verification was based on the verification scope, objectives and criteria as agreed between Foxlink and SGS on 11 January 2022.

Level of Assurance

The level of assurance for category 1 and category 2 agreed is that of reasonable assurance.

Scope

Foxlink has commissioned an independent verification by SGS Taiwan of reported GHG emissions of Foxlink arising from design, manufactures and sells connectors, cable assemblies, power management devices, battery packs activities, to establish conformance with ISO 14064:2018 principles within the scope of the verification as outlined below.

Statement TW22/00193GG, continued

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary and is based on ISO 14064-3:2006.

- Title or description activities: GHG verification for Foxlink in year 2021
- Location/boundary of the activities:
 - No.18, Zhongshan Road, Tucheng Dist., New Taipei City, Taiwan (R.O.C.)
- Physical infrastructure, activities, technologies and processes of the organization: Design, manufactures and sells connectors, cable assemblies, power management devices, battery packs
- GHG sources, sinks and/or reservoirs included: Sources as presented in the inventory spreadsheet provided by Foxlink
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, CFCs, HCFCs, CHs
- The IPCC 2013 AR5 GWP values are applied in this inventory.
- Emission factor:
 - Direct emissions: Greenhouse Gas Emission Factor Table (6.0.4), EPA.
 - Indirect emissions:
 - Electricity emission factor is 0.502 kgCO₂e/kwh (Announced by Bureau of Energy, Ministry of Economic Affairs in 2021).
- The secondary database has Carbon Footprint Information Platform
- Directed actions: NA
- GHG information for the following period was verified: 01 January 2021 to 31 December 2021
- The version of inventory sheet: 20220508
- The version of GHG assertion: 20220426
- Intended user of the verification statement: Private

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are the principles of ISO 14064-1:2018

Statement TW22/00193GG, continued

Materiality

The materiality required of the verification was considered by SGS to 5%, based on the needs of the intended user of the GHG Assertion.

Conclusion

Foxlink provided the GHG assertion based on the requirements of ISO 14064-1: 2018. The GHG information for the period 01 January 2021 to 31 December 2021 disclosing emissions of 2,519.406 metric tonnes of CO₂ equivalent and 0.0000 metric tonnes of direct CO₂ emissions from the combustion of biomass are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

Reporting Boundaries		GHG Emissions	
Inventory categories	Description	Location-based	Market-based
Direct emissions	This direct GHG emissions are the sum of owned or controlled by the organization within the organization.	128.1769	
Indirect emissions	Imported energy	1,962.1654	1,876.8254
	Transportation	16.1432	
	Products used by an organization	412.9204	
	Associated with the use of products from the organization	Undisclosed	-
	Other sources	Undisclosed	-
Direct emissions and indirect emissions		2,519.406	2,434.066

Statement TW22/00193GG, continued

Foxlink purchased 170 Renewable Energy Certificate(s) in 2021. The imported energy emissions by location-based and market-based approach shown as the following table :

Unit: tonnes of CO₂e

Purchased Renewable Energy Certificate(s) Information				
Site/Location	Type	Renewable Energy Source/Location	Imported energy emissions	
			Location-based	Market-based
Foxlink Headquarters	T-REC	Solar energy / Taiwan	1,962.1654	1,876.8254

SGS’s approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment, on a test basis, of evidence relevant to the amounts and disclosures in relation to the organization’s reported GHG emissions.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions of category 1 and category 2 for the period 01 January 2021 to 31 December 2021 are fairly stated.

We conducted our verification with regard to the GHG assertion of Foxlink which included assessment of GHG information system, monitoring and reporting plan/protocol. This assessment included the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, were consistently and appropriately applied.

In SGS’s opinion the presented GHG assertion

- is materially correct and is a fair representation of the GHG data and information, and
- is prepared in accordance with ISO14064-1:2018 on GHG quantification, monitoring and reporting.

Confidentiality

The reports and attachments may contain relevantly confidential information of the clients. In addition to being submitted as governmental application or certification documents, the reports and attachments are not allowed to be edited, duplicated, or published without the clients’ agreement in written form.

Statement TW22/00193GG, continued

Avoidance of Conflict of Interest

The reports and attachments are completely complied with the standards and procedures that related-authorities established. The reports and attachments of auditing process are conduct with fairness and honesty. If not, the auditing institution not only has to bear the relevant compensation duties, but also to receive legal charge and punishment.

This statement shall be interpreted with the GHG assertion of Foxlink as a whole.

Verifier Group

Above statements coincide with auditing process with fairness and impartiality, and aim at the emission of year 2021 of clients.

Lead Verifier:

Channing Chen

Verifier:

Emma Kao

Kyle Lu

Royal Lo

Note: This Statement is issued, on behalf of Client, by SGS Taiwan Ltd. ("SGS") under its General Conditions for Greenhouse Gas Verification Services available at http://www.sgs.com/terms_and_conditions.htm. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at CHENG UEI PRECISION INDUSTRY CO., LTD., No.18, Zhongshan Road, Tucheng Dist., New Taipei City, Taiwan (R.O.C.), This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

(6) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
<p>1. Formulation of ethical management policy and plans</p> <p>(i) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?</p>	V		<p>On March 11, 2011, the Board of Directors of the Company approved the formulation of Ethical Corporate Management Best Practice Principles. In addition, the Board of Directors of the Company approved the establishment of the Corporate Governance and Sustainable Development Committee on November 12, 2021 to promote and improve matters related to corporate governance and sustainable development. At the same time, through the establishment of a Corporate Governance Task Force and Sustainable Development Task Force, the implementation of ethical corporate management matters is included in the scope of the Corporate Governance Task Force. Furthermore, these matters are handed over to the stock affairs unit to be responsible for the formulation and supervision of ethical management policy and prevention plans, reporting regularly to the committee and to the Board of Directors.</p> <p>The Corporate Governance and Sustainable Development Committee meets at least twice a year. Each task force puts forth an annual implementation plan at the beginning of the year and submits a report on the implementation results every six months. Said annual implementation plan and report on the implementation results are reviewed by the committee and</p>	No difference

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			reported to the Board of Directors. The Committee was convened in 2022 on January 21, 2022 and August 12, 2022. The second committee passed the annual work plan of the annual working group and the semi-annual work implementation progress review, and both of them were submitted to the Board of Directors meeting convened on the same day.	
(ii) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"	V		When conducting daily verifications, the internal audit unit will also include in the verification whether there is any dishonest behavior internally. When an employee demonstrates dishonest behavior, he or she shall be punished in accordance with the Employee Reward and Punishment Measures based on the circumstances and impact.	No difference
(iii) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		In order to ensure the implementation of ethical management, all employees of the corporate Group have signed its Integrity Commitment Agreement. Furthermore, the occurrence of unethical business activities, bribery, and kickbacks through the verification mechanisms of the internal audit unit.	No difference
2. Implementation of Ethical Corporate				

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
Management				
(i) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		Both the Company and its suppliers sign a Supplier Integrity Commitment Agreement. When entering into the Agreement, the rights and obligations of both parties are specified in detail, and it is clearly stipulated that all suppliers should abide by it.	No difference
(ii) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		The Company's stock affairs unit is responsible for the formulation, supervision, and implementation of ethical corporate management policies and prevention plans, and regularly reports to the Board of Directors.	No difference
(iii) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		All employees of the company signed an Employee Integrity Commitment Agreement and there is a channel for appeals. For any violations or appeals, employees may report to their direct supervisors, human resources, or the audit unit.	No difference
(iv) Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an	V		The Company has established an effective accounting system and internal control system, and formulates an internal audit plan every year. The internal audit unit performs various audit operations in accordance with the audit plan, and will arrange additional special audits when special circumstances occur.	No difference

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
accountant to perform the audit?				
(v) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		The Company has established its Ethical Corporate Management Best Practice Principles, and the Company's employees and suppliers have signed Integrity Commitment Agreements. The Company also promotes relevant norms for ethical management from time to time.	No difference
3. Operation of the Company's reporting system				
(i) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?	V		The Company has a complaint hotline and mailbox, and has dedicated personnel to handle related affairs as well as rules for conducting fraud inspections.	No difference
(ii) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company has established a whistleblowing process, and the identity of an informant and the content of ant report will be kept confidential.	No difference
(iii) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		The Company has established internal and external whistleblowing procedures and fraud detection regulations; It also expressly adopts measures to protect informants from improper handling as a result of a report.	No difference
4. Strengthening information disclosure Has the Company, on its website and on the Market Observation Post System, disclosed	V		The Company discloses its corporate culture and business policies on the Company's website, and discloses ethical management information on the Market Observation Post System.	No difference

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof																																								
	Yes	No	Summary description																																									
the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?																																												
5. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: The Company has enacted its Ethical Corporate Management Best Practice Principles, and there are no major differences with the Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies.																																												
6. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision the Ethical Corporate Management Best Practice Principles, etc.): In adherence with the November 7, 2014 letter Taizheng Zhili Zi No. 1030022825 of the Taiwan Stock Exchange Corporation, the Company has revised relevant provisions of its Ethical Corporate Management Best Practice Principles. In addition, in order to implement its ethical management policies and prevent dishonest behavior, the Company also regularly organizes internal education and training courses on ethical management. The specific course topics, course hours, and number of participants are shown in the following table:																																												
<table border="1"> <thead> <tr> <th>Course title</th> <th>Course hours</th> <th>Course date</th> <th>Number of courses</th> </tr> </thead> <tbody> <tr> <td>Talking about behaviors and responsibilities in insider trading</td> <td>1.5</td> <td>2018/9/4</td> <td>337</td> </tr> <tr> <td>Trade secrets and employee confidentiality obligations</td> <td>2</td> <td>2019/1/17</td> <td>165</td> </tr> <tr> <td>Trade secrets and employee confidentiality obligations</td> <td>2</td> <td>2019/2/21</td> <td>215</td> </tr> <tr> <td>Employee confidentiality obligations and contract seals</td> <td>2</td> <td>2019/12/19</td> <td>25</td> </tr> <tr> <td>Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations</td> <td>1</td> <td>2020/10/7</td> <td>613</td> </tr> <tr> <td>Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations</td> <td>1</td> <td>2020/10/14</td> <td>46</td> </tr> <tr> <td>Central points of risk prevention and control and evidence collection for sales and project contracts</td> <td>2</td> <td>2020/10/28</td> <td>28</td> </tr> <tr> <td>Prevention of legal risks in sales contracts</td> <td>1</td> <td>2020/11/6</td> <td>58</td> </tr> <tr> <td>Prevention of legal risks in sales contracts</td> <td>1</td> <td>2020/11/16</td> <td>66</td> </tr> </tbody> </table>					Course title	Course hours	Course date	Number of courses	Talking about behaviors and responsibilities in insider trading	1.5	2018/9/4	337	Trade secrets and employee confidentiality obligations	2	2019/1/17	165	Trade secrets and employee confidentiality obligations	2	2019/2/21	215	Employee confidentiality obligations and contract seals	2	2019/12/19	25	Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1	2020/10/7	613	Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1	2020/10/14	46	Central points of risk prevention and control and evidence collection for sales and project contracts	2	2020/10/28	28	Prevention of legal risks in sales contracts	1	2020/11/6	58	Prevention of legal risks in sales contracts	1	2020/11/16	66
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Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1		2021/01	1,954
Education and Training on Security Functions of TrustView and Approval Procedures	1		2021/04	145
Supplier Responsibility Standards Training	2		2021/05	68
Responsible Business Alliance (RBA) Code of Conduct	2		2021/06	191
Responsible Business Alliance (RBA) Code of Conduct	2		2021/07	302
Responsible Business Alliance (RBA) Code of Conduct	2		2021/12	515
Clients' Corporate Social Responsibility Practice	1		2021/1/6	47
The ESG and Sustainable Governance Trend	1		2021/9/8	52
Analysis of Insider Trading Laws and Cases	1		2021/10/20	52
Responsible Business Alliance (RBA) Code of Conduct	2		2022/01-12	1007
Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1		2022/01-12	3913
Strategic thinking on information security	1		2022/03/30	47
The impact of green supply chains under the trend of global net-zero carbon emissions	1		2022/04/06	47
The trend of carbon neutrality in China and abroad and the coping strategies of the electronics industry	1		2022/06/01	46
Global net-zero carbon emission trends and response cases among Taiwan companies	1		2022/08/15	149

- (7) If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles: None.
- (8) Other important information that is sufficient to improve the understanding of corporate governance operations that must be concurrently disclosed: None.
- (9) Implementation status of internal control system:

A. Internal Control System Statement:

Cheng Uei Precision Industry Co., Ltd.
Internal Control System Statement

Date: March 15, 2023

For the Company's Internal Control System of 2022, based on the results of self-assessment, the following is hereby declared:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the company takes corrective action.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. environment control, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each constituent contains several criteria. Please refer to "the Regulations" for details.
- IV. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
- V. Based on the results of examination, the Company believes that the design and implementation of its internal control system dated December 31, 2022 (including supervising and managing its subsidiaries), consisting of the effectiveness and efficiency of business operations, the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations, are effective, and reasonably assure the achievement of the aforementioned goals.
- VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 15, 2023, at which this Statement was unanimously endorsed by all 9 attending directors with 0 individuals having opposing opinions.

Cheng Uei Precision Industry Co., Ltd.
Chairman: T.C. Gou
President: T.C. Gou

B. If it is necessary to entrust an accountant to review the internal control system, the accountant's review report shall be disclosed: None

(10) In the most recent year and as of the date of publication of the annual report, whether the company and its internal personnel have been disciplined according to law, or whether the company has disciplined its internal personnel for violating the provisions of the Internal Control System. The content of the disciplinary measures should be listed, as well as the main deficiencies and improvements: None.

(11) In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders meeting and Board of Directors:

A. Board resolutions in 2022 and through March 31, 2023

Date	Resolution matters	Remarks
2022.01.21	<ol style="list-style-type: none"> 1. Approved the Company's capital loan case with subsidiary Foxwell Energy, with the loan amount of NTD 3 billion. 2. Approved the proposal to amend the Company's Corporate Governance Best Practice Principles. 	
2022.03.08	Approved the authorization of the Chairman to handle the legal disputes arising from the investment agreement between the Company, People's Government of Ma'anshan Municipality, and the Ma'anshan economic and Technological Development Zone Management Committee.	
2022.03.24	<ol style="list-style-type: none"> 1. Approved the Company's 2022 business plan. 2. Approved the 2021 proposal for remuneration to directors and employees as reviewed by the Remuneration Committee. 3. Approved the Company's 2021 financial statements and business status. 4. Approved 2021 profit distribution in the form of a cash dividend of NTD 1.5 per share. 5. Approved the proposal for investment in the U.S. subsidiary, Foxlink Arizona Inc. 6. Approved the proposal for applying for bank financing facilities by the Company and the Central Taiwan Science Park Branch. 7. Approved the Company's 2021 Board of Directors performance evaluation. 8. Approved the amendment to the Company's Articles of Incorporation. 9. Approved the amendment to the Board of Directors Performance Evaluation Measures. 10. Approved the amendment to the Procedures for Asset Acquisition and Disposal. 11. Approved the amendment to the Procedures for Endorsements and Guarantees. 12. Approved the assessment of the accountant's independence and competency and their remuneration. 13. Approved the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2021. 14. Approved the date and discussion items of the Company's 2022 Annual General Meeting of Shareholders. 	

Date	Resolution matters	Remarks
2022.05.05	<ol style="list-style-type: none"> 1. Reported the Company's greenhouse gas inventory and verification. 2. Approved the proposal for the Company's consolidated financial statements for the first quarter of 2022. 3. Approved NTD 400 million capital increase of 100%-owned subsidiary Fu Uei International Investment Ltd. 4. Approved Central Taiwan Science Park Branch additional acquisition of right to use assets from related party Glory Science Co., Ltd. 	
2022.08.12	<ol style="list-style-type: none"> 1. Report the Company's budget target for the second half of the year. 2. Report on the renewal of liability insurance for directors of the Company. 3. Report on the implementation of the work plan of Corporate Governance and Sustainable Development Task Force in the first half of the year 4. Approved the proposal for the Company's consolidated financial statements for the second quarter of 2022. 5. Approved application to a bank for a financing facility. 	
2022.08.30	<ol style="list-style-type: none"> 1. Reported important financial and business information of the Company. 2. Approved the 2021 remuneration distribution for directors as reviewed by the Remuneration Committee. 3. Approved the 2021 remuneration distribution for managers and employees as reviewed by the Remuneration Committee. 	
2022.11.11	<ol style="list-style-type: none"> 1. Reported important financial and business information of the Company. 2. Approved the proposal for the Company's consolidated financial statements for the third quarter of 2022. 3. Approved amendment of the Company's Procedures for Handling Material Inside Information. 4. Approved the Company's internal audit plan for 2023. 	
2023.03.15	<ol style="list-style-type: none"> 1. Approved the Company's 2023 business plan. 2. Approved the 2023 proposal for remuneration to directors and employees as reviewed by the Company's Remuneration Committee 3. .Approved the Company's 2022 financial statements and business status. 4. Approved the Company's 2022 profit distribution in the form of a cash dividend of NTD 2.2 per share. 5. Approved the Company's 2022 Board of Directors performance evaluation. 6. Approved the amendment to the Company's Articles of Incorporation. 7. Approved amendment of the Company's Rules and Procedures of the Board of Directors. 8. Approved amendment of the Company's Corporate Governance Best Practice Principles. 9. Approved the replacement of CPAs and the assessment of accountant independence and competency and their remuneration. 10. Approved the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2022. 	

Date	Resolution matters	Remarks
	11. Approved the appointment of the Company's audit supervisor. 12. Approved a periodic assessment report of derivatives transactions by authorization granted to the supervisor. 13. Approved the re-election of directors of the Company. 14. Approved the convening of the Company's 2023 General Meeting of Shareholders and resolutions thereof	

B. Resolution matters and implementation status passed by all shareholders present at the General Meeting of Shareholders of June 21, 2022

Resolution matters	Implementation status
Approved 2021 business final account statement and profit distribution statement	Not applicable.
Approved amendment of the Company Articles of Incorporation	Approved for registration by the Ministry of Economic Affairs on July 13, 2022.
Approved amendment to the Procedures for Asset Acquisition and Disposal.	It has been processed in accordance with the revised procedures.
Approved amendment to the Procedures for Endorsements and Guarantees.	It has been processed in accordance with the revised procedures.

(12) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: None.

(13) Resignation or relief from office of the Chairman, President, Chief Accountant, Chief Financial Officer, Audit Supervisor, Chief of Corporate Governance, and Chief R&D Officer of the Company in the most recent year to the day this report was printed:

Position	Name	Date assumed office	Date of dismissal	Reasons for resignation or dismissal
Audit Supervisor	Liu Te-Pin	November 3, 1997	March 15, 2023	Retirement

5. Information About CPA Professional Fees

(1) Information about CPA Professional Fees

Unit: NTD Thousand

CPA matters Firm name	Accountants Name	Accountant audit period	Audit fees	Non-audit fees	Total	Remarks
PricewaterhouseCoopers, Certified Public Accountants	Se-Kai, Lin	2022/1/1~ 2022/12/31	12,880	6,136 (Note)	19,016	-
	Yi-Chang, Liang					

Note: Other non-audit fees are mainly tax consulting fees.

(2) If the accounting fees paid during the year when the accounting firm is replaced are less than the previous year, the amount, proportion and reasons for the reduction of audit fees should be disclosed:
The Company has not changed its accounting firm.

(3) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed:
Audit fees for this year decreased by less than 10% compared with the previous year.

6. Changes in Accountant Information

(1) Previous CPA

Date of change	2023.01.01		
Reason of change and description	Due to internal restructuring at appointed accounting firm PricewaterhouseCoopers, CPAs therefore changed from Lin Se-Kai and Liang Yi-Chang to CPAs Chou Hsiao-Tzu and Liang Yi-Chang.		
Description on whether or not the appointer or CPA terminates or refuses the appointment	Contractual parties status	CPAs	Appointor
	Voluntary termination of appointment	-	-
	No longer accept (continue) appointment	-	-
Comments and reasons for audit reports other than the unqualified opinion issued in the last two years	None		
Any discrepancies with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Others
	None	V	
	Description		
Other disclosures (Contents required for disclosure according to Sub-paragraphs 1-4 to 1-7 of Paragraph 6 of Article 10 of these regulations)	None		

(2) CPA in succession

Name of accounting firm	PricewaterhouseCoopers, Certified Public Accountants
Accountant name	Chou Hsiao-Tzu, Liang Yi-Chang
Date of appointment	2023.1.1
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successive accountants different from opinion matters of the former accountants	None

(3) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: None.

7. The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year: None.

8. Directors, supervisors, managers, and shareholders whose shareholding ratio exceeds 10% share transfer and share pledge changes in status:

(1) Changes to the shares held by directors, supervisors, managers and majority shareholders:

Unit: Thousand shares

Position	Name	2022		As of March 31, 2023	
		Number of shareholding Number increased (decreased)	Number of pledged shares Number increased (decreased)	Number of shares held Number increased (decreased)	Number of pledged shares Number increased (decreased)
Director	Hsin Hung International Investment Co., Ltd.	0	0	0	0
Chairman and President	Corporate representative: T.C. Gou	0	0	0	0
Director and Vice President	Corporate representative: Chen-Phan Pu	0	0	0	0
Director	Corporate representative: T.C. Wang	0	0	0	0
Director	Fu Lin International Investment Co., Ltd.	0	0	0	0
Director and Group President	Corporate representative: James Lee	0	0	0	0
Director and Group President	Corporate representative: Eric Huang	0	0	0	0
Director	Corporate representative: Jui-Hsia Wan	0	0	0	0
Independent Director	Randy Lee	0	0	0	0
Independent Director	Chien-Chung Fu	0	0	0	0
Independent Director	Jing-Mi Tang	0	0	0	0
Group General Manager	Julius Chu	0	0	0	0
Vice President	Malcolm Lin	0	0	0	0
Vice President	Y.Y. Wu	0	0	0	0
Vice President	Daniel Wu	0	0	0	0
Vice President	Wanson Hsu	0	0	0	0
Vice President	Spencer Yeh	0	0	0	0
Vice President	Luc Chu	0	0	0	0
Vice President	PK Chou	0	0	0	0
Vice President	Gordon Lin	0	0	0	0
Corporate governance officer	Kufn Lin	0	0	0	0

(2) The counterparties of equity transfers and equity pledges are related parties: No such situation.

9. Information about the relationships among top ten shareholders, such as related parties, spouses, or relatives within the second-degree of kinship:

Name (Note 1)	Self Shareholding		Spouse and minor children holding shares		Total holding of shares in the names of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders		Remarks
	Shares (thousand shares)	Shareholding Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Name or designation	Relationship	
Hsin Hung International Investment Co., Ltd. Representative: T.C. Gou	100,535	19.62%	0	0	0	0	Central Motion Picture Corporation	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Foxlink Image Technology Co., Ltd.	Chairperson of the company	—
Foxlink Image Technology Co., Ltd. / Representative: T.C. Gou	35,065	6.84%	0	0	0	0	Hsin Hung International Investment Co., Ltd.	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Central Motion Picture Corporation	Chairperson of the company	—
Central Motion Picture Corporation / Representative: T.C. Gou	32,584	6.36%	0	0	0	0	Hsin Hung International Investment Co., Ltd.	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Foxlink Image Technology Co., Ltd.	Chairperson of the company	—
Citibank as custodian of Norwegian Central Bank Investment Account	7,792	1.52%	0	0	0	0	—	—	—
Chase in custody for Emerging Market Fund Investment Account of Vanguard Group Corporation	6,164	1.20%	0	0	0	0	—	—	—
T.C Gou	6,009	1.17%	46	0.01	0	0	Hsin Hung International Investment Co., Ltd. Central Motion Picture Corporation Foxlink Image Technology Co., Ltd.	The company Chairperson	—

Name (Note 1)	Self Shareholding		Spouse and minor children holding shares		Total holding of shares in the names of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders		Remarks
	Shares (thousand shares)	Shareholding Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Name or designation	Relationship	
Chase in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,513	1.08%	0	0	0	0	—	—	—
iShare Core MSCI Emerging Market ETF	4,243	0.83%	0	0	0	0	—	—	—
JP Morgan Investment Fund under the Custody of JP Morgan Chase Bank	3,883	0.76%	0	0	0	0	—	—	—
Su Lian Mei Ying	3,551	0.69%	0	0	0	0	—	—	—

10. The number of shares and comprehensive shareholding ratio held in any single reinvested enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company, and consolidated calculation of comprehensive shareholding ratio:

March 31, 2023 Unit: Thousand shares

Reinvested business	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding
CU INTERNATIONAL LTD.	474,350	100.00%	0	0	474,350	100.00%
CULINK INTERNATIONAL LTD.	32,228	100.00%	0	0	32,228	100.00%
Foxlink International Investment Ltd.	408,750	100.00%	0	0	408,750	100.00%
Well Shin Technology Co., Ltd.	22,282	18.84%	40	0.03%	22,322	18.87%
Fu Uei International Investment Ltd.	425,000	100.00%	0	0	425,000	100.00%
Darts Technologies Corporation	47,576	97.00%	0	0	47,576	97.00%
DU Precision Industry Co., Ltd.	60,000	100.00%	0	0	60,000	100.00%
FOXLINK TECHNOLOGY LTD.	86,700	100.00%	0	0	86,700	100.00%
Suntain Co., Ltd.	20,602	100.00%	0	0	19,500	100.00%
FOXLINK ARIZONA INC.	7,300	100.00%	0	0	3,000	100.00%
SINOBEST BROTHERS LIMITED	20,704	91.19%	2,000	8.82%	22,704	100.00%

IV. Status of Fundraising

1. Capital and Shares

(1) Sources of equity

A. Source of share capital

April 2, 2023 Units: NTD thousand, thousand shares

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
1986.07	1,000	18	18,000	18	18,000	Initial capital	None	Note 1
1995.12	10	19,000	190,000	19,000	190,000	Cash capital increase of NTD 172,000 thousand	None	Note 2
1996.10	10	36,000	360,000	36,000	360,000	Cash capital increase of NTD 170,000 thousand	None	Note 3
1997.07	10	42,100	421,000	42,100	421,000	Capitalization of retained earnings of NTD 54,000 thousand; capitalization of employee bonuses of NTD 7,000 thousand	None	Note 4
1998.07	15	100,000	1,000,000	71,600	716,000	Cash capital increase of NTD 200,000 thousand, capitalization of retained earnings of NTD 84,200 thousand; capitalization of employee bonuses of NTD 10,800 thousand	None	Note 5
1999.08	10	100,000	1,000,000	81,800	818,000	Capitalization of retained earnings of NTD 90,216 thousand; capitalization of employee bonuses of NTD 11,784 thousand	None	Note 6
2000.01	109	100,000	1,000,000	100,000	1,000,000	Cash capital increase of NTD 182,000 thousand	None	Note 7
2000.08	10	160,000	1,600,000	117,000	1,170,000	Capitalization of retained earnings	None	Note 8

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						of NTD 150,000 thousand; capitalization of employee bonuses of NTD 20,000 thousand		
2001.07	10	225,000	2,250,000	143,500	1,435,000	Capitalization of retained earnings of NTD 234,000 thousand; capitalization of employee bonuses of NTD 31,000 thousand	None	Note 9
2002.02	10	225,000	2,250,000	152,720	1,527,203	Exchange of warrants for common shares, NTD 92,203 thousand	None	Note 10
2002.04	10	225,000	2,250,000	169,335	1,693,355	Exchange of warrants for common shares, NTD 166,152 thousand	None	Note 11
2002.07	10	305,000	3,050,000	200,521	2,005,207	Capitalization of retained earnings of NTD 254,003 thousand; capitalization of employee bonuses of NTD 57,000 thousand, and exchange of warrants for common shares, NTD 849 thousand	None	Note 12
2003.01	10	305,000	3,050,000	201,307	2,013,071	Exchange of warrants for common shares, NTD 7,864 thousand	None	Note 13
2003.07	10	305,000	3,050,000	228,238	2,282,378	Capitalization of retained earnings of NTD 201,307 thousand; capitalization of employee bonuses of NTD 68,000	None	Note 14

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						thousand		
2004.07	10	400,000	4,000,000	258,762	2,587,616	Capitalization of retained earnings of NTD 228,238 thousand; capitalization of employee bonuses of NTD 77,000 thousand	None	Note 15
2005.07	10	400,000	4,000,000	292,638	2,926,377	Capitalization of retained earnings of NTD 258,761 thousand; capitalization of employee bonuses of NTD 80,000 thousand	None	Note 16
2005.10	10	400,000	4,000,000	296,005	2,960,045	Conversion of overseas convertible bonds to common shares, NTD 33,668 thousand	None	Note 17
2006.01	10	400,000	4,000,000	309,181	3,091,814	Conversion of overseas convertible bonds to common shares, NTD 78,436 thousand; transfer of shares, NTD 53,333 thousand	Darts Technologies stock, 25,600 thousand shares	Note 18
2006.04	10	400,000	4,000,000	321,520	3,215,201	Conversion of overseas convertible bonds to common shares, NTD 123,387 thousand	None	Note 19
2006.07	10	400,000	4,000,000	331,566	3,315,658	Conversion of overseas convertible bonds to common shares, NTD 100,457 thousand	None	Note 20
2006.09	10	400,000	4,000,000	373,221	3,732,207	Capitalization of retained earnings of NTD 322,303 thousand;	None	Note 21

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						capitalization of employee bonuses of NTD 73,500 thousand; and conversion of overseas convertible bonds into ordinary shares, NTD 20,746 thousand		
2007.08	10	550,000	5,500,000	401,582	4,015,817	Capitalization of retained earnings of NTD 186,610 thousand; capitalization of employee bonuses of NTD 97,000 thousand	None	Note 22
2008.09	10	550,000	5,500,000	437,461	4,374,609	Capitalization of retained earnings of NTD 200,791 thousand; capitalization of employee bonuses of NTD 158,000 thousand	None	Note 23
2009.09	10	550,000	5,500,000	453,965	4,539,655	Capitalization of retained earnings of NTD 87,492 thousand; capitalization of employee bonuses of NTD 348,217 thousand	None	Note 24
2010.04	10	550,000	5,500,000	456,689	4,566,891	Executed subscription of employee stock option certificates, NTD 27,236 thousand	None	Note 25
2010.07	10	550,000	5,500,000	456,801	4,568,007	Executed subscription of employee stock option certificates, NTD 1,116 thousand	None	Note 26
2010.09	10	550,000	5,500,000	463,509	4,635,093	Capitalization of retained earnings	None	Note 27

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						of NTD 45,680 thousand; capitalization of employee bonuses of NTD 99,413 thousand		
2011.01	10	550,000	5,500,000	464,381	4,643,807	Executed subscription of employee stock option certificates, NTD 8,713 thousand	None	Note 28
2011.04	10	550,000	5,500,000	465,556	4,655,557	Executed subscription of employee stock option certificates, NTD 11,751 thousand	None	Note 29
2011.07	10	550,000	5,500,000	466,752	4,667,523	Executed subscription of employee stock option certificates, NTD 11,966 thousand	None	Note 30
2011.08	10	550,000	5,500,000	474,313	4,743,125	Capitalization of retained earnings of NTD 46,577 thousand; capitalization of employee bonuses of NTD 198,589 thousand	None	Note 31
2011.10	10	550,000	5,500,000	476,447	4,764,469	Executed subscription of employee stock option certificates, NTD 21,343 thousand	None	Note 32
2012.01	10	550,000	5,500,000	476,762	4,767,622	Executed subscription of employee stock option certificates, NTD 3,154 thousand	None	Note 33
2012.04	10	550,000	5,500,000	481,367	4,813,668	Executed subscription of employee stock option certificates,	None	Note 34

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						NTD 46,045 thousand		
2012.07	10	550,000	5,500,000	481,643	4,816,426	Executed subscription of employee stock option certificates, NTD 2,758 thousand	None	Note 35
2012.08	10	550,000	5,500,000	489,404	4,894,040	Capitalization of retained earnings of NTD 48,137 thousand; capitalization of employee bonuses of NTD 173,949 thousand	None	Note 36
2012.10	10	550,000	5,500,000	492,376	4,923,762	Executed subscription of employee stock option certificates, NTD 29,722 thousand	None	Note 37
2013.01	10	550,000	5,500,000	493,683	4,936,829	Executed subscription of employee stock option certificates, NTD 13,067 thousand	None	Note 38
2013.04	10	550,000	5,500,000	494,166	4,941,659	Executed subscription of employee stock option certificates, NTD 4,830 thousand	None	Note 39
2013.07	10	550,000	5,500,000	494,444	4,944,439	Executed subscription of employee stock option certificates, NTD 2,780 thousand	None	Note 40
2013.10	10	550,000	5,500,000	495,035	4,950,347	Executed subscription of employee stock option certificates, NTD 5,908 thousand	None	Note 41
2014.01	10	550,000	5,500,000	502,010	5,020,095	Executed subscription of	None	Note 42

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						employee stock option certificates, NTD 69,748 thousand		
2014.04	10	550,000	5,500,000	505,556	5,055,557	Executed subscription of employee stock option certificates, NTD 35,462 thousand	None	Note 43
2014.07	10	550,000	5,500,000	506,624	5,066,237	Executed subscription of employee stock option certificates, NTD 10,680 thousand	None	Note 44
2014.10	10	550,000	5,500,000	509,209	5,092,087	Executed subscription of employee stock option certificates, NTD 25,850 thousand	None	Note 45
2015.01	10	550,000	5,500,000	512,327	5,123,269	Executed subscription of employee stock option certificates, NTD 31,182 thousand	None	Note 46

Note 1: Initial capital of NTD 18,000 thousand

Note 2: Cash capital increase of NTD 172,000 thousand

Note 3: October 21, 1996 (85) Taizaizheng (1) No. 62330 letter of approval

Note 4: July 7, 1997 (86) Taizaizheng (1) No. 53139 letter of approval

Note 5: July 10, 1998 (87) Taizaizheng (1) No. 58945 letter of approval

Note 6: August 4, 1999 (88) Taizaizheng (1) No. 72110 letter of approval

Note 7: December 13, 1999 (88) Taizaizheng (1) No. 103975 letter of approval

Note 8: June 27, 2000 (89) Taizaizheng (1) No. 55031 letter of approval

Note 9: June 26, 2001 (90) Taizaizheng (1) No. 140540 letter of approval

Note 10: January 29, 2002 Jingshoushangzi No. 09101035860 letter of approval

Note 11: April 10, 2002 Jingshoushangzi No. 09101122510 letter of approval

Note 12: June 18, 2002 Taizaizheng 1 No. 0910133030 letter of approval

Note 13: January 27, 2003 Jingshoushangzi No. 09201030380 letter of approval

Note 14: June 30, 2003 Taizaizheng 1 No. 0920128786 letter of approval

Note 15: June 23, 2004 Taizaizheng 1 No. 0930127828 letter of approval

Note 16: June 30, 2005 Taizaizheng 1 No. 0940126320 letter of approval

Note 17: October 13, 2005 Jingshoushangzi No. 09401203760 letter of approval
 Note 18: December 26, 2005 Jinguanzheng 1 No. 0940155501 letter of approval
 Note 19: April 14, 2006 Jingshoushangzi No. 09501067660 letter of approval
 Note 20: July 20, 2006 Jingshoushangzi No. 09501150100 letter of approval
 Note 21: July 5, 2006 Taizaizheng 1 No. 0950128616 letter of approval
 Note 22: July 2, 2007 Jinguanzheng 1 No. 0960033542 letter of approval
 Note 23: July 7, 2008 Jinguanzheng 1 No. 0970033755 letter of approval
 Note 24: June 25, 2009 Jinguanzheng Fazi No. 0980031734 letter of approval
 Note 25: April 12, 2010 Jingshoushangzi No. 09901069630 letter of approval
 Note 26: July 15, 2010 Jingshoushangzi No. 099001158420 letter of approval
 Note 27: June 29, 2010 Jinguanzheng Fazi No. 0990033598 letter of approval
 Note 28: January 17, 2011 Jingshoushangzi No. 10001008210 letter of approval
 Note 29: April 21, 2011 Jingshoushangzi No. 10001075290 letter of approval
 Note 30: July 20, 2011 Jingshoushangzi No. 10001159720 letter of approval
 Note 31: August 29, 2011 Jingshoushangzi No. 10001199230 letter of approval
 Note 32: October 18, 2011 Jingshoushangzi No. 10001238620 letter of approval
 Note 33: January 13, 2012 Jingshoushangzi No. 10101006390 letter of approval
 Note 34: April 16, 2012 Jingshoushangzi No. 10101066520 letter of approval
 Note 35: July 12, 2012 Jingshoushangzi No. 10101141200 letter of approval
 Note 36: August 9, 2012 Jingshoushangzi No. 10101163460 letter of approval
 Note 37: October 16, 2012 Jingshoushangzi No. 10101212660 letter of approval
 Note 38: January 14, 2013 Jingshoushangzi No. 10201007940 letter of approval
 Note 39: April 15, 2013 Jingshoushangzi No. 10201067800 letter of approval
 Note 40: July 18, 2013 Jingshoushangzi No. 10201140890 letter of approval
 Note 41: October 15, 2013 Jingshoushangzi No. 10201209790 letter of approval
 Note 42: January 21, 2014 Jingshoushangzi No. 10301010950 letter of approval
 Note 43: April 22, 2014 Jingshoushangzi No. 10301069490 letter of approval
 Note 44: July 18, 2014 Jingshoushangzi No. 10301146670 letter of approval
 Note 45: October 17, 2014 Jingshoushangzi No. 10301217070 letter of approval
 Note 46: January 14, 2015 Jingshoushangzi No. 10401004720 letter of approval

B. Class of issued shares

April 2, 2023 Unit: Shares

Shares Type	Approved share capital			
	Issued and outstanding Shares (Note)	Unissued shares	Reserved for issuance of employee stock option certificates	Total
Common stock	512,326,940	137,673,060	50,000,000	700,000,000

Note: Listed shares

C. Information concerning the collective reporting system: Not applicable

(2) Shareholder structure:

April 2, 2023 Unit: Thousand shares

Shareholder structure Quantity	Government agency	Financial institution	Other juridical persons	Individuals	Foreign institutions and foreign individuals	Total
Number of individuals	1	8	109	62,330	216	62,664
Number of shares held	2,901	2,754	178,705	258,415	69,551	512,327
Percentage of shareholding	0.57%	0.54%	34.88%	50.44%	13.57%	100.00%

(3) Distribution of Equity

A. Distribution of common share equity:

April 2, 2023

Shareholding class	Number of shareholders (individuals)	Number of shares held (shares)	Percentage of shareholding
1- 999	17,301	2,195,908	0.44%
1,000 - 5,000	35,433	72,637,811	14.18%
5,001-10,000	5,504	41,965,082	8.19%
10,001-15,000	1674	20,713,378	4.04%
15,001-20,000	894	16,324,136	3.19%
20,001-30,000	730	18,281,766	3.57%
30,001-40,000	309	10,921,008	2.13%
40,001-50,000	214	9,960,538	1.94%
50,001-100,000	362	25,529,243	4.98%
100,001-200,000	128	17,887,154	3.49%
200,001- 400,000	50	13,162,027	2.57%
400,001-600,000	23	10,978,334	2.14%
600,001-800,000	10	6,719,787	1.31%
800,001-1,000,000	5	4,299,046	0.84%
1,000,001 or more	27	240,751,722	46.99%
合計	62,664	512,326,940	100.00%

B. Distribution of preferred share equity: The Company has not issued preferred shares

(4) List of major shareholders:

April 2, 2023 Unit: Shares

Name of major shareholders	Shares	Number of shares held	Percentage of shareholding
Hsin Hung International Investment Co., Ltd.		100,535,228	19.62%
Foxlink Image Technology Co., Ltd.		35,065,000	6.84%
Central Motion Picture Corporation		32,584,000	6.36%
Citibank as custodian of Norwegian Central Bank Investment Account		7,792,335	1.52%
Chase in custody for Emerging Market Fund Investment Account of Vanguard Group Corporation		6,163,673	1.20%
T.C Gou		6,009,184	1.17%
Chase in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		5,512,595	1.08%
iShare Core MSCI Emerging Market ETF		4,243,000	0.83%
JP Morgan Investment Fund under the Custody of JP Morgan Chase Bank		3,882,985	0.76%
Su Lian Mei Ying		3,550,714	0.69%

(5) Information about market price, net value, earnings, and dividends per share in the most recent two years

Item		Year	2021	2022	2023 through March 31, 2022
Market value per share (NTD)	High		51.5	42.8	42.85
	Low		36.3	31.1	36.7
	Average		41.83	35.82	39.36
Net value per share (NTD)	Before distribution		48.03	47.67	-
	After distribution		48.03	47.67	-
Earnings per share (Note 1)	Weighted average number of shares (thousand shares)		512,327	512,327	-
	Earnings per share (NT\$)	Before retrospective	1.90	3.14	-
		After retrospective	1.90	3.14	-
Dividend per share (NTD)	Cash dividend		1.5	2.2	-
	Stock dividends	Profit Distribution	None	None	-
		Additional paid in capital	None	None	-
	Accumulated unpaid dividends		None	None	-
Return on investment analysis	P/E ratio (after retrospective)		22.02	11.41	-
	Price to dividend ratio		27.89	16.28	-
	Cash dividend yield		3.59%	6.14%	-

Note: the 2021 profit distribution proposal, approved by the Board of Directors

(6) Company dividend policy and implementation status:

A. Dividend policy:

The Company operates in information and communication-related industries, and is in the growth stage of the Company's life cycle. Therefore, in order to match the overall environment and the characteristics of industry growth, and to achieve the Company's goal of sustainable operations and stable operating performance, the Company's dividend policy directs that not more than 90% of the company's distributable earnings will be distributed to shareholders in the form of dividends. Furthermore, and in line with the future capital expenditure budget and capital demand situation, the cash dividend portion of the Company's dividends will not be less than 20%.

B. Proposed cash dividend distribution in this instance

The Company allocated NTD 1,127,119,268 from 2022 earnings as cash dividends, and distributed NTD 2.2 per share. This proposal was approved by the Board of Directors and authorized the Chairman to set separate matters such as the ex-dividend record date, distribution date, and other related matters.

(7) The influence of stock dividends planned to be paid in the Shareholders Meeting of this year on the operation performance and earnings per share of the Company:

Unit: NTD Thousand

Item		Year	2023
Paid-in capital amount at the beginning of the period			5,123,269
Cash and stock dividends to be distributed in the current year (Note)	Cash dividend per share		2.2 per share (NTD)
	Capitalization of retained earnings to be distributed per share		None
	Capitalization of capital reserves to be distributed per share		None
Change in business performance	Operating profit		The Company did not prepare 2023 financial forecasts, so this is not applicable
	Increase (decrease) ratio of operating profit over the same period last year		
	Net profit after tax		
	Increase (decrease) ratio of net profit after tax compared with the same period last year		
	Earnings per share (NTD) (Before retrospective adjustment)		
	Earnings per share increase (decrease) ratio over the same period last year		
	Annual average return on investment (the reciprocal of the annual average P/E ratio)		
Proposed earnings per share and P/E ratio	Any capitalization of retained earnings is to be fully allocated to cash dividends	Projected earnings per share (NTD)	The Company did not prepare 2023 financial forecasts, so this is not applicable
		Proposed annual average return on investment	
	If capitalization of capital reserves has not been carried out	Projected earnings per share (NTD)	
		Proposed annual average return on investment	
	If the capitalization of retained earnings has not been handled and the capitalization of retained earnings has been paid by cash dividend	Projected earnings per share (NTD)	
		Proposed annual average return on investment	

Note: the 2022 profit distribution proposal, approved by the Board of Directors

(8) Remuneration of employees and directors

- A. The percentage or scope of remuneration for employees, directors, and supervisors as set out in the Articles of Incorporation:

If the Company makes a profit during the year, it should allocate no less than 6% for employee remuneration and no more than 3% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance.

Employee remuneration as per the preceding paragraph can be paid in stock or cash, and can be directed to employees of the Company and employees of affiliated companies. The remuneration of directors and supervisors can only be paid in cash.

- B. The amount of remuneration for employees, directors and supervisors estimated and presented in the current period shall be calculated based on the number of shares distributed to employees as remuneration, or actual amount paid to employees if different from the estimated amount:

If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee remuneration and director and supervisor remuneration), it should allocate no less than 6% for employee remuneration and no more than 3% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance.

The calculation basis of the number of shares to be distributed for employee stock dividends is based on the closing price on the day before the Board of Directors' resolution. However, if there is a discrepancy between the calculation basis of the number of shares and the actual distribution amount of the employee remuneration for stock distribution and the estimated amount, it will be regarded as a change in accounting estimates and listed as the actual distribution year's profit and loss.

- C. Distribution of remuneration adopted by the Board of Directors:

- (i) Amount of the remuneration paid to employees, directors and supervisors in cash or stock. If there is a discrepancy with the annual estimated amount of recognized expenses, the number of discrepancies, reasons and handling circumstances should be disclosed:

On March 15, 2023, the Board of Directors approved 2022 employee remuneration and directors' remuneration to be NTD 312,000,000 and NTD 10,000,000, respectively. The recognized amounts of employee remuneration and director remuneration in the 2022 financial statements are NTD 312,000,000 and NTD 10,000,000, respectively. There is no difference between the remuneration of employees and directors approved by the Board of Directors and recognized in the financial statements.

- (ii) The amount of employee bonuses distributed by stocks and its proportion to the total net profit and total employee bonuses in the parent company only financial report for the current period:

No employee remuneration was distributed by stocks in this instance.

- D. The actual payment of remuneration to the employees and the directors and supervisors in the previous year (including the number of distributed shares, amounts, and stock price). If there is a difference with the recognized amount of remuneration for employees and directors and supervisors, the number of differences, the reasons and the handling circumstances should be stated.

The remuneration of employees and directors recognized for 2021 were as follows: the remuneration of employees was NTD 130,000,000; the remuneration of directors was NTD 6,000,000.

Furthermore, the actual amount of employee remuneration paid for the year was NTD 130,000,000; director's remuneration was NTD 6,000,000. There was no difference between the actual distribution amounts and the recognized amounts.

(9) Repurchase of shares by the Company: None.

2. Handling Of Corporate Bonds

(1) Information on corporate bonds

Corporate bond type		First domestic issue of guaranteed general corporate bonds in 2019	First domestic issue of guaranteed general corporate bonds in 2020
Issuance (handling) date		June 26, 2019	July 29, 2020
Par value		NTD 1 million	NTD 1 million
Issuing price		Fully issued at par value	Fully issued at par value
Total		NTD 3 billion	NTD 3.6 billion
Interest rate		Fixed annual interest rate of 0.80%	Fixed annual interest rate of 0.65%
Term		5 year maturity Maturity date: June 26, 2024	5 year maturity Maturity date: July 29, 2025
Guarantee agency		CTBC Bank, Taiwan Cooperative Bank, Mega International Commercial Bank, Chang Hwa Bank	CTBC Bank, Taiwan Cooperative Bank, Hua Nan Bank, Agricultural Bank of Taiwan, Mega International Commercial Bank
Trustee		Bank Sinopac Company Limited	Bank Sinopac Company Limited
Underwriting agency		CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.
Certifying attorney		Attorney Yang Wen-Yuan, Baker McKenzie	Attorney Yang Wen-Yuan, Baker McKenzie
Certified public accountant		Accountant Lin Se-Kai, PricewaterhouseCoopers	Accountant Lin Se-Kai, PricewaterhouseCoopers
Method of repayment		One-time principal repayment	One-time principal repayment
Outstanding principal		NTD 3 billion	NTD 3.6 billion
Redemption or prepayment terms		None	None
Restrictive covenants		None	None
Credit rating agency name, rating date, company debt rating results		None	None
Other rights attached	Amounts of ordinary shares, overseas depositary receipts, or other securities that have been converted (exchanged or subscribed) as of the publication date of the annual report	Not applicable	Not applicable
	Issuance and conversion method (exchanged or subscribed)	Not applicable	Not applicable
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity		None	None
Name of the depository institution of the exchange target		Not applicable	Not applicable

- (2) Information on conversion of corporate bonds: None.
- (3) Information on corporate bond exchange: None.
- (4) General declaration and issuance of corporate bonds: None.
- (5) Information on corporate bonds with stock options: None.

3. Disposal Of Preferred Shares: None.

4. Circumstances Of Handling Overseas Depositary Receipts: None.

5. Handling Of Employee Stock Options:

- (1) In respect to the Company's unexpired employee stock options, their handling status and impact on shareholders' rights and interests up to the date of publication of the annual report should be disclosed: The Company currently has no outstanding employee stock options.
- (2) The names, acquisitions, and subscription status of managers obtaining employee stock option certificates and the top ten employees who can subscribe for stock option certificates accumulated through the printing date of the annual report: None.
- (3) Handling of restricted employee shares: Up to now, no restricted employee shares have been issued.
- (4) The names, acquisitions, and subscription status of managers obtaining restricted employee shares and the top ten employees who can subscribe for stock option certificates accumulated through the printing date of the annual report: None.

6. M&A or transfer of shares of other companies to issue new shares: None.

7. Implementation Status Of Fund Utilization Plan: None.

V. Overview of Operations

1. Business Content

(1) Business Scope

A. The Company's principal business activities

The Company's business scope mainly covers the manufacturing, sales, and service of various connectors, cable products, batteries, and power products in the information industry, communications industry, automation equipment industry, precision machinery industry, and consumer electronics industry.

The product range currently produced by the Company encompasses:

- 1.) CA02010 Manufacture of Metal Structure and Architectural Components
- 2.) CB01010 Mechanical and Equipment Manufacturing
- 3.) CB01030 Pollution Controlling Equipment Manufacturing
- 4.) CB01990 Other Machinery Manufacturing
- 5.) CC01020 Electric Wires and Cables Manufacturing
- 6.) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- 7.) CC01040 Lighting Equipment Manufacturing
- 8.) CC01060 Wired Communication Mechanical Equipment Manufacturing
- 9.) CC01070 Wireless Communication Mechanical Equipment Manufacturing
- 10.) CC01080 Electronics Components Manufacturing
- 11.) CC01090 Manufacture of Batteries and Accumulators
- 12.) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
- 13.) CC01110 Computer and Peripheral Equipment Manufacturing
- 14.) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- 15.) CE01010 General Instrument Manufacturing
- 16.) CE01030 Optical Instruments Manufacturing
- 17.) CE01990 Other Optics and Precision Instrument Manufacturing
- 18.) CI01010 Rope, Cable and Net Manufacturing
- 19.) CQ01010 Mold and Die Manufacturing
- 20.) E601020 Electric Appliance Installation
- 21.) E603090 Lighting Equipment Construction
- 22.) E701010 Telecommunications Engineering
- 23.) E801010 Indoor Decoration
- 24.) F107990 Wholesale of Other Chemical Products
- 25.) F111090 Wholesale of Building Materials
- 26.) F113050 Wholesale of Computers and Clerical Machinery Equipment
- 27.) F118010 Wholesale of Computer Software
- 28.) F207990 Retail Sale of Other Chemical Products
- 29.) F211010 Retail Sale of Building Materials
- 30.) F213030 Retail Sale of Computers and Clerical Machinery Equipment
- 31.) F218010 Retail Sale of Computer Software
- 32.) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- 33.) G801010 Warehousing and Storage
- 34.) I102010 Investment Consulting
- 35.) I301010 Software Design Services
- 36.) J101050 Sanitary and Pollution Controlling Services
- 37.) J101060 Wastewater (Sewage) Treatment
- 38.) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

B. Distribution of business volume

The company's 2022 business volume distributions of various products are as follows:

Unit: NTD Thousand

Product item	Business volume	Ratio
3C components	31,850,107	33.84%
System and peripheral products	40,762,357	43.32%
Retail sale of 3C products	17,188,938	18.27%
Energy service management	4,301,192	4.57%
Total	94,102,594	100.00%

Note: The above business volumes constitute operating revenues from the consolidated financial statements

C. Current goods (services) of the Company

The Company's main products are 3C components, system products and retail channels, primarily as follows:

- (i) Cable connectors: Mainly used for signal and power transmission of various 3C products. The main product categories include USB cables, 1394 cables, and transmission cables and data cables used in game consoles, digital cameras and mobile phones.
- (ii) Communication connectors: communication connectors are all kinds of connectors without cables. The products are mainly used in various consumer electronic products such as mobile phones, network peripherals, headsets and game consoles.
- (iii) Battery modules: Battery module products are mainly used in products such as 3C electronics and electric vehicles.
- (iv) Power management modules: Mainly used to control the uninterruptible power systems of cable TV networks; and the power supplies and converters of various 3C products.
- (v) System products: Including smart pens, headsets, joysticks for game consoles, electric scooters and electric bicycles.
- (vi) Retail channels: There are retail channels for 3C electronic products.

D. New products planned for development

- (i) Panoramic video conference camera
- (ii) High End Qualcomm Wireless ANC Headset
- (iii) Wireless Gaming Headset
- (iv) Eye-tracking webcam
- (v) Development of AR glasses technology
- (vi) 4DView stereoscopic image recording and modeling
- (vii) Development of AI technology for game console joystick object colors
- (viii) Physical movement detection for remote fitness sessions
- (ix) Low pollution and carbon reduction production technology
- (x) Electric scooter battery modules
- (xi) Electric bicycle battery modules
- (xii) Charging pile product development
- (xiii) Introduction of automated guided vehicles (AGVs)
- (xiv) Black nickel plating technology

(2) Industry Overview

A. Current status and development of the industry

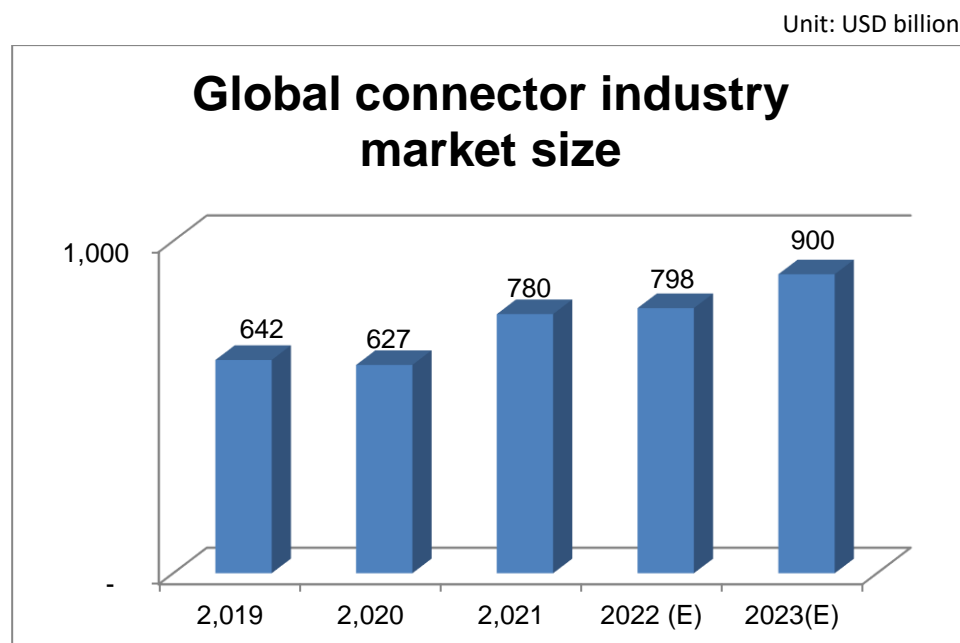
The Company is mainly engaged in manufacturing, sales and service of various connectors for the information, communication and consumer electronics industries, encompassing 3C component products such as cable products, batteries for mobile phones and NB, power management modules, and system products such as mobile phone assembly, game console joysticks, Bluetooth headsets and injection molded plastic parts. Due to the wide variety of products, the following gives an analysis and explanation of the connector, battery module, and power management module industries.

(i) Connector

Connectors are mainly used for the connection between components and are important bridges between connecting circuits and signals. Their quality affects the reliability of signal transmission, which in turn affects the quality of the entire electronic machine's operation. Therefore, to maintain the normal and stable functions of electronic products, the quality of the connector is very important. General connector products will require characteristics such as low contact impedance, high insertion and removal force resistance, high insertion and removal times, environmental resistance and high frequency stability, and so on. Fine pitch and SMT products are especially indispensable for connectors used in portable electronic products.

Connectors have a wide range of applications, and have been applied to personal computers and their peripheral products, communication products, instrumentation equipment, military, aerospace, medical equipment, automotive transportation, consumer electronics and other products. In other words, almost all products in the electrical field need to use connector products.

Given continuous economic growth and the introduction of new electronic products, statistics from Bishop & Associate indicate that the global output value of connector products will reach USD 79.8 billion in 2022 and attain USD 90 billion in 2023, marking growth of 13%.



Source of data: Bishop & Associate

(ii) Battery module

Battery module products are an indispensable source of power supply for communication and information electronic products. Because the battery packs of portable electronic products such as laptops, mobile phones, and personal digital assistants must be assembled with small secondary battery cores before they can be used, therefore, the small secondary battery market will generally show a steady growth trend with the vigorous development of portable electronic products. At present, the commercialized secondary batteries on the market are successively produced according to their mass production time to market. There are three categories: nickel-cadmium batteries, nickel-metal hydride batteries and lithium batteries in sequence. Lithium batteries have become mainstream products with the largest demand specifications and the highest growth rate in the global secondary battery market. This is because lithium batteries have higher capacity density and superior electrical properties than nickel-cadmium batteries and nickel-hydrogen batteries, and the capacity density has continued to increase in recent years through the advancement of product technology and materials. As 3C electronic products have become lighter, thinner, shorter, and more versatile in recent years, the loading rate has reached more than 90% in major application areas such as mobile phones and notebook computers. Therefore, it has become the benchmark for the technical competitiveness of secondary batteries in all countries around the world.

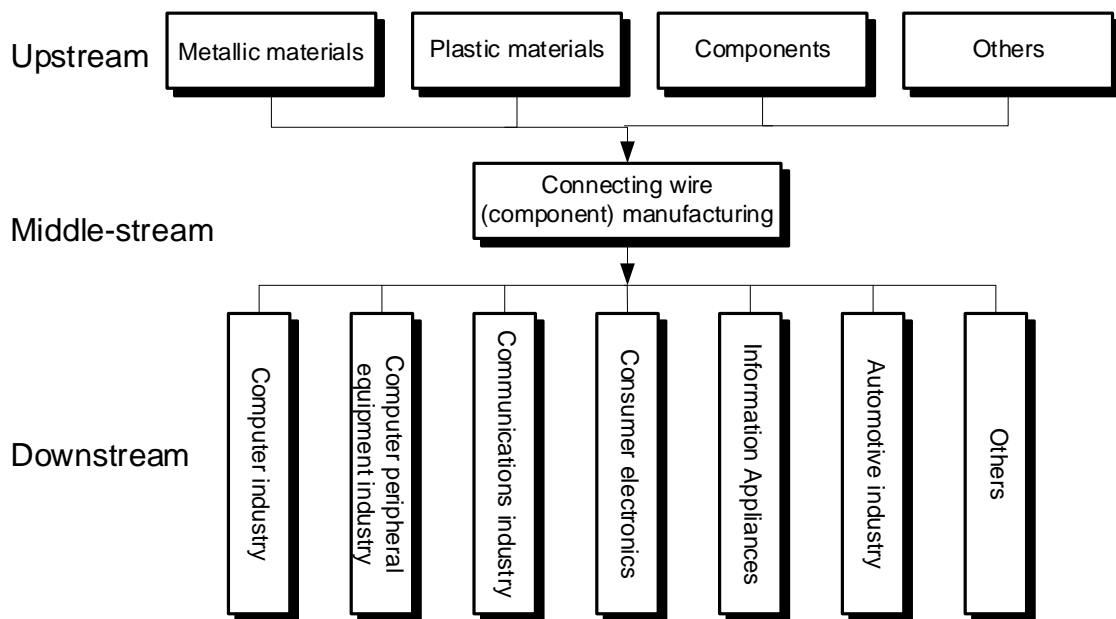
(iii) Power management module

The power management module is an indispensable key component for all power electronic products. Its function is to convert the low-stability high-voltage AC power provided by the power company into the high-stability low-voltage DC power required by electronic products. It covers a wide range of industries and diversified products, with applications including communication products, computer peripherals, consumer electronics, and so on. In terms of power management modules, products mainly include power supplies for consumer electronic products such as mobile phones and digital cameras, and UPS for servers. In recent years, digital home products have become proliferated substantially, including TVs, PCs, mobile phones, handheld devices, printers, audio-visual equipment, application devices, digital content, broadband Internet access, home networks and digital cameras, and more. Market demand for small, lightweight, and low-cost products will continue to increase, and especially portable communication products. Due to the advantages of smaller, thinner and portable electronic products, they promote market growth and form a virtuous circle. The communications market is thus expected to become the market with the greatest potential for power management modules.

B. Relationships with upstream, middle-stream, and downstream industries:

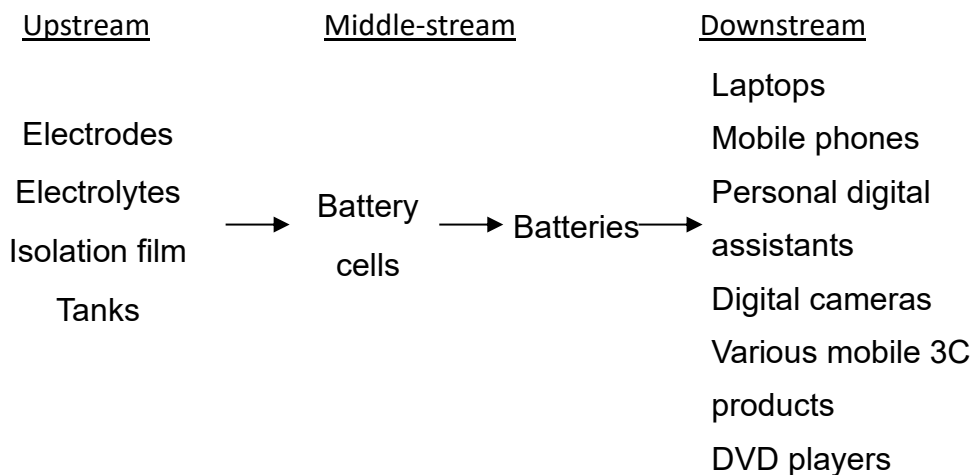
(i) Connectors

In the connector industry, the upstream materials are mainly plastic materials, copper alloy plates and electroplating materials. The industries covered include copper manufacturing, plasticization, and so on. As the domestic related manufacturer system is quite complete, there is no scarcity in its sources. Furthermore, it has wide application in downstream industries, mainly in computers and peripherals, network communication products, consumer electronics and other electrical appliances that require power and telecommunications. The industry's upstream, midstream, and downstream relevance are as follows:



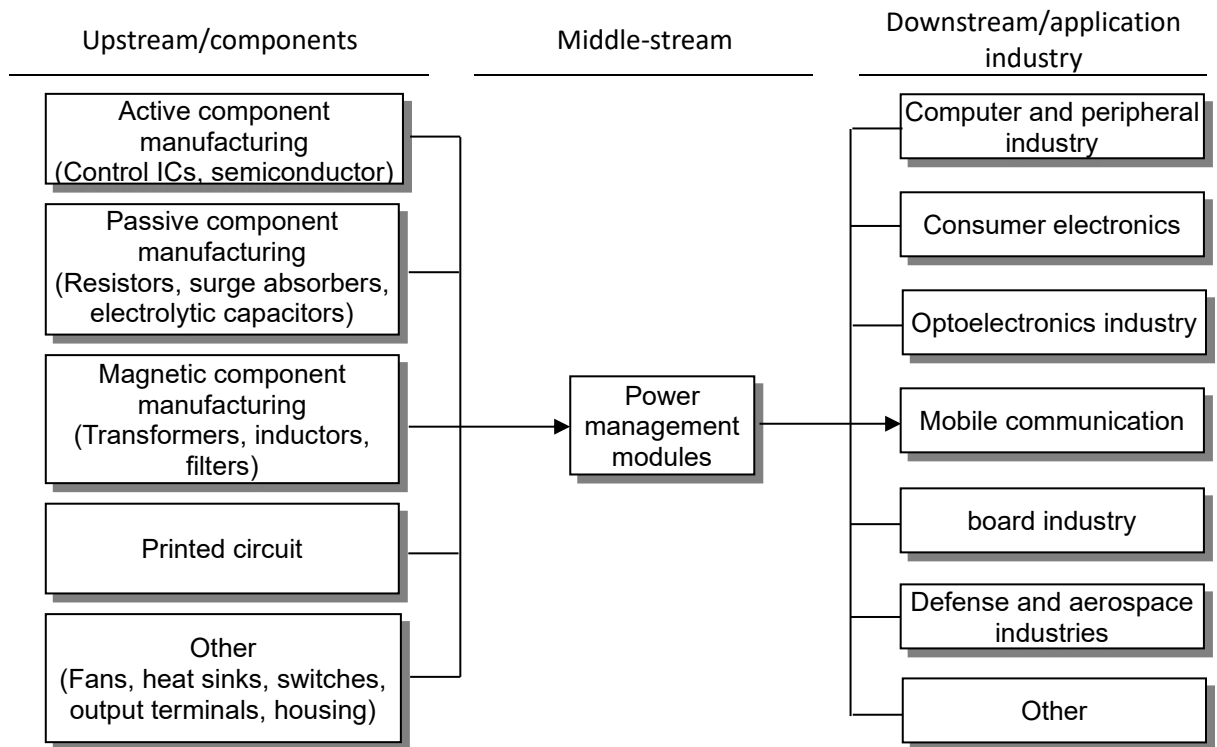
(ii) Battery module

As far as the small secondary battery industry is concerned, it can be divided into three major categories: upstream raw material supply, midstream battery cell manufacturing and battery pack assembly, and downstream 3C applications.



(iii) Power management module

The power management module sector falls within the electronics industry, and its industrial structure is mainly based on upstream electronic components. This includes active components, passive components, magnetic components and printed circuit boards, and so on. Downstream application fields cover various electronic product application industries. The industry's upstream, midstream, and downstream relevance are as follows:



C. Product trends

The Company's various products are mainly used in consumer electronics products. Consequently, with the development trend of electronic products towards portability, thinness and small size, and regardless whether it involves connectors, battery modules, power supplies, etc., all must be adjusted in line with market product trends.

(i) Product miniaturization

Various portable electronic products such as laptops and mobile phones will develop in the direction of lightness, thinness, shortness and smallness. Related components will also follow the trend of portable electronic products to be lighter, thinner, shorter, and smaller to meet demand. Therefore, the appearance and volume of connectors and battery pack products are expected to gradually develop towards miniaturization.

(ii) High-capacity and long-lasting products

Daily standards of living continue to improve, mobile electronic products are increasing day by day, and consumers have higher and higher requirements for the functions of mobile electronic products. As electronic products become highly digitized, lighter, thinner, and shorter, the requirements for voltage accuracy, stability, and battery life continue to increase. To meet future market demand, greater efforts will be devoted to answering how to improve the energy and volume density of small secondary batteries and how to develop high-performance battery packs with high capacity and long service life.

(iii) Industrial division of labor and internationalization trends

Under the trend of global trade liberalization, it is urgent for companies to move towards internationalization. At present, Taiwan's investment environment and labor costs are continuing to increase. In addition to relocating production bases, we are committed to reducing manufacturing costs, and are actively investing in research and development in accordance with the future development trend of the market. We are also developing new products to strengthen the international competitiveness of the Company's sustainable operations.

D. Market competition

(i) Connectors

The main application product categories of the Company's cable connectors include transmission lines and data cables used in mobile phones and various consumer electronic products. Communication connectors can be divided into two types: internal and external connectors. The main products include board-to-board connectors, SIM card connectors, I/O connectors, RF connectors, power supply and signal line connectors. Network connectors are used to connect to network peripheral equipment, while game console connectors are used on the host and joystick to connect to other equipment. The Company is a professional manufacturer of electronic connectors. With the benefit of product quality improvement and continuous development of new products, revenue and gross profit have both grown year by year. At present, the main domestic connector manufacturers include Ji-Haw, Speed Tech, and Acon. Due to the diversification of products in the industry, development times are short and product life cycles are also short. Customers increasingly require suppliers to provide fast and high-quality services, including product design, manufacturing, quality control, and after-sales service. Therefore, we can stand out only by meeting the requirements of customers. In order to meet the needs of all customers, the company's OEM/ODM team uses professional R&D and manufacturing services, from components to complex assembly integration, to carry out projects, propose solutions or technical support. This ensures that the product can be accurately completed in the shortest time from samples to formal production.

(ii) Battery modules

The Company's battery module products are mainly used in mobile phones, notebook computers and electric vehicles, and so on. In the entire battery assembly industry, major competitors include Simplo and Dynapack. Due to the prevalence of thin and light electronic products such as smart phones and Ultrabooks, the Company has gradually shifted its development focus from traditional lithium-ion batteries to the development of lithium polymer battery-related battery packs. Furthermore, it continues to improve the development of lithium battery protection circuits and capacity calculation-related circuits to match the trend and development of the communications market.

(iii) Power management module

The company's power management module products are mainly used in various mobile 3C products and network routers, power supplies and converters for TV set-top boxes. Product applications include mobile phones, e-books, digital cameras, routers and set-top boxes, and main competitors include Delta, Phihong, Flextronics, Lite-On, and AcBel.

Under current conditions of rapid industrial integration, the development trend of "the big getting bigger" is quite clear. The low-cost advantages enjoyed by small and medium-sized enterprises have gradually been lost. In fact, if they fail to establish their own core values, they will be eliminated by the market in the future. Therefore, under the effect of market globalization, the Company will be guided by market leaders, approach international customers, and understand their needs. Further, we should gradually shift from the past

OEM model to ODM or JDM, developing new products with customers and providing them with diversified products and technical services. Only in this way can the Company justify its existence and create new opportunities for long-term development.

(3) Technology and R&D Overview

The company's invested research and development expenses and successfully developed technologies or products are as follows:

Unit: NTD Thousand

Differentiation	2022	2023 (through 2023.03.31)
Expenses	2,419,396	552,440
Successful development New products or new technology	<ol style="list-style-type: none"> 1. USB-C cutting surface precision blanking technology 2. Stamping extraction plus side cutting process technology 3. Micro-injection molding technology to reduce material head 4. Battery module heat conduction and thermal uniformity design application technology 5. Development of integrated communication technology for charging stations, EV, grid, and backend operations 6. Development of charging pile batteries/battery modules and E-Bike background cloud system 7. Wired/Wireless Gaming Headset 8. 4k AI Webcam 9. Automatic optical inspection system 10. DVS camera for AI skeleton recognition technology 11. Flex sim 3D dynamic simulation software technology 12. ACC & Hifi Cable high-speed cable development 13. Development of deep drawing mold parts polishing technology 	<ol style="list-style-type: none"> 1. High End Qualcomm Wireless ANC Headset 2. Development of smart tail lights for two-wheeled vehicles 3. Automated dual-channel roughness etching technology 4. Centrifugal electroplating technology for metal parts 5. Electronic cigarette product development

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

In response to future industry development trends and the overall economic environment, the Company formulates long-term and short-term plans to map out its future business direction and from there enhance its competitiveness. A summary of the company's short-term and long-term plans is given as follows:

A. Short-term business development plan

- (i) Improve achievement rates, profitability, product differentiation, technical capabilities, product quality, and management capabilities.
- (ii) Reduce costs, expenses, product delivery, inventory, product development time, and so on.
- (iii) Take advantage of vertical integration to strengthen the integration of Group resources.

B. Short-term business development plan

- (i) Continue to promote with core products and capabilities in line with support of optics, increasing market size and creating benefits of high-value output.
- (ii) Expand market operations and develop diversified products and services.
- (iii) Get a feel for market trends and make good use of the Group's technical resources.
- (iv) Continuously cultivate and develop human talent.

2. Market and Production and Sales Overview

(1) Market Analysis

A. Main product sales areas

Unit: NTD Thousand

Region	2022	
	Amount	Amount
Taiwan	14,689,833	15.61%
Mainland	27,334,678	29.05%
United States	29,552,766	31.40%
Hong Kong	5,819,606	6.18%
Korea	2,157,239	2.29%
Others	14,548,472	15.46%
Total	94,102,594	100.00%

Note: The above amounts constitute revenues from the consolidated financial statements.

B. Market share and future market supply and demand status and growth of the market

(i) Connector

Given continuous economic growth and the introduction of new electronic products, statistics from Bishop & Associate that the global output value of connector products will reach USD 79.8 billion in 2022 and attain USD 90.0 billion in 2023, marking growth of 13%.

The Company's connector products constitute two types, namely, cable connectors and communication connectors. Looking at the global connector industry, connector products have a wide range of applications and their global output value in 2022 was thus seen reaching USD 79.8 billion. The company's connector and cable product sales amount was approximately NT\$ 30.0 billion. Therefore, the Company's share of the global connector market is only about 1.2%. Moreover, Taiwan's overall connector output value in 2022 is estimated to be NT\$260 billion. Therefore, the Company's share of the connector market in

Taiwan is approximately 11.5%.

In the early days of Taiwan's connector industry, most of it developed along with the growth of the PC industry. But in recent years, due to the digitalization of life and the takeoff of the communications industry, Taiwan's connector manufacturers are shifting to the communications or consumer electronics markets. According to Gartner statistics, Global sales of smartphones reached 1.28 billion in 2022. It is estimated that the sales volume of global smartphones in 2023 will be 1.23 billion, an decrease of about 4%.

(ii) Battery modules and power management modules

Battery module products are an indispensable source of power supply for communication and information electronic products. According to Gartner statistics, Global sales of smartphones reached 1.28 billion in 2022. It is estimated that the sales volume of global smartphones in 2023 will be 1.23 billion, an decrease of about 4%. Business owners are actively expanding their ventures and increasing their production capacities. Given the excellent business development and production management capabilities of the domestic information industry, it should be expected to create superior results in the global battery module product market as the market demand for mobile phones and notebook computers continues to expand in the future.

C. Advantages and disadvantages of our competitive niche, development prospects, and countermeasures

(i) Competitive Niche

1.) Close cooperation with international manufacturers

The Company has been deeply involved in the field of 3C product components for many years and has rich experience in production and manufacturing. Because the product quality and technology are deeply trusted by customers, coupled with a sound financial structure, our sales targets are mostly internationally renowned first-line manufacturers. Moreover, we have been with each other for many years and we have a good understanding of cooperation and a high degree of trust. The Company thus enjoys a good reputation in the industry, and it is also an important supplier of 3C components that is indispensable for major international manufacturers. The Company has accumulated very significant product design capabilities based on its close cooperative relationship with major international manufacturers, and our new product development can quickly gain recognition from existing customers. In addition, as we have won the trust and recognition of international customers, we have thus laid out a niche for the Company's future business expansion and this is also conducive to striving to gain the business of potential new customers.

2.) Joint research and development

In order to meet the needs of all customers, the company's OEM/ODM team uses professional R&D and manufacturing services, from components to complex assembly integration, to carry out projects, propose application solutions, or offer technical support. By using 24-hour R&D and manufacturing services to jointly develop new products with customers, and by providing customers with creativity and service support, this ensures that the product can be accurately completed in the shortest time from samples to formal production.

3.) Quality advantages

In the spirit of excellence, the company is committed to pursuing the highest internationally recognized benchmarks for quality. Through an excellent quality management system, every work item is subject to strict control, evaluation, and analysis as we undertake continuous improvement to improve operational efficiency. Furthermore, we have implemented the ISO/TS 16949 quality management system to

build a more complete customer oriented process as we strive to reach the ultimate goal of customer satisfaction.

4.) Diversified products, high added value

The Company's product structure includes related components for information, communications, and portable electronic products. In response to the needs of the market, the Company continues to develop towards high-end, high value-added products, as a complete product portfolio will benefit the flexibility of the company's operations and increase the ability to respond to rapid product changes.

5.) Possessing vertically integrated manufacturing capabilities, providing customers with diversified services

The Company has deep vertical integration capabilities in the production of 3C product components ranging from cable, product design, mold development, stamping, electroplating and molding to processing and assembly and so on. As these can be manufactured in our Company's factories, we therefore have the advantages of cost and quality. In addition, the company's product structure covers related components of communications, information, and portable electronic products. The products are diversified, which can meet the customers' demand for one-time purchases.

6.) Actively investing in the development of new products and technologies

As technology, consumer preferences and market conditions continue to change, newer and better products must be launched quickly. In order to cater to this trend, the Company started with the production of connectors and cable products early on. Development has now encompassed power supply and battery management modules, and in the future the R&D center will focus on the research and development of wireless communications and optical products. Therefore, in the future the Company will take the integration of optoelectronics as its development goal as it cooperates with the development and expansion of the wireless transmission field, making full use of the advantages of the Group and establishing a diversified product portfolio.

(ii) Favorable factors for development prospects

- 1.) Product application areas such as mobile phones, game consoles and electric vehicle products are booming, driving the continuous growth of peripheral industries.
- 2.) With our product design capabilities, we can quickly develop new products to meet customer needs.
- 3.) Having won the trust and recognition of international customers, this is conducive to future business expansion and offers endless growth potential.
- 4.) Deep vertical integration extends from mold development to stamping, electroplating, forming and assembly; all these can be produced on their own with cost and quality advantages.
- 5.) Active expansion of product application areas ensures sources of growth momentum.
- 6.) Early development of process technology and material applications that meet future environmental regulations will improve competitive advantages and added value.
- 7.) Joint development of new products with major international manufacturers and accumulation of considerable technical and product design capabilities.

(iii) Unfavorable factors for development prospects

- 1.) It is not easy to train and develop human resources in R&D.
- 2.) Prices of upstream materials have risen, reducing product profitability.
- 3.) Primary competitors are world-class manufacturers and competitive pressure is high.

(iv) Countermeasures

- 1.) We cooperate with various universities and colleges for industry-university cooperation to cultivate and train talent in various disciplines over the long term. At the same time, we are improving employee welfare measures and strengthening professional training in order to improve manpower quality and reduce the turnover rate of personnel.
- 2.) We are taking advantage of the Group's bulk purchase capabilities to reduce the cost of input materials and maintain product profitability.
- 3.) We are introducing new automated production equipment and testing equipment and are committed to the improvement of production technology and process quality, to improve production efficiency and quality stability and thus become more competitive than our peers.
- 4.) We are enhancing our vertically integrated manufacturing capabilities and cooperating with precision mold development and automated processing testing technology to reduce costs and enhance our competitive advantages.
- 5.) We continue to develop new products and new technologies to reduce the impact of rising material prices, enhancing product profitability.
- 6.) We are enhancing our vertically integrated manufacturing capabilities and cooperating with precision mold development and automated processing testing technology to reduce costs and enhance our competitive advantages.
- 7.) We continue to promote process and production management improvement plans, introducing advanced production management technology to reduce production costs and enhance competitiveness.

(2) Important uses and production processes of main products

A. Important applications of major products

The company's main products are divided into cable connectors, communication connectors, battery modules, and power management modules. Cable connectors are mainly used for signal and power transmission of various 3C products. The main product categories include USB cables, 1394 cables, and transmission cables and data cables used in game consoles, digital cameras, mobile phones, GPS and other products.

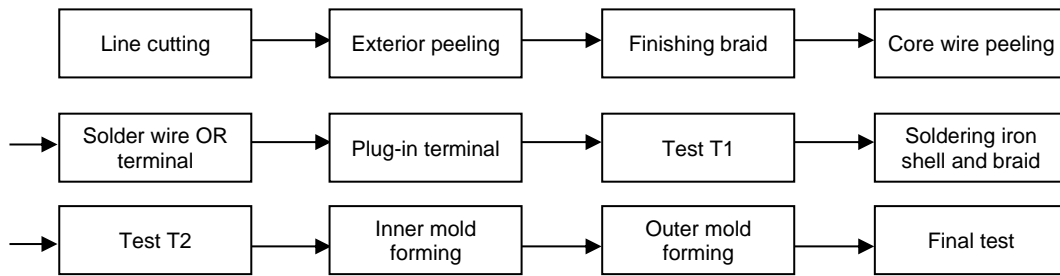
The main application product categories of cable connectors include transmission lines and data cables used in mobile phones and various consumer electronic products. And mobile phone connectors can be divided into two types: internal and external connectors. The main products include board-to-board connectors, SIM card connectors, I/O connectors, RF connectors, power supply and signal line connectors. Network connectors are used to connect to network peripheral equipment, while game console connectors are used on the host and joystick to connect to other equipment.

Battery module products are mainly used for portable electronic products such as mobile phones and laptops. The current product categories are mainly compatible battery products of the world's major communication equipment brands, providing stable and reliable power.

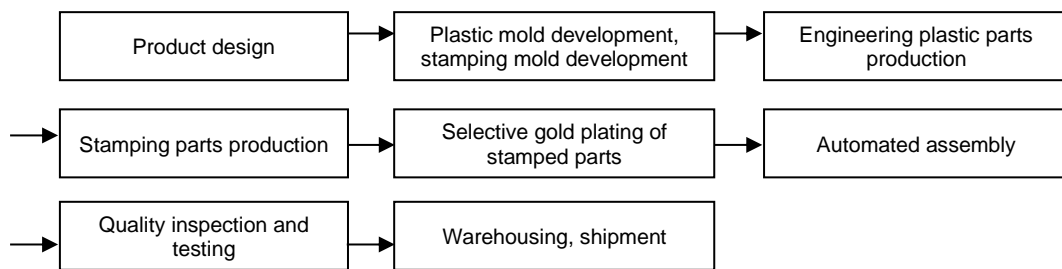
Power management modules are mainly used to control the uninterruptible power systems of cable TV networks and the power supplies and converters of various 3C electronic products.

B. Production procedures of major products

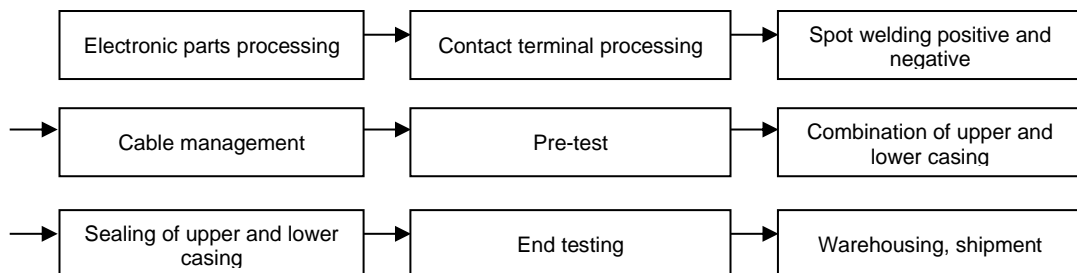
(i) Cable products



(ii) Connectors



(iii) Battery modules



(3) Supply status of main raw materials

The Company's main raw materials include copper materials, plastic materials, cables, batteries, capacitors, ICs, and PCBs. The Company has established a stable supply cooperative relationship with various suppliers. For purchases of major components, purchasing sources are dispersed as much as possible to ensure smooth purchasing.

(4) Names of customers who accounted for more than 10% of total purchases (sales) in any of the most recent two years and their purchase (sales) amounts and proportions, and reasons for increase or decrease

A. Information on major suppliers in the last two years:

Unit: NTD Thousand

Year	2021				2022			
Item	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer
1	Company A	13,893,815	24%	None	Company A	16,749,214	26%	None
2	Company B	1,329,515	2%	None	Company B	2,392,598	4%	None
Others		43,801,170	74%	-	Others	44,847,952	70%	-
Purchase of goods Net amount		59,024,500	100%	-	Purchase of goods' net amount	63,989,764	100%	-

Reasons for increase or decrease: Manufacturer A's purchase amount in 2022 increased by 2% compared with 2021, mainly because demand associated with the Living Tablet policy led to growth in retail channel revenue, leading in turn to increasing purchase amounts by Manufacturer A. Manufacturer C's purchase amount in 2022 decreased by 1% compared with 2021, mainly due to the decrease in the shipment of some products and the corresponding decrease in the purchase of related materials.

B. Information on major sales customers in the last two years

Unit: NTD Thousand

Year	2021				2022			
Item	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer
1	Company "Four"	12,383,498	14%	None	Company "Four"	14,422,164	15%	None
2	Company "One"	11,379,948	13%	None	Company "One"	12,968,277	14%	None
Others		63,037,289	73%	-	Others	66,712,153	71%	-
Sales Net amount		86,800,735	100%	-	Sales net amount	94,102,594	100%	-

Reasons for increase or decrease: Customer A's sales in 2022 increased by 2% compared to 2021, mainly reflecting adjustments in the customer's product line and resultant increases in shipments of some products. Customer D's sales did not change much in the second year.

(5) Production value in the last two years

Unit: Thousand items, NTD Thousand

Major Products \ Year	2021			2022		
	Production capacity	Production volume	Production value	Capacity	Production volume	Production value
3C electronic products	1,519,231	1,387,596	93,831,594	1,546,707	1,438,438	103,121,599

(6) Sales volume in the last two years

Sales volume units: Thousand items, NTD Thousand

Major Products \ Year	2021				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
3C electronic products	58,986	11,726,035	1,215,589	75,074,700	72,532	14,689,833	1,234,459	79,412,761

3. In The Last Two Years And As Of The Printing Date Of The Annual Report, Numbers Of Employees In Terms Of Average Length Of Service, Average Age, And Distribution Ratio Of Academic Qualifications

March 31, 2023

Year		2021	2022	2023 Through March 31
Number of employees Number of individuals	Staff	8,251	8,674	8,525
	Operational staff	21,081	19,284	17,398
	Total	29,332	27,958	25,923
Average age		34.65	35.04	35.25
Average Years of service		6.19	6.10	6.24
Education distribution ratio	Ph.D.	0.05%	0.06%	0.05%
	Master's degree	1.46%	1.59%	1.74%
	College and university	15.10%	17.85%	18.23%
	High school	11.93%	11.15%	8.60%
	Below high school	71.46%	69.35%	71.38%

4. Environmental Protection Expenditure Information

- (1) Description of pollution prevention and control status: The Company mainly produces electronic components such as connectors and battery modules, and its production processes do not produce harmful substances that will pollute the environment. With regard to the leftover materials generated by the company after production, such as PVC and copper parts, PVC is recycled through a crusher and copper is sold to recycling companies. For the small amounts of scrapped batteries and printed circuit boards, they are also entrusted to a qualified waste disposal company for disposal. In addition, waste water discharge has also obtained a certificate of takeover of the industrial zone, which is processed by the sewage treatment system of the industrial zone. Therefore, the Company's business scope has not caused any pollution.
- (2) The total amounts of losses and sanctions incurred due to environmental pollution in the most recent year and up to the publication date of the annual report, and disclosure of the estimated amount and corresponding measures that may occur at present and in the future: The company has not been fined for pollution in the most recent year and as of the publication date of the annual report.
- (3) Response to implementation measures of the EU Restriction on the Use of Hazardous Substances: In response to rising awareness of environmental protection, the EU passed the Restriction on the Use of Hazardous Substances (RoHS) in 2003 as well as the Waste from Electronic and Electric Equipment (WEEE) protocol. As a member of the green supply chain, the company fully cooperates with customers' requirements in respect to various such directives. Building on our original experience with heavy metal controls, we comprehensively promote controls of banned substances

and have drafted the Company's own environmental declaration. Furthermore, we launched our lead-free products on April 1, 2005. At the same time, we make every effort to develop materials that meet environmental protection requirements. At present, the company has successively obtained the green partner quality certification of important customers. The products shipped have also complied with relevant environmental protection regulations.

5. Labor Relations

The Company has an Employee Welfare Committee to facilitate the promotion of various welfare measures. The company has always treated employees with integrity, establishing a good relationship of mutual trust and mutual dependence with employees through a welfare system that enriches and stabilizes their lives and providing a good education and training system. Although there is no industrial union organization, over the years, the employees of the company have nonetheless also been able to demonstrate team spirit, cooperate with Company decisions, cooperate seamlessly with one another, and create an atmosphere of harmony between labor and management. Following are specific measures taken by the Company to work towards harmonious labor-management relations:

(1) Labor Retirement Reserve Supervision Committee

The Labor Retirement Reserve Supervision Committee was established in December 1989 in order to check the amount of labor retirement reserves, deposits and expenditures, payment and other matters, ensuring labor rights and interests.

(2) Benefits provided by the Company

- A. Year-end commendation meeting to commend outstanding units and individuals.
- B. Congratulations and condolences are given out by the Company when the employee experiences marriage, childbirth, hospitalization, or a death (including the employee's immediate family members).
- C. All employees participate in labor insurance, group insurance, and so on.
- D. There is a staff canteen providing staff lunches and evening buffets.
- E. Staff uniforms are provided.
- F. Health diagnosis subsidies are provided as well as medical consultations.
- G. Awards and scholarships are provided to employees and their children every semester.
- H. Colorful social gatherings are held.
- I. Employee birthday bonuses are given out every month.
- J. Various societies have been established, and subsidies provided for their activities.

(3) Continuing education and training

The Company is committed to talent training, and provides them with an open and diverse learning environment. Education and training is one of the important methods to ensure the continuous appreciation of human capital. We have worked to align our education and training with work together with our colleagues. From the initial training of newcomers to professional functional courses after entry, we help new colleagues quickly learn and integrate themselves into the new workplace environment; this also assists in-service employees to improve their workplace skills and grow together with the Company.

As per the core of the work and the resources needed, the head of each business unit reviews the professional knowledge and skills that colleagues need to improve or continuously development and puts forth their requests during the annual education and training survey. Meanwhile, the self-expectations of employees at different levels through questionnaires and the management skills that supervisors expect employees to improve, compile relevant needs, and plan relevant courses, and assist in offering courses in alignment with professional knowledge, industry trends, quality processes, production management, employee development, and health promotion, to enable them to access a variety of learning resources in the course of their career development, to improve their individual

performance and unleash their potential as per the career development roadmap. As such, we can gradually achieve the purpose of retaining and training talents.

Cheng Uei continues to increase our human capital through education and training and assist individuals in their personal development and progress so as to enhance the overall competitiveness of the Company. In 2022, 97,510 trainees in the group received a total of 134,331 hours of education and training in a total training cost of NT\$1.28 million.

The Company implements the following related training courses according to its annual education and training plan:

A. New employee training:

On the day of a new employee's arrival, courses are arranged to introduce the Company's history, organization, business philosophy, corporate culture, ethics, labor and human rights laws, quality systems, RBA Code of Conduct, environmental safety systems, and occupational safety and health. This is done so that new employees can understand the Company's various systems and corporate culture as soon as possible. At the same time, the supervisor of the employing unit arranges a departmental education and training plan to help familiarize the employee with the future job responsibilities and work processes, and quickly put their abilities to work.

B. Managerial personnel training:

By surveying the expectations of managers at different levels for themselves and their employees in terms of management skills, we collect online textbooks from Taiwan and China, such as Commonwealth Magazine, Master Cheers, SmartM, Suzhou Yingbo and other digital teaching materials. We thus engage in the diversified development of coursework sources and development of diversified teaching resources to share professional knowledge for supervisors. Senior managers regularly share their experiences internally and lecture on industry trends externally to enhance their core management vision and strategic analysis capabilities.

C. Professional skills:

Each business unit, depending on product technology and future technology trends, extends the needs of customers and the Company's strategic goals and offers courses in alignment with industry knowledge, quality process, production management, marketing, and procurement. The teaching staff encompasses senior colleagues and supervisors to pass on knowledge and experience as well as academic and industry experts hired to share and exchange. Meanwhile, we encourage employees to actively receive on-the-job training at professional training institutions, to enhance their professional knowledge and skills.

D. Self-development:

Online self-directed learning is the trend amid enterprises' digital transformations, allowing colleagues to use their fragmented time availability to enter a learning mode at any time. Cheng Uei provides workplace improvement courses on topics such as industry trends, occupational safety and environmental protection, workplace skills, work processes and self-development on the Group's Learning Management System. Course learning is presented through simultaneous video, video recording, presentation and lecturer explanations. In 2022, the number of users of online resources reached 148,205. It is hoped that through diversified and rich courses and convenient learning platforms, we will gradually cultivate an independent learning mode that is not limited by time and place and plan a credit system to implement learning effectiveness and shape an atmosphere of continuous learning.

(4) Protective measures for working environment and employees' personal safety

A. An effective quality management system can provide a clear quality assurance framework. Not only can it enhance corporate image and build customer confidence, but it can also strengthen the quality awareness and improve the management system. The business's implementation of standardization can reduce the deviation of the operation internally, increase the accumulation of knowledge and the inheritance of experience, and then enhance the management ability of

the enterprise, stabilize the product quality, reduce the defect rate and reduce customer complaints. Externally, it can increase the confidence of customers, effectively enhancing competitiveness. This is conducive to expanding domestic and foreign markets to achieve the goal of sustainable business operations. The company has passed international management system verification reviews as follows: ISO9001, IATF16949, ISO13485, QC080000, ANSI ESD S20.20, ISO17025, ISO14001, ISO14064, ISO50001, OHSAS18001, C-TPAT, and AEO. The ISO 14001 certificate is valid from November 4, 2019 through November 3, 2022, and the ISO50001 certificate is valid from February 22, 2022 through February 21, 2025.

- B. The Company has a safety and health policy and promises to pursue the goal of zero injuries, zero occupational diseases, and zero accidents, thereby creating the best working environment for all employees.
- C. Industrial safety: We have established a Safety and Disaster Prevention Center at the Tucheng headquarters, integrating real-time safety information of various factories and providing real-time safety and disaster prevention information. We also organize industrial safety lectures and drills regularly every year, and conduct contingency training for responders. These efforts strengthen the Group's safety and disaster prevention system.
- D. Occupational health: The Company's Industrial Safety Department is responsible for checking the physical and chemical hazards of each unit in accordance with the annual safety and health management plan. It completes the operating environment monitoring plan with a sampling strategy, and the monitoring results are in compliance with legal standards.
- E. Education training: In accordance with the annual education and training plan, the total number of occupational safety and health training hours in 2022 was 26,520 hours, with a total of 19,106 trainees.

(5) Retirement system:

The Company's retirement system is implemented in accordance with Taiwan's Labor Standards Act and the Labor Pension Regulations, including:

- A. Seniority under the Labor Standards Act (old system): defined benefit pension system
 - (i) Employee retirement application: Employees must self-retire under conditions of "having worked for more than 15 years and reached the age of 55," "having worked for more than 25 years," or "having worked for more than 10 years and have reached the age of 60."
 - (ii) Employee pension payment: The average salary of one month when the approved employee retires is used as the calculation standard for the employee pension base. Calculation of the standard of payment is based on the employee's working experience, with two units granted for every one year of work through the first fifteen years, and one unit for one year of work for every year thereafter for a maximum of 45 units. For years of seniority less than half a year, they will be counted as one year; for years of seniority of over half a year, they will be counted as one year. However, according to Article 54 of the Labor Standards Act, employees who qualify for mandatory retirement due to the performance of their duties are subject to a 20% increase in their retirement pension according to the aforementioned regulations.
 - (iii) Supervision of employee pensions: The Labor Retirement Reserve Supervision Committee was established in accordance with the law in December 1989 and the Committee is re-elected every four years; it reviews matters such as the amount of labor retirement reserves, deposits and expenditures, and payments to ensure labor rights and interests.
- B. Seniority under the Labor Pension Act (old system): defined contribution pension system
 - (i) The Company allocates 6% to retirement pensions on a monthly basis: In accordance with the Scale Tables of Monthly Deposit for Labor Pension issued by the Bureau of Labor Insurance, appropriating 6% of an employee's wages to the employee's personal pension account every month.
 - (ii) Voluntary contribution to an employee's personal pension: Employees may also voluntarily

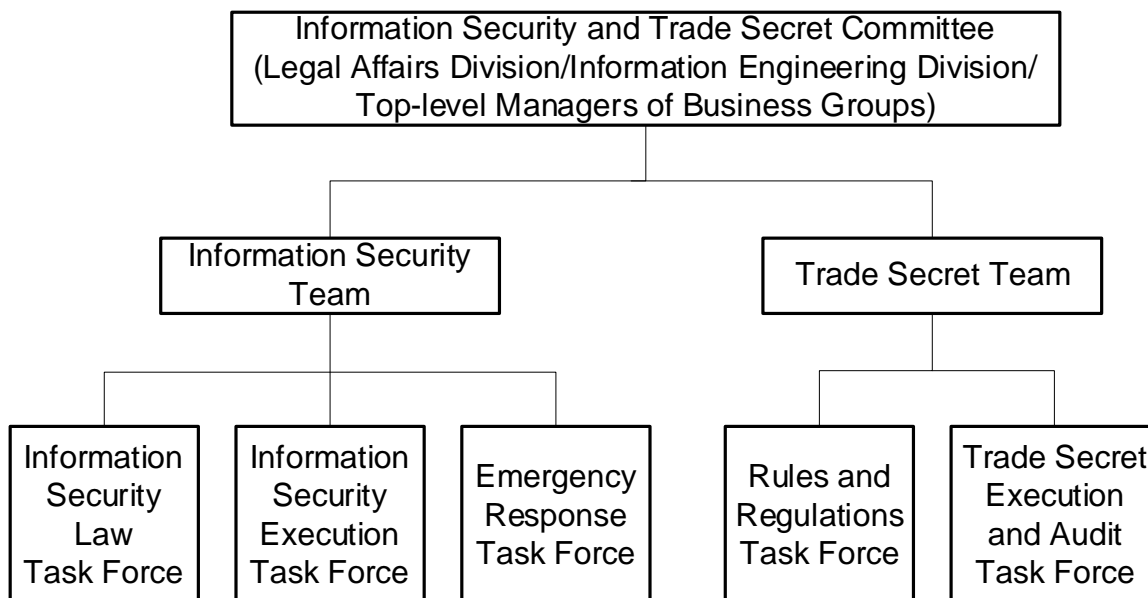
contribute up to 6% of their monthly wages according to their own preferences.

- (6) Whether there are any labor agreements or labor disputes suffered losses in the most recent year and up to the date of publication of the annual report: The company's most recent year and as of the publication date of the annual report, there were no major labor disputes or labor disputes.

6. Information and Communication Security Management

(1) Specify the information security risk management framework, the information and communication security policy, the specific management plan, and the resources invested in the information security management.

A. Information security management organizational structure



B. Information and communication security policy

The information and communication security policy formulated by the Company is to maintain the integrity, availability, and confidentiality of information that belongs to the companies under the group, actively avoid damage caused by human beings or natural and other external forces, and reduce the impact on the Company's operations and the losses to the Company. We enhance various information security measures and patch vulnerabilities in information facilities through regular internal information security audits, to maintain the normal operation of information systems. We also hold internal information security meetings to strengthen information security emergency response capabilities and reinforce and adjust annual information security management targets.

C. Information and communication security management measures

Clients' requirements for information security and information security management are critical issues about which the Group has long been concerned. We implement sensitive and confidential data leakage prevention management measures launched by the Information Security and Trade Secret Review Committee to protect clients' privacy and protect sensitive and confidential data. This is our basic commitment to our clients and is also the main reason that many clients are willing to continue to establish partnerships with Cheng Uei.

We are committed to taking anti-virus, anti-leakage, and anti-hacking information management measures during the handling of all clients' sensitive and confidential data. The summary is as follows:

(i) Anti-virus measures:

Install anti-virus software on clients' computer. Raise employees' awareness of information and share information security news with them to enhance their awareness of information

security.

Implement information security management measures in alignment with clients' requirements for the production environment, to ensure the security of the information system in the production environment.

(ii) Anti-hacking measures

Carry out vulnerability scanning and patching regularly for the Company's information operating systems to ensure that there will not be any vulnerability in the systems as a loophole for hackers to intrude.

Establish terminal computer system access control, verify that terminal equipment can securely access the Company's network resources, and reduce information security management risks through information security system management.

(iii) Data leakage prevention measures:

Adopt a data loss prevention (DLP) solution to sensitive and confidential data to ensure that correct sensitive and confidential data is accessed and stored by the correct person at the correct time in the correct place.

Audit and control the incoming and outgoing emails to and from the group to ensure that clients' sensitive and confidential data will not be leaked.

D. Specific action plans, resources invested, and the information security organization's performance

The Company's specific action plans in the past include

(i) The DLP solution adopted since 2021

(ii) Internal sensitive and confidential data review and protection measures meeting

(iii) Continuous execution of email system security audits and reviews

(iv) Regular information system vulnerability scanning and patching

(v) Completion of the annual security review of clients' data Resources invested and the information security organization's performance:

The information security organization has been responsible for reviewing and implementing Cheng Uei's information security policy. We inspect and review information security every month for the information security items required by clients. We strengthen the management and control of sensitive and confidential data and review it before transmitting it to clients. We satisfy clients' requirements for information security under a security control mechanism and thus obtain clients' recognition. In the future, Cheng Uei will not only pay attention to the security of the operation technical environment but also adopt relevant control mechanisms for the terminal equipment in the office environment, ensuring information security for employees at work. We inform employees of the information security news in the industry through announcement, to help increase their awareness of information security in the work environment. This is a major achievement of the information security organization since it began operating. Its achievements include the following:

1.) Strengthened the management and control of engineering drawing files in 2021.

2.) Conducted vulnerability scanning and patching for critical information systems.

3.) Prevented virus intrusion through security control over the access of terminal computers.

4.) Established an email pre-audit system to prevent leakage of sensitive and confidential data.

(2) Please specify the losses and potential impacts caused by material information security incidents and countermeasures in the last year and up to the publication date of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be specified: None.

7. Important Contracts:

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Manufacturing contract	Company AG	2022/02/01 onwards	OEM production	The Company shall bear responsibility for confidentiality of technical information
Manufacturing contract	Company AH	2022/11/01 onwards	OEM production	OEM production of the Company
Manufacturing contract	Company AI	2022/05/09 onwards	OEM production	OEM production of the Company
Manufacturing contract	Company AJ	2022/03/11 onwards	OEM production	OEM production of the Company
Manufacturing contract	Company AK	2022/06/22~2023/06/21	OEM production	OEM production of the Company
Manufacturing contract	Company AL	2022/07/11~2023/07/10	OEM production	OEM production of the Company
Manufacturing contract	Company AM	2022/11/1~2023/10/31	OEM production	OEM production of the Company
Investment contract	Company AN	2022/11/01~2022/12/13	Investment amount of RMB3.56 million	N/A
Lease contract	AARUSH (PHASE II) LOGISTICS PARK PRIVATE LIMITED	2021/01/31~2031/01/30	Plant lease	N/A
Credit contract	CTBC Bank / Taipei Exchange / Taiwan Securities Association	2019/06/26~2024/06/26	Credit amount of NTD 3 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.
Credit contract	TAIPEIFUBON COMMERCIAL BANK CO., LTD	2020/05/31~2023/05/31	Credit amount of NTD 1.5 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.
Credit contract	CTBC Bank Co., Ltd.(lead arranger)/Taiwan Cooperative Bank Ltd./Agricultural Bank of	2020/07/16~2025/07/29	Credit amount of NTD 3.6351 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Taiwan Corporation/Mega International Commercial Bank Co. Ltd./Hua Nan Commercial Bank, Ltd.			
Credit contract	Export–Import Bank of the Republic of China Co., Ltd.	2020/09/02~2025/09/02	Credit amount of NTD 300 million	N/A
Credit contract	Export–Import Bank of the Republic of China Co., Ltd.	2020/09/02~2025/09/02	Credit amount of NTD 240 million	N/A
Credit contract	Bank of Taiwan Co., Ltd. (lead arranger)	2020/11/23~2025/11/23	Credit amount of NTD 8 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.
Credit contract	Taiwan Cooperative Bank Ltd.	2021/04/26~2023/03/05	Credit amount of NTD 500 million	N/A
Credit contract	Jih Sun International Bank, Ltd.	2021/05/13~2023/05/13	Credit amount of NTD 1.7 billion	N/A
Credit contract	Bank of Panhsin, Ltd.	2021/11/01~2024/11/01	Credit amount of NTD 300 million	N/A
Credit contract	E.SUN Commercial Bank Ltd.	2021/11/01~2024/11/01	Credit amount of NTD 600 million	N/A
Credit contract	Industrial and Commercial Bank of China Limited	2020/03/01~2024/12/31	Credit amount of RMB 200 million	N/A
Credit contract	Industrial and Commercial Bank of China Limited, Dongguan Dalang Sub-branch	2021/04/22~2026/05/05	Credit amount of NTD300 million	N/A
Credit contract	Industrial and Commercial Bank of China Limited, Dongguan Dalang Sub-branch	2021/03/22~2026/03/05	Credit amount of NTD 330 million	N/A
Credit contract	Industrial and Commercial Bank of China Limited	2020/03/01~2024/12/31	Loan amount of NTD 2.8 billion	N/A
Credit contract	CTBC Bank Co., Ltd.	2022/01/31~2023/01/31	Credit amount of NTD 600 million	N/A
Credit contract	EnTie Commercial Bank Co., Ltd.	2022/03/18~2025/03/18	Credit amount of NTD 500 million	N/A
Credit contract	Sumitomo Mitsui Banking Corporation	2022/01/16~2023/01/16	Credit amount of USD 30 million	N/A

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Credit contract	United Overseas Bank Taipei Branch	2022/03/02~2023/03/02	Credit amount of USD 30 million	N/A
Credit contract	Mega International Commercial Bank Co. Ltd.	2022/05/04~2023/05/04	Credit amount of USD 20 million	N/A
Credit contract	Bank of Taiwan Co., Ltd.	2022/06/20~2023/06/20	Credit amount of USD 120 million	N/A
Credit contract	Far Eastern International Bank Co., Ltd.	2022/06/01~2025/06/01	Credit amount of NTD 500 million	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.
Credit contract	BNP Paribas	2022/05/05~2023/05/05	Credit amount of USD 30 million	N/A
Credit contract	Chang Hwa Bank	2022/02/28~2023/02/28	Credit amount of NTD 300 million	N/A
Credit contract	Export-Import Bank of the Republic of China Co., Ltd	2022/06/13~2023/06/13	Credit amount of NTD 500 million	N/A
Credit contract	Bank of Taiwan Co., Ltd.	2022/06/30~2023/06/30	Credit amount of NTD 800 million	N/A
Credit contract	Mega International Commercial Bank Co. Ltd.	2022/06/06~2023/07/31	Credit amount of NTD 1.5 billion	N/A
Credit contract	KGI Bank Co., Ltd.	2022/08/04~2024/08/04	Credit amount of NTD 1 billion	N/A
Credit contract	HSBC Bank (Taiwan) Limited	2022/10/03~2022/10/03	Credit amount of USD 30 million	N/A
Credit contract	Bank Sinopac Company Limited	2022/09/30~2025/09/30	Credit amount of NTD 2.95 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$15,000,000 thousand.
Credit contract	Land Bank of Taiwan Ltd.	2022/12/26~2023/12/26	Credit amount of NTD 700 million	N/A
Credit contract	Yuanta Commercial Bank Ltd.	2022/12/21~2024/12/20	Credit amount of NTD 450 million	N/A
Credit contract	Cathay United Bank (China) Ltd. Shenzhen Branch	2022/08/09~2023/08/08	Credit amount of USD 10 million	N/A
Credit contract	Sumitomo Mitsui Banking Corporation Guangzhou Branch	2022/09/28~2023/09/30	Credit amount of USD 20 million	N/A
Credit contract	Mizuho Bank (China) Ltd. Shenzhen Branch	2022/11/30~2023/12/01	Credit amount of USD 20 million	N/A
Credit contract	Cathay United Bank (China) Ltd. Shenzhen Branch	2022/05/19~2023/05/18	Credit amount of USD 10 million	N/A

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Credit contract	Bank of Taiwan Co., Ltd.	2022/06/20~2023/06/20	Credit amount of USD 30 million	N/A
License agreement	HDMI Association	2004/9/12~until termination	Technology or software license	1. Confidentiality clause 2. Intellectual property rights guarantee clause
License agreement	Qualcomm Incorporated	2010/5/4 ~until termination	CDMA Modem Cards and Subscriber Unit technolog	1. Confidentiality clause 2. Intellectual property rights guarantee clause
License agreement	USB Association	2013/05/03~until termination	Trademark authorization	1. Confidentiality clause 2. Intellectual property rights guarantee clause
License agreement	USB Association	2013/09/09~until termination	Technology or software license	1. Confidentiality clause 2. Intellectual property rights guarantee clause
License agreement	Company AO	2022/07/22~2025/07/21	Technology or software license	1. Confidentiality clause 2. Intellectual property rights guarantee clause
Purchase contract	Company AE	2020/11/11 onwards	Fixed asset purchase contracts with a contract amount of RMB 94,284,630	N/A
Purchase contract	Company AP	2022/10/20 onwards	Purchase Amount of RMB 96,444,000	N/A
Development contract	Company AQ	2022/04/1 onwards	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development contract	Company AR	2022/05/01~2024/04/30	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development contract	Company AS	2022/05/24 onwards	Development contract	The Company shall bear responsibility for confidentiality of technical information
Manufacturing sales contract	Company AC	2010/7/1~until termination	OEM production	1. Confidentiality clause 2. Intellectual property rights guarantee

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
				clause
Manufacturing sales contract	Company AB	2011/07/03~until termination	OEM production	1.Confidentiality clause 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company AA	2011/01/13~until termination	OEM production	1.Confidentiality clause 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company AB	2014/07/01~until termination	OEM production	1.Confidentiality clause 2.Intellectual property rights guarantee clause
Manufacturing contract	Company BF	2013/12/10~until termination	OEM production	OEM production of the Company
Manufacturing contract	Company BB	2013/11/01 ~until termination	OEM production	OEM production of the Company
Manufacturing contract	Company BD	2017/1/20~until termination	OEM production	OEM production of the Company
Manufacturing contract	Company BA	2021/12/1~2022/11/30	OEM production	OEM production of the Company
Investment contract	Company HF	2019/6/11 onwards	Investment amount of 為 NTD 280 million	N/A
Investment contract	Company HE	2020/09/14 onwards	Investment amount of 為 NTD 210 million	N/A
Investment contract	Company HB	2020/10/09 onwards	Investment amount of 為 NTD 690 million	N/A
Investment contract	Company HA	2021/03/02 onwards	Investment amount of 為 NTD 690 million	N/A
Investment contract	Company HD	2021/09/16 onwards	Investment amount of 為 NTD 150 million	N/A
Investment contract	Company BI	2022/08/31 onwards	Investment amount of 為 USD 7 million	N/A

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Loan contract	Power Quotient International Co., Ltd.	2022/05/03~2023/05/02	Loan amount of 為 NTD 500 million	N/A
Loan contract	Power Quotient International Co., Ltd.	2022/05/03~2023/05/02	Loan amount of 為 NTD 900 million	N/A
Credit contract	Jih Sun International Bank, Ltd.	2021/07/23~2023/07/22	Credit amount of NTD 400 million	N/A
Credit contract	Entie Commercial Bank	2021/08/31~2023/08/31	Credit amount of NTD 300 million	Financial ratio restrictions
Credit contract	Mega International Commercial Bank Co. Ltd.	2021/09/15~2023/09/15	Credit amount of NTD300 million	N/A
Credit contract	Far Eastern International Bank Co., Ltd.	2022/01/27~2024/01/27	Credit amount of NTD300 million	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$ 2 billion
Credit contract	Yuanta Commercial Bank Ltd.	2022/02/10~2024/02/09	Credit amount of NTD300 million	N/A
Credit contract	Taishin International Bank	2022/01/31~2023/01/31	Credit amount of NTD 300 million	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$ 2 billion
Credit contract	KGI Bank Co., Ltd.	2022/09/12~2024/09/12	Credit amount of NTD 400 million	N/A
Credit contract	E.SUN Commercial Bank Ltd.	2022/07/05~2023/07/05	Credit amount of NTD 400 million	N/A
Credit contract	Bank of Taiwan Co., Ltd.	2022/11/10~2024/11/10	Credit amount of NTD 300 million	N/A
Credit contract	Taiwan Cooperative Bank Ltd.	2022/11/30~2024/11/30	Credit amount of NTD 500 million	N/A
Credit contract	Yuanta Commercial Bank Ltd.	2022/02/15~2024/02/15	Credit amount of NTD 300 million	N/A
Credit contract	The Shanghai Commercial & Savings Bank, Ltd.	2022/03/28~2024/03/28	Credit amount of NTD 300 million	N/A
Credit contract	Bank Sinopac Company Limited	2022/09/30~2023/09/30	Credit amount of NTD 1 billion	1. Financial ratio restrictions 2. Tangible net equity of at least NT\$ 5 billion
License agreement	Company BG	2019/3/15~until termination	Authorized sales contract	1. Confidentiality clause 2. Intellectual property rights guarantee clause
Purchase contract	Jiangsu Cheng UeiNew Energy Co., Ltd.	2020/10/15 onwards	Equipment purchase	N/A

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Purchase contract	FUGANG ELECTRIC (XUZHOU) CO.,LTD.	2020/12/25 onwards	Equipment purchase	N/A
Development contract	Company BF	2010/11/22~until termination	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development contract	Company BE	2017/5/18~until termination	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development contract	Company BA	2018/1/1~until termination	Development contract	The Company shall bear responsibility for confidentiality of technical information
Manufacturing sales contract	Company BA	2020/12/02 onwards	OEM production	1. Confidentiality clause 2. Intellectual property rights guarantee clause
Manufacturing sales contract	Company BB	2019/12/09~until termination	OEM production	1. Confidentiality clause 2. Intellectual property rights guarantee clause
Sales contract	Company BC	2014/01/13~until termination	Sales contract	1. Confidentiality clause 2. Intellectual property rights guarantee clause
Sales contract	Company CA	2019/11/20~2022/11/19	Indirect sales of products	N/A
Construction and maintenance contract	Taiwan Power Company	2020/6/15~2030/12/31	Offshore Wind Power Phase II Project - Wind Farm Property Procurement and Installation totaling NT\$62.888 billion	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Construction contract	Shinfox Electricity Inc.	2020/12/17~ Warranty upon maturity	Qigu solar power generation system turnkey project totaling NT\$4,263,798 thousand	1. Non-transferable 2. Breach clause 3. Confidentiality clause
Construction contract	Changpin Wind Power Ltd.	2023/4/7~ Warranty upon maturity	Wind farm turnkey project	1. Non-transferable 2. Confidentiality clause 3. Breach clause

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Credit contract	CTBC Bank Co., Ltd.	2020/12/7~2026/3/31	The credit amount is NT\$5.4 billion	Fixed deposit pledge
Credit contract	KGI Bank Co., Ltd.	111/3/23~112/3/23	The credit amount is NT\$3 billion	Reimbursement account limit
Credit contract	King's Town Bank Co., Ltd.	111/12/27~112/10/3	The credit amount is NT\$1.5 billion	N/A
Syndicated loan contract	11 banks including CTBC Bank Co., Ltd. and Bank of Taiwan Co., Ltd.	2023/3/10~2023/12/31	The syndicated loan credit amount is NT\$6.72 billion	1. Financial ratio restrictions 2. Reimbursement account limit
Procurement contract	Century Iron and Steel Industrial Co., Ltd. and Century Wind Power Co., Ltd.	2021/6/3~Warranty upon maturity	Taipowers offshore wind farm property procurement and installation case under the second phase of the wind power generation project for lower structural steel plate totaling NT\$2,790,000 thousand	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Procurement contract	Vestas Taiwan Limited	2021/12/29~Warranty upon maturity	Offshore wind turbine equipment procurement totaling NT\$20,730,184 thousand	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Purchase contract	LS Cable & System Ltd.	2023/03/15~Warranty upon maturity	Sub-Marine-Cable D&S Package	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Subcontracted construction contract	Sinotech Engineering Consultants Ltd.	109/8/19~114/12/31	1. Project Management Service Contract for Taipower Offshore Wind Power Phase II Project Document Submission for Review 2. Taipower Offshore Wind Power Phase II Project - Wind Farm Property Procurement and Installation - General Engineering Technical Consulting Services Contract	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Subcontracted construction contract	Century Iron and Steel Industrial Co., Ltd. and Century Wind Power Co., Ltd.	2021/6/3~Warranty upon maturity	Manufacturing and supply of structural and miscellaneous electrical and mechanical equipment under the offshore wind farm property procurement and installation project for Phase II wind power generation	1. Non-transferable 2. Confidentiality clause 3. Breach clause

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
			totaling NT\$9,601,700 thousand	
Subcontracted construction contract	SOLAR MASTER ENERGY CO., LTD	2020/12/30~Warranty upon maturity	Installation of solar power generation system in Xiashan Ziliao Section, Qigu District, Tainan City	1. Non-transferable 2. Breach clause
Subcontracted construction contract	Star Energy Corporation	2021/08/18~Warranty upon maturity	Offshore wind farm property procurement and installation case under the second phase	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Subcontracted construction contract	SHINFOX FAR EAST COMPANY PTE. LTD.	111/11/28~Warranty upon maturity	Marine Transport and Installation Works Agreement	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Subcontracted construction contract	SHINFOX FAR EAST COMPANY PTE. LTD.	112/03/31~Warranty upon maturity	OSS- Supply of Material and Equipment Contract & OSS- Engineering, Transportation and Installation Contract	1. Non-transferable 2. Confidentiality clause 3. Breach clause
Development service contract	Jiuwell Power Co., Ltd.	2022/06/14~until termination	Natural gas power plant power generation project	1. Confidentiality clause 2. Breach clause
Investment contract	Company EC	2022/12/01~2022/12/31	Investment amount of 為 NTD 57.5 million	N/A
Investment contract	Company ED	2022/04/06~2022/05/06	Investment amount of KRW 1.3 billion	N/A
Investment contract	Company ED	2022/04/20 onwards	Investment amount of KRW 1.15 billion	N/A
Credit contract	DBS Bank (Taiwan) Ltd.	2022/02/16~2023/02/15	Credit amount of NTD 1.5 billion	N/A
Credit contract	Mega International Commercial Bank Co. Ltd.	2022/04/20~2023/04/19	Credit amount of NTD 350 million	N/A
Credit contract	HSBC Bank (Taiwan) Limited	2022/04/14~2023/04/13	Credit amount of NTD 350 million	N/A
Credit contract	Bank Sinopac Company Limited	2022/09/01~2023/08/31	Credit amount of NTD 350 million	N/A
Credit contract	DBS Bank (Taiwan) Ltd.	2022/08/15~2023/08/15	Credit amount of USD 10 million	N/A
Credit contract	HSBC Bank (Taiwan) Limited	2022/09/01~2023/06/30	Credit amount of HKD 110 million	N/A
License agreement	Company EA	2021/06/30~2023/06/30	Authorized sales contract	1. Confidentiality clause

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
				2. Intellectual property rights guarantee clause
License agreement	Company EA	2016/10/01~until termination	Authorized sales contract	1. Confidentiality clause 2. Intellectual property rights guarantee clause
License agreement	Company EA	2021/06/30~2023/06/30	Authorized sales contract	1. Confidentiality clause 2. Intellectual property rights guarantee clause

VI. Financial Overview

1. Condensed Balance Sheet And Consolidated Income Statement For The Most Recent Five Years

(1) Balance sheet information

A. Consolidated condensed balance sheet - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item		Year	Financial data for the most recent five years (Note)				
			2018	2019	2020	2021	2022
Current assets			35,934,940	37,437,621	49,290,306	50,288,129	61,093,418
Property, plant and equipment			21,962,875	23,397,983	20,850,423	21,024,968	20,923,246
Intangible assets			2,879,178	2,251,948	1,653,998	1,467,557	1,749,316
Other assets			10,392,042	10,208,852	10,467,375	10,345,617	14,532,031
Total assets			71,169,035	73,296,404	82,262,102	83,126,271	98,298,011
Current Liabilities	Before distribution		25,926,628	26,274,698	30,262,765	29,954,063	36,357,990
	After distribution		26,695,118	27,555,516	31,543,583	30,722,553	37,485,109
Non-current liabilities:			17,295,173	18,779,187	21,915,449	20,671,320	25,681,934,
Total Liabilities	Before distribution		43,221,801	45,053,885	52,178,214	50,625,383	62,039,924
	After distribution		43,990,291	46,334,703	53,459,032	51,393,873	63,167,043
Equity attributable to owners of parent			21,902,774	22,431,878	23,762,553	23,284,277	24,422,591
Share capital			5,123,269	5,123,269	5,123,269	5,123,269	5,123,269
Additional paid-in capital			9,430,462	9,471,717	9,828,746	10,252,875	10,382,683
Retained Earnings	Before distribution		9,231,010	10,443,493	11,118,950	10,781,850	11,552,466
	After distribution		8,462,520	9,162,675	9,838,132	10,013,360	10,425,347
Other equity interest			-1,609,901	-2,334,535	-2,036,346	-2,601,651	-2,363,761
Treasury shares			-272,066	-272,066	-272,066	-272,066	-272,066
Non-controlling interests			6,044,460	5,810,641	6,321,335	9,216,611	11,835,496
Equity Total	Before distribution		27,947,234	28,242,519	30,083,888	32,500,888	36,258,087
	After distribution		27,178,744	26,961,701	28,803,070	31,732,398	35,130,968

Note : The aforementioned financial information has been verified by an accountant for each year.

B. Parent company only condensed balance sheet - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item	Year	Financial data for the most recent five years (Note)				
		2018	2019	2020	2021	2022
Current assets		21,855,682	24,257,908	25,949,569	22,269,391	23,126,519
Property, plant and equipment		1,950,409	1,880,955	1,857,292	1,837,627	1,829,082
Intangible assets		17,640	14,522	11,771	20,234	18,747
Other assets		29,585,152	31,059,180	32,569,498	34,457,640	38,166,944
Total assets		53,408,883	57,212,565	60,388,130	58,584,892	63,141,292
Current liabilities	Before distribution	18,875,213	23,039,773	20,303,239	19,412,776	20,408,723
	After distribution	19,643,703	24,320,591	21,584,057	20,181,266	21,535,842
Non-current liabilities:		12,630,896	11,740,914	16,322,338	15,887,839	18,309,978
Total liabilities	Before distribution	31,506,109	34,780,687	36,625,577	35,300,615	38,718,701
	After distribution	32,274,599	36,061,505	37,906,395	36,069,105	39,845,820
Equity attributable to owners of parent		21,902,774	22,431,878	23,762,553	23,284,277	24,422,591
Share capital		5,123,269	5,123,269	5,123,269	5,123,269	5,123,269
Additional paid-in capital		9,430,462	9,471,717	9,828,746	10,252,875	10,382,683
Retained earnings	Before distribution	9,231,010	10,443,493	11,118,950	10,781,850	11,552,466
	After distribution	8,462,520	9,162,675	9,838,132	10,013,360	10,425,347
Other equity interest		-1,609,901	-2,334,535	-2,036,346	-2,601,651	-2,363,761
Treasury shares		-272,066	-272,066	-272,066	-272,066	-272,066
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	21,902,774	22,431,878	23,762,553	23,284,277	24,422,591
	After distribution	21,134,284	21,151,060	22,481,735	22,515,787	23,295,472

Note: The aforementioned financial information has been verified by an accountant for each year.

(2) Income statement information

A. Consolidated condensed comprehensive income statement - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item \ Year	Financial data for the most recent five years (Note)				
	2018	2019	2020	2021	2022
Operating revenue	87,910,961	97,820,336	89,552,100	86,800,735	94,102,594
Operating gross profit	7,660,806	10,217,766	9,773,427	9,575,274	12,094,199
Operating profit and loss	126,524	2,281,690	2,394,421	1,910,841	3,531,693
Non-operating income and expenses	756,514	103,124	189,414	242,626	-119,900
Net profit before tax	883,038	2,384,814	2,583,835	2,153,467	3,411,793
Continuing operations Net profit for the period	544,185	1,787,336	1,884,368	1,338,504	2,094,699
Profit or loss from discontinued operations	-	-	-	-	-
Net profit for the period	544,185	1,787,336	1,884,368	1,338,504	2,094,699
Other comprehensive income, net of tax, for the period (Net of tax)	-709,585	-895,567	257,947	-757,192	335,687
Total comprehensive income for the period	-165,400	891,769	2,142,315	581,312	2,430,386
Net profit attributable to owners of the parent	608,100	1,987,361	1,967,432	921,042	1,522,518
Net profit attributable to non-controlling interest	-63,915	-200,025	-83,064	417,462	572,181
Total comprehensive income attributable to owners of the parent company	-88,303	1,256,389	2,254,491	385,907	1,776,996
Total comprehensive profit and loss attributable to non-controlling interests	-77,097	-364,620	-112,176	195,405	653,390

Note : The aforementioned financial information has been verified by an accountant for each year.

B. Parent company only condensed comprehensive income statement - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item \ Year	Financial data for the most recent five years (Note)				
	2018	2019	2020	2021	2022
Operating revenue	70,868,737	73,856,717	69,135,238	58,674,859	62,769,931
Operating gross profit	1,003,663	1,811,723	3,394,211	1,946,283	1,204,430
Operating profit and loss	-476,952	82,090	1,848,239	305,921	-519,506
Non-operating income and expenses	1,029,045	2,105,429	512,593	812,538	2,265,986
Net profit before tax	552,093	2,187,519	2,360,832	1,118,459	1,746,480
Continuing operations Net profit for the period	608,100	1,987,361	1,967,432	921,042	1,522,518
Profit or loss from discontinued operations	-	-	-	-	-
Net profit for the period	608,100	1,987,361	1,967,432	921,042	1,522,518
Other comprehensive income, net of tax, for the period (Net of tax)	-696,403	-730,972	287,059	-535,135	254,478
Total comprehensive income for the period	-88,303	1,256,389	2,254,491	385,907	1,776,996
Net profit attributable to owners of the parent	608,100	1,987,361	1,967,432	921,042	1,522,518
Net profit attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to owners of the parent company	-88,303	1,256,389	2,254,491	385,907	1,776,996
Total comprehensive profit and loss attributable to non-controlling interests	-	-	-	-	-
Earnings per share	1.20	4.10	4.06	1.90	3.14

Note: The aforementioned financial information has been verified by an accountant for each year.

(3) CPA name and audit opinion for the most recent five years

Year	Names of certified public accountants	Audit opinion	Reason for change in accountants
2018	Se-Kai, Lin and Hsiao-Tzu, Chou	Unqualified opinion	
2019	Se-Kai, Lin and Hsiao-Tzu, Chou	Unqualified opinion	
2020	Se-Kai, Lin and Yi-Chang, Liang	Unqualified opinion	
2021	Se-Kai, Lin and Yi-Chang, Liang	Unqualified opinion	
2022	Se-Kai, Lin and Yi-Chang, Liang	Unqualified opinion	

2. Financial Analysis For The Last Five Years

(1) Consolidated Financial Analysis-Adopting International Financial Reporting Standards

Analysis item		Year (Note)	Five-Year Financial Analyses				
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to asset ratio	60.73	61.47	63.43	60.90	63.11	
	Ratio of long-term funds to property, plant, and equipment	205.99	200.96	249.39	252.90	296.03	
Solvency %	Current ratio	138.60	142.49	162.87	167.88	168.03	
	Quick ratio	81.33	93.22	115.15	104.81	102.36	
	Interest coverage ratio	4.04	7.81	8.40	7.31	9.06	
Operating ability	Accounts receivable turnover (times)	5.95	6.61	5.41	5.13	5.33	
	Average cash collection days	61.34	55.22	67.47	71.15	68.48	
	Inventory turnover (times)	6.21	6.85	6.25	5.15	4.74	
	Payables turnover (times)	4.66	5.71	4.89	4.44	4.99	
	Average sales days	58.77	53.28	58.40	70.87	77.00	
	Property, plant, and equipment turnover rate (times)	4.24	4.31	4.05	4.15	4.49	
	Total asset turnover (times)	1.26	1.35	1.15	1.05	1.04	
Profitability	Return on assets (%)	1.11	2.86	2.78	1.95	2.68	
	Return on equity (%)	2.03	6.36	6.46	4.28	6.09	
	Net profit before tax to paid-in capital ratio (%) (Note 7)	17.24	46.55	50.43	42.03	66.59	
	Net profit rate (%)	0.62	1.83	2.10	1.54	2.23	
	Earnings per share (NTD)	1.20	4.10	4.06	1.90	3.14	
Cash flows	Cash flow adequacy ratio (%)	14.94	21.64	18.68	-11.85	-0.73	
	Cash flow ratio (%)	73.71	85.95	113.99	58.81	37.82	
	Cash reinvestment ratio (%)	4.61	7.55	6.12	-6.55	-1.20	
Leverage	Operational leverage	43.00	3.53	2.62	3.20	2.19	
	Financial leverage	-0.77	1.18	1.17	1.22	1.14	

Please explain reasons for changes in financial ratios in the last two years:

- Debt service coverage ratio increased by 24.03%, mainly due to the increase in operating net profit in 2022.
- Return on assets increased by 37.63%, mainly reflect an increase in operating revenue in 2022 that increased earnings.
- Return on equity increased by 42.44%, mainly reflecting an increase in operating revenue in 2022 that increased earnings.
- The ratio of net profit before tax to paid-in capital increased 58.43% mainly due to the increase in pre-tax profit in 2022.
- Net profit rate increased by 44.35% mainly due to the increase in after-tax profit in 2022.
- Earnings per share increased 65.26%, mainly due to the increase in profit after tax in 2022.
- Cash flow adequacy ratio increased by 93.84% mainly due to the increase in cash inflow from operating activities in 2022.
- Cash flow ratio was reduced by 35.69% mainly due to the increase in inventories.
- Cash reinvestment ratio increased by 81.61% mainly due to the increase in cash flow from operating activities in 2022.
- Operating leverage decreased by 31.65% mainly due to the increase in operating profit in 2022.

Note : The aforementioned financial information has been verified by an accountant for each year.

(2) Parent Company Only Financial Analysis-Adopting International Financial Reporting Standards

Analysis item		Year (Note)	Five-Year Financial Analyses				
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to asset ratio	58.99	60.79	60.65	60.26	61.32	
	Ratio of long-term funds to property, plant, and equipment	1770.59	1816.78	2158.24	2131.67	2336.29	
Solvency %	Current ratio	115.79	105.29	127.81	114.72	113.32	
	Quick ratio	93.11	89.73	118.24	106.99	104.05	
	Interest coverage ratio	3.32	9.34	10.79	6.27	8.35	
Operating ability	Accounts receivable turnover (times)	5.62	6.23	5.20	4.27	4.39	
	Average cash collection days	64.95	58.59	70.19	85.48	83.14	
	Inventory turnover (times)	18.43	22.05	29.92	42.30	45.09	
	Payables turnover (times)	8.96	7.02	6.63	6.48	6.83	
	Average sales days	19.80	16.55	12.20	8.63	8.09	
	Property, plant, and equipment turnover rate (times)	35.38	38.55	36.99	31.76	34.24	
	Total asset turnover (times)	1.31	1.34	1.18	0.99	1.03	
Profitability	Return on assets (%)	1.49	3.97	3.67	1.83	2.81	
	Return on equity (%)	2.69	8.97	8.52	3.92	6.38	
	Net profit before tax to paid-in capital ratio (%) (Note 7)	10.78	42.70	46.08	21.83	34.09	
	Net profit rate (%)	0.86	2.69	2.85	1.57	2.43	
	Earnings per share (NTD)	1.20	4.10	4.06	1.90	3.14	
Cash flows	Cash flow adequacy ratio (%)	5.94	11.61	14.60	-10.56	4.06	
	Cash flow ratio (%)	40.17	54.40	82.66	32.87	45.51	
	Cash reinvestment ratio (%)	0.15	2.92	2.31	-4.52	0.07	
Leverage	Operational leverage	0.50	3.50	1.10	2.03	0.48	
	Financial leverage	0.67	-0.46	1.15	3.27	0.69	

Explain reasons for changes in financial ratios in the last two years:

1. Debt service coverage ratio increased by 33.26% mainly due to the increase in pre-tax profit in 2022.
2. Return on assets increased by 53.43% mainly due to the increase in after-tax profit in 2022.
3. Return on equity increased by 63.02% mainly due to the increase in after-tax profits in 2022.
4. The ratio of net profit before tax to paid-in capital increased 56.15% mainly due to the increase in pre-tax profit in 2022.
5. Net profit rate increased by 54.52% mainly due to the increase in after-tax profit in 2022.
6. Earnings per share increased 65.26%, mainly due to the increase in profit after tax in 2022.
7. Cash flow adequacy ratio decreased by 138.43% mainly due to the increase in cash inflow from operating activities in 2022.
8. Cash flow ratio increased by 38.41% mainly due to the increase in cash inflow from operating activities in 2022.
9. Cash reinvestment ratio increased by 101.63% mainly due to the increase in cash inflow from operating activities in 2022.
10. Operating leverage decreased by 76.35% mainly due to the reduction in operating profit in 2022.
11. Financial leverage decreased by 79.01% mainly due to the decrease in operating profit in 2022.

Note : The aforementioned financial information has been verified by an accountant for each year.

A. Financial structure

- (i) Liabilities to assets ratio = total liabilities/total assets.
- (ii) The ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.

B. Solvency

- (i) Current ratio = current assets/current liabilities.
- (ii) Quick ratio = (current assets-inventory-prepaid expenses) / current liabilities.
- (iii) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.

C. Operating ability

- (i) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
- (ii) Average cash collection days=365/receivable turnover rate.
- (iii) Inventory turnover rate = cost of goods sold / average inventory value.
- (iv) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance.
- (v) Average sales days = 365 / inventory turnover rate.
- (vi) Turnover rate of property, plant, and equipment = net sales/average net property, plant, and equipment.
- (vii) Total asset turnover ratio = net sales/average total assets.

D. Profitability

- (i) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate)]/average total assets.
- (ii) Return on equity = profit and loss after tax/average total equity.
- (iii) Net profit rate = after-tax profit and loss/net sales.
- (iv) Earnings per share = (profit and loss attributable to owners of the parent company-preferred share dividends) / weighted average number of issued shares.

E. Cash flow

- (i) Cash flow ratio = net cash flow from operating activities/current liabilities.
- (ii) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
- (iii) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital)

F. Leverage:

- (i) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
- (ii) Financial leverage = operating profit / (business profit-interest expense)

- A. Financial structure
- (i) Liabilities to assets ratio = total liabilities/total assets.
 - (ii) Ratio of long-term capital to fixed assets = (Net shareholders' equity + long-term liabilities) / Net fixed assets.
- B. Solvency
- (i) Current ratio = current assets/current liabilities.
 - (ii) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.
 - (iii) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.
- C. Operating ability
- (i) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
 - (ii) Average cash collection days=365/receivable turnover rate.
 - (iii) Inventory turnover rate = cost of goods sold / average inventory value.
 - (iv) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance
 - (v) Average sales days = 365 / inventory turnover rate.
 - (vi) Fixed asset turnover = Net sales / Net fixed assets.
 - (vii) Total assets turnover = net sales / total assets.
- D. Profitability
- (i) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate)]/average total assets.
 - (ii) Shareholders' return on equity=post-tax profit or loss/net average shareholders' equity
 - (iii) Net profit rate = after-tax profit and loss/net sales.
 - (iv) Earnings per share = (Net profit after tax - Dividends on preferred shares) / Weighted average number of shares outstanding.
- E. Cash flow
- (i) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (ii) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
 - (iii) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (Gross fixed assets + long-term investment + other assets + working capital)
- F. Leverage
- (i) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
 - (ii) Financial leverage = operating profit / (business profit-interest expense)

3. The Audit Committee Review Report Of The Most Recent Financial Report

Audit Committee's Audit Report

The Company's Board of Directors has made a 2022 annual business report, financial statements, and profit distribution proposal. Among them, PWC Taiwan has audited the financial statements and issued an audit report. The above-mentioned business report, financial statements, and profit distribution proposal have been checked by the Audit Committee, and it believes there is no discrepancy. The reports are submitted for review in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Cheng Uei Precision Industry Co., Ltd.

Convener of the Audit Committee: Randy Lee

Published on March 15, 2023

4. The Most Recent Annual Financial Reports

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	
		-		-		-		-		30,170		(398,919)		(166,386)		-		(535,135)		(222,057)		(757,192)	
		-		-		-		-		951,212		(398,919)		(166,386)		-		385,907		195,405		581,312	
Appropriation of 2020 earnings																							
		-		-		195,628		-		(195,628)		-		-		-		-		-		-	
		-		-		-		(298,188)		298,188		-		-		-		-		-		-	
		-		-		-		-		(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																							
		-		4,150		-		-		(7,494)		-		-		-		(3,344)		2,434		(910)	
Changes in net equity of associates and joint ventures accounted for using equity method																							
		-		-		493		-		-		-		-		-		493		(262,434)		(261,941)	
Cash dividends distributed to subsidiaries																							
		-		26,258		-		-		-		-		-		-		26,258		-		26,258	
Changes in non-controlling interest																							
		-		-		-		-		-		-		-		-		-		3,272,970		3,272,970	
		\$	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
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	
		-		-		-		-		16,588		309,872		(71,982)		-		254,478		81,209		335,687	
		-		-		-		-		1,539,106		309,872		(71,982)		-		1,776,996		653,390		2,430,386	
Appropriation of 2021 earnings																							
		-		-		94,372		-		(94,372)		-		-		-		-		-		-	
		-		-		-		565,304		(565,304)		-		-		-		-		-		-	
		-		-		-		-		(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																							
		-		3,494		-		-		-		-		-		-		3,494		1,081		4,575	
Changes in net equity of associates and joint ventures accounted for using equity method																							
		-		65		-		-		-		-		-		-		65		1,924		1,989	
Cash dividends distributed to subsidiaries																							
		-		15,755		-		-		-		-		-		-		15,755		-		15,755	
Changes in non-controlling interest																							
		-		-		-		-		-		-		-		-		-		2,072,136		2,072,136	
		\$	5,123,269	\$	10,382,683	\$	3,292,026	\$	2,601,650	\$	5,658,790	(\$	1,819,170)	(\$	544,591)	(\$	272,066)	\$	24,422,591	\$	11,835,496	\$	36,258,087

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 (XUZHOU) CO., LTD. (FG XUZHOU)	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	78,822	(11,955)
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

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Unused credit line</u>	<u>December 31, 2022</u>
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:

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

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:

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

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					
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 4,224,848	\$ 1,596,522	\$ 6,578,570	\$ 11,479,117	\$ 406,162	\$ 24,285,219
Changes in cash flow from financing activities	5,325,393	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					
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 4,341,582	\$ 387,222	\$ 6,574,982	\$ 12,825,768	\$ 417,534	\$ 24,547,088
Changes in cash flow from financing activities	(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	<u>1,879,810</u>	<u>161,824</u>	<u>-</u>	<u>-</u>	<u>(2,041,634)</u>	<u>-</u>
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	<u>1,457,174</u>	<u>140,173</u>	<u>-</u>	<u>-</u>	<u>(1,597,347)</u>	<u>-</u>
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	<u>14,548,472</u>	<u>2,755,907</u>	<u>13,799,890</u>	<u>2,251,205</u>
	<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, 2022		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%

5. Parent Company Only Financial Statement For The Most Recent Fiscal Year, Certified By A CPA

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000569

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

Opinion

We have audited the accompanying parent company only balance sheets of Cheng Uei Precision Industry Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only 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 parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits of the parent company only financial statements 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 parent company only*

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the year ended December 31, 2022 are stated as follows:

Valuation of goodwill impairment for the investments accounted for under the equity method / subsidiaries

Description

Please refer to Note 4(10) for accounting policies on investments accounted for under the equity method and Note 6(5) for details of investments accounted for under the equity method.

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 Company 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(9) for accounting policies on inventory, Note 5 for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(4) for details of inventory. Please refer to Note 4(10) for accounting policies on investments accounted for under the equity method, and Notes 8 and 9 for details of investments accounted for under the equity method.

As of December 31, 2022, the balances of inventory and allowance for inventory valuation losses were NT\$1,634,681 thousand and NT\$25,550 thousand, respectively; and the balance of investments accounted for under the equity method was NT\$36,949,918 thousand.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries are 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 Company's operation and industry.
- B. Obtained an understanding of the Company'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 Company'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 parent company only financial statements of certain investees accounted for under the equity method which reflect the balance of investments of NT\$172,037 thousand and NT\$167,302 thousand as at December 31, 2022 and 2021, constituting 0.27% and 0.29% of total assets; total comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method) of NT\$(4,977) thousand and NT\$4,362 thousand, for the years ended December 31, 2022 and 2021, constituting (0.28%) and 1.13% of total comprehensive income, respectively. Those financial statements and the information disclosed in Note

13 were audited by other auditors whose report thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other auditors.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only 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 parent company only 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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 parent company only 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 parent company only 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.
PARENT COMPANY ONLY 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)	\$ 397,360	1	\$ 235,283	-
1150	Notes receivable, net		2,117	-	1,984	-
1170	Accounts receivable, net	6(2)	8,538,034	13	10,022,762	17
1180	Accounts receivable, net - related parties	7	6,113,778	10	3,839,075	7
1200	Other receivables	6(3)	64,879	-	89,502	-
1210	Other receivables - related parties	7	6,118,268	10	6,581,812	11
130X	Inventories	6(4)	1,609,131	3	1,066,420	2
1410	Prepayments	7	282,952	-	432,553	1
11XX	TOTAL CURRENT ASSETS		<u>23,126,519</u>	<u>37</u>	<u>22,269,391</u>	<u>38</u>
NON-CURRENT ASSETS						
1550	Investments accounted for under the equity method	6(5)	37,751,713	60	33,925,134	58
1600	Property, plant and equipment	6(6)	1,829,082	3	1,837,627	3
1755	Right-of-use assets	6(7)	53,597	-	92,990	-
1760	Investment property, net	6(8)	153,190	-	156,407	-
1780	Intangible assets	6(9)	18,747	-	20,234	-
1840	Deferred income tax assets	6(26)	178,143	-	259,183	1
1900	Other non-current assets	8	30,301	-	23,926	-
15XX	TOTAL NON-CURRENT		<u>40,014,773</u>	<u>63</u>	<u>36,315,501</u>	<u>62</u>
1XXX	TOTAL ASSETS		<u>\$ 63,141,292</u>	<u>100</u>	<u>\$ 58,584,892</u>	<u>100</u>

(Continued)

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

LIABILITIES AND EQUITY		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
CURRENT LIABILITIES						
2100	Current borrowings	6(10)	\$ 614,475	1	\$ 1,138,848	2
2130	Current contract liabilities	6(19)	331,588	-	104,903	-
2170	Accounts payable		566,405	1	438,097	1
2180	Accounts payable - related parties	7	8,688,814	14	8,334,148	14
2200	Other payables	6(11)(28) and 7	9,907,938	16	8,980,565	15
2230	Current income tax liabilities	6(26)	106,980	-	139,372	-
2280	Current lease liabilities	7	42,489	-	41,650	-
2365	Current refund liabilities		139,022	-	226,274	1
2399	Other current liabilities, others		11,012	-	8,919	-
21XX	TOTAL CURRENT LIABILITIES		<u>20,408,723</u>	<u>32</u>	<u>19,412,776</u>	<u>33</u>
NON-CURRENT LIABILITIES						
2530	Corporate bonds payable	6(12)	6,582,374	11	6,578,570	11
2540	Long-term borrowings	6(13)	10,698,750	17	8,401,250	14
2570	Deferred income tax liabilities	6(26)	843,929	1	645,577	1
2580	Non-current lease liabilities	7	13,443	-	54,191	-
2600	Other non-current liabilities	6(14)	171,482	-	208,251	1
25XX	TOTAL NON-CURRENT LIABILITIES		<u>18,309,978</u>	<u>29</u>	<u>15,887,839</u>	<u>27</u>
2XXX	TOTAL LIABILITIES		<u>38,718,701</u>	<u>61</u>	<u>35,300,615</u>	<u>60</u>
EQUITY						
Capital stock						
3110	Common stock	6(15)	5,123,269	8	5,123,269	9
Capital reserve						
3200	Capital surplus	6(16)	10,382,683	17	10,252,875	17
Retained earnings						
3310	Legal reserve	6(17)	3,292,026	5	3,197,654	5
3320	Special reserve		2,601,650	4	2,036,346	4
3350	Unappropriated earnings		5,658,790	9	5,547,850	10
Other equity						
3400	Other equity interest		(2,363,761)	(4)	(2,601,651)	(5)
Treasury shares						
3500	Treasury shares		(272,066)	-	(272,066)	-
3XXX	TOTAL EQUITY		<u>24,422,591</u>	<u>39</u>	<u>23,284,277</u>	<u>40</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 63,141,292</u>	<u>100</u>	<u>\$ 58,584,892</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

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

Items	Notes	Years ended December 31,				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 62,769,931	100	\$ 58,674,859	100
5000	Operating costs	6(4)(24)(25) and 7	(61,565,501)	(98)	(56,728,576)	(96)
5900	Gross profit		<u>1,204,430</u>	<u>2</u>	<u>1,946,283</u>	<u>4</u>
	Operating expenses	6(24)(25) and 7				
6100	Sales and marketing expenses		(201,461)	-	(155,617)	-
6200	General and administrative expenses		(668,314)	(1)	(715,720)	(1)
6300	Research and development expenses		(842,576)	(2)	(756,458)	(2)
6450	Expected credit (loss) gain		(11,585)	-	(12,567)	-
6000	Total operating expenses		<u>(1,723,936)</u>	<u>(3)</u>	<u>(1,640,362)</u>	<u>(3)</u>
6900	Operating income		<u>(519,506)</u>	<u>(1)</u>	<u>305,921</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	14,924	-	31,274	-
7010	Other income	6(8)(21) and 7	286,128	1	388,365	1
7020	Other gains and losses	6(22)	272,864	-	(99,870)	-
7050	Finance costs	6(23)	(237,543)	-	(212,326)	(1)
7070	Share of profit of the subsidiaries, associates and joint ventures accounted for under the equity method	6(5)				
			<u>1,929,613</u>	<u>3</u>	<u>705,095</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>2,265,986</u>	<u>4</u>	<u>812,538</u>	<u>1</u>
7900	Income before income tax		<u>1,746,480</u>	<u>3</u>	<u>1,118,459</u>	<u>2</u>
7950	Income tax expense	6(26)	(223,962)	-	(197,417)	-
8200	Net income		<u>\$ 1,522,518</u>	<u>3</u>	<u>\$ 921,042</u>	<u>2</u>
	Other comprehensive (loss) income, net					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans	6(14)	\$ 15,287	-	\$ 35,043	-
8330	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		4,358	-	2,135	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(3,057)	-	(7,008)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		<u>16,588</u>	<u>-</u>	<u>30,170</u>	<u>-</u>
8361	Exchange differences arising on translation of foreign operations		441,528	-	(506,125)	(1)
8380	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss		(126,170)	-	(158,910)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	(77,468)	-	99,730	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>237,890</u>	<u>-</u>	<u>(565,305)</u>	<u>(1)</u>
8300	Other comprehensive (loss) income, net		<u>\$ 254,478</u>	<u>-</u>	<u>(\$ 535,135)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 1,776,996</u>	<u>3</u>	<u>\$ 385,907</u>	<u>1</u>
	Basic earnings per share	6(27)				
9750	Basic earnings per share		<u>\$ 3.14</u>		<u>\$ 1.90</u>	
	Diluted earnings per share	6(27)				
9850	Diluted earnings per share		<u>\$ 3.10</u>		<u>\$ 1.89</u>	

The accompanying notes are an integral part of these parent company only financial statements.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity interest			Treasury shares	Total equity
		Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>Year ended December 31, 2021</u>										
Balance at January 1, 2021		\$ 5,123,269	\$ 9,828,746	\$ 3,002,026	\$ 2,334,534	\$ 5,782,390	(\$ 1,730,123)	(\$ 306,223)	(\$ 272,066)	\$ 23,762,553
Net income (loss) for the year		-	-	-	-	921,042	-	-	-	921,042
Other comprehensive income (loss)		-	-	-	-	30,170	(398,919)	(166,386)	-	(535,135)
Total comprehensive income (loss)		-	-	-	-	951,212	(398,919)	(166,386)	-	385,907
Appropriation of 2020 earnings	6(17)									
Legal reserve		-	-	195,628	-	(195,628)	-	-	-	-
Special reserve		-	-	-	(298,188)	298,188	-	-	-	-
Cash dividends		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)
Changes in ownership interests in subsidiaries	6(16)	-	493	-	-	-	-	-	-	493
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(16)	-	393,228	-	-	-	-	-	-	393,228
Changes in net equity of associates and joint ventures accounted for under the equity method	6(16)	-	4,150	-	-	(7,494)	-	-	-	(3,344)
Cash dividends distributed to subsidiaries	6(16)	-	26,258	-	-	-	-	-	-	26,258
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>Year ended December 31, 2022</u>										
Balance at January 1, 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
Net income (loss) for the year		-	-	-	-	1,522,518	-	-	-	1,522,518
Other comprehensive income (loss)		-	-	-	-	16,588	309,872	(71,982)	-	254,478
Total comprehensive income (loss)		-	-	-	-	1,539,106	309,872	(71,982)	-	1,776,996
Appropriation of 2021 earnings	6(17)									
Legal reserve		-	-	94,372	-	(94,372)	-	-	-	-
Special reserve		-	-	-	565,304	(565,304)	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)
Changes in ownership interests in subsidiaries	6(16)	-	65	-	-	-	-	-	-	65
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(16)	-	110,494	-	-	-	-	-	-	110,494
Changes in net equity of associates and joint ventures accounted for under the equity method	6(16)	-	3,494	-	-	-	-	-	-	3,494
Cash dividends distributed to subsidiaries	6(16)	-	15,755	-	-	-	-	-	-	15,755
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>

The accompanying notes are an integral part of these parent company only financial statements.

CHENG UEI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY 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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,746,480	\$ 1,118,459
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(6)(7)(8)(22)(24)	147,835	186,269
Amortisation	6(9)(24)	10,870	10,519
Expected credit loss		11,585	12,567
Interest expense	6(23)	237,543	212,326
Interest income	6(20)	(14,924)	(31,274)
Gain on long-term equity investment accounted for under the equity method	6(5)	(1,929,613)	(705,095)
Loss (gain) on disposal of property, plant and equipment	6(22)	(128)	142
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(132)	(1,400)
Accounts receivable		1,473,142	190,852
Accounts receivable - related parties		(2,274,703)	(526,854)
Other receivables		24,623	17,761
Other receivables - related parties		463,544	(694,390)
Inventories		(542,711)	479,251
Prepayments		147,276	(57,890)
Other non-current assets		(6,375)	19,788
Changes in operating liabilities			
Current contract liabilities		226,685	(247,560)
Accounts payable		128,308	(150,084)
Accounts payable - related parties		354,666	457,194
Other payables		966,570	(1,746,714)
Current refund liabilities		(87,251)	(7,869)
Other current liabilities, others		2,092	1,010
Other non-current liabilities		(21,481)	(54,352)
Cash inflow (outflow) generated from operations		1,063,901	(1,517,344)
Interest received		14,924	31,274
Interest paid		(237,513)	(207,448)
Income tax paid		(57,487)	(412,379)
Dividend received		44,565	55,706
Net cash flows from (used in) operating activities		828,390	(2,050,191)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other receivables - related parties		-	4,000,000
Acquisition of long-term equity investment- subsidiary		(1,492,008)	(1,471,337)
Acquisition of property, plant and equipment	6(28)	(80,630)	(116,941)
Proceeds from disposal of property, plant and equipment and investment property		1,849	1,879
Acquisition of intangible assets	6(9)	(9,383)	(18,982)
Acquisition of investment property		(703)	-
Net cash flows (used in) from investing activities		(1,580,875)	2,394,619
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	14,423,363	26,552,276
Repayment of short-term borrowings	6(29)	(14,947,736)	(25,413,428)
Increase in other payables - related parties	6(29)	(47,880)	(24,280)
Repayments of lease liabilities	6(29)	(42,195)	(34,936)
Increase in long-term borrowings	6(29)	8,100,000	10,493,000
Repayment of long-term borrowings	6(29)	(5,802,500)	(10,873,000)
Cash dividends paid	6(17)	(768,490)	(1,280,818)
Net cash flows from (used in) financing activities		914,562	581,186
Net increase (decrease) in cash and cash equivalents		162,077	(236,758)
Cash and cash equivalents at beginning of year	6(1)	235,283	472,041
Cash and cash equivalents at end of year	6(1)	\$ 397,360	\$ 235,283

The accompanying notes are an integral part of these parent company only financial statements.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
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 is 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 AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by 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 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	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

- A. Except for the following items, the parent company only 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional 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 Company entities 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 Company 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.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - 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;
 - d) 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.

(5) 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.

(6) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company 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.

(7) 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 Company 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 Company recognises the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Company 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 Company 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 Company has not retained control of the financial asset.

(9) 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.

(10) Investments accounted for under the equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- 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 Company.
- C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- 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 Company loses control of a subsidiary, the Company 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 Company 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.
- F. Associates are all entities over which the Company 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.
- G. The Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

- H. 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 Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company'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.
- K. When the Company 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.
- L. When the Company 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.
- M. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(11) 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 Company 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	20~50 years
Machinery and equipment	1 ~ 5 years
Office equipment	3 years
Miscellaneous equipment	3 ~ 8 years

(12) 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 Company. 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 Company 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.

(13) 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.

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(15) Impairment of non-financial assets

A. The Company 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.

(16) 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.

(17) 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.

(18) Bonds payable

Ordinary corporate bonds issued by the Company 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'.

(19) 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.

(20) 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.

(21) 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.

(22) 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 parent company only 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 Company 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 research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(23) 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.

(24) 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.

(25) Revenue recognition

- A. The Company 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 Company's activities. Revenue arising from the sales of goods should be recognised when the Company 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 Company 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.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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.

B. Impairment assessment of investments accounted for under the equity method

The Company assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee or fair value less costs of disposal, and analyses the reasonableness of related assumptions.

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	\$ 1,190	\$ 920
Checking accounts and demand deposits	391,350	230,054
Time deposits	<u>4,820</u>	<u>4,309</u>
Total	<u>\$ 397,360</u>	<u>\$ 235,283</u>

A. The Company 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. The Company has no cash and cash equivalents pledged to others as collateral.

(2) Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 8,584,195	\$ 10,057,338
Less: Loss allowance	<u>(46,161)</u>	<u>(34,576)</u>
	<u>\$ 8,538,034</u>	<u>\$ 10,022,762</u>

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

B. As of December 31, 2022 and 2021, accounts and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$10,248,190.

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 Company's internal credit ranking policy is that the Company'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 Company has insured accounts receivable of certain customers and the Company will receive 80%~90% compensation if bad debts occur.

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

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

(3) Transfer of financial assets

A. The Company entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Company 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 Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company 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
Citibank	\$ 159,223	\$ 159,223	\$ 1,535,500	\$ 143,300	\$ 15,923	5.66%	None
Bank of Taiwan	396,048	396,048	3,085,200	356,444	39,604	5.27%	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
Citibank	\$ 434,486	\$ 434,486	\$ 434,486	\$ 434,486	\$ -	1.08%~1.20%	None
Mega International Commercial Bank	550,224	550,224	1,384,000	495,202	55,022	0.95%	None
Bank of Taiwan	293,306	293,306	3,321,600	263,975	29,331	0.52%	None

B. For the years ended December 31, 2022 and 2021, the Company issued promissory notes to some banks for the factoring agreements signed.

(4) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
	Raw materials	\$ 139,668	(\$ 11,089)
Work in progress	33,208	(168)	33,040
Finished goods	1,461,805	(14,293)	1,447,512
	<u>\$ 1,634,681</u>	<u>(\$ 25,550)</u>	<u>\$ 1,609,131</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
	Raw materials	\$ 143,233	(\$ 6,920)
Work in progress	34,896	(873)	34,023
Finished goods	918,163	(22,079)	896,084
	<u>\$ 1,096,292</u>	<u>(\$ 29,872)</u>	<u>\$ 1,066,420</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2022	2021
Cost of inventories sold	\$ 61,569,823	\$ 56,741,684
Gain on reversal of decline in market value	(4,322)	(10,145)
Others (revenue from sale of scraps)	-	(2,963)
	<u>\$ 61,565,501</u>	<u>\$ 56,728,576</u>

The Company reversed a previous inventory write-down because inventories with net realisable value lower than its cost were partially sold by the Company for the years ended December 31, 2022 and 2021.

(5) Investments accounted for under the equity method

Investee	December 31, 2022		December 31, 2021	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
CU INTERNATIONAL LTD.	\$ 25,409,499	100%	\$ 23,132,826	100%
Foxlink International Investment Ltd.	3,696,037	100%	3,662,947	100%
Fu Uei International Investment Ltd.	3,230,556	100%	2,528,381	100%
Well Shin Technology Co., Ltd.	1,278,262	18.84%	1,157,286	18.84%
CULINK INTERNATIONAL LTD.	1,472,408	100%	1,010,256	100%
Foxlink Technology Ltd.	890,227	100%	819,914	100%
Darts Technologies Corporation	879,437	97%	772,985	97%
Sinobest Brothers Limited	316,883	91.19%	422,713	91.19%
Suntain Co., Ltd.	236,699	100%	217,009	100%
DU Precision Industry Co., Ltd.	69,294	100%	48,910	100%
Foxlink Arizona Inc.	45,339	100%	-	-
	<u>37,524,641</u>		<u>33,773,227</u>	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	<u>227,072</u>		<u>151,907</u>	
Total	<u>\$ 37,751,713</u>		<u>\$ 33,925,134</u>	

A. Please refer to Note 4(3) in the 2022 consolidated financial statements for the information regarding the Company's subsidiaries.

B. The gain on investments accounted for under the equity method amounted to \$1,929,613 and \$705,095 for the years ended December 31, 2022 and 2021, respectively, and were valued based on the investees' audited financial statements for the corresponding period.

C. Associates

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2022	December 31, 2021		
Well Shin Technology Co., Ltd.	Taiwan	18.84%	18.84%	Note	Equity method

Note: As the Company's management holds several seats in the Board of Directors of Well Shin Technology Co., Ltd., the Company is assessed to have significant influence.

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

Balance sheet

	<u>Well Shin Technology Co., Ltd.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 2,468,684	\$ 2,506,723
Non-current assets	6,379,703	5,889,561
Current liabilities	(1,599,211)	(1,888,571)
Non-current liabilities	(657,804)	(559,919)
Total net assets	<u>\$ 6,591,372</u>	<u>\$ 5,947,794</u>
Share in associate's net assets	\$ 1,241,673	\$ 1,120,697
Goodwill	36,589	36,589
Carrying amount of the associates	<u>\$ 1,278,262</u>	<u>\$ 1,157,286</u>

Statement of comprehensive income

	<u>Well Shin Technology Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	\$ 4,793,919	\$ 4,069,703
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	<u>\$ 880,085</u>	<u>\$ 311,777</u>
Dividends received from associates	<u>\$ 44,565</u>	<u>\$ 55,706</u>

D. The fair value of the Company's material associates with quoted market prices is as follows:

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

E. As of December 31, 2022, the registration of the Company's prepayment for investments- JOURN TA BROTHERS LIMITED amounting to \$151,907 has not yet been completed.

F. Central Motion Picture Corporation, an equity-method investment of the Company, was 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.

G. Fugang Electric (Maanshan) Co., Ltd., an equity-method investment of the Company, has a lawsuit. On November 19, 2021, Ma'anshan Intermediate People's Court in Anhui Province rendered a first-instance decision. Please refer to Note 9 (1)(b) for details on the lawsuit.

(6) Property, plant and equipment

	2022						Total
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Unfinished construction	
At January 1							
Cost	\$ 412,428	\$ 1,774,021	\$ 111,099	\$ 42,575	\$ 175,584	\$ -	\$ 2,515,707
Accumulated depreciation and impairment	-	(539,111)	(50,179)	(16,282)	(72,508)	-	(678,080)
	<u>\$ 412,428</u>	<u>\$ 1,234,910</u>	<u>\$ 60,920</u>	<u>\$ 26,293</u>	<u>\$ 103,076</u>	<u>\$ -</u>	<u>\$ 1,837,627</u>
Opening net book amount	\$ 412,428	\$ 1,234,910	\$ 60,920	\$ 26,293	\$ 103,076	\$ -	\$ 1,837,627
Additions	-	11,918	11,903	6,486	37,537	25,243	93,087
Disposals	-	-	(1,040)	-	(681)	-	(1,721)
Reclassifications	-	-	2,241	-	84	-	2,325
Depreciation charge	-	(35,830)	(25,376)	(10,318)	(30,712)	-	(102,236)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 1,210,998</u>	<u>\$ 48,648</u>	<u>\$ 22,461</u>	<u>\$ 109,304</u>	<u>\$ 25,243</u>	<u>\$ 1,829,082</u>
At December 31							
Cost	\$ 412,428	\$ 1,785,939	\$ 121,996	\$ 39,086	\$ 210,688	\$ 25,243	\$ 2,595,380
Accumulated depreciation and impairment	-	(574,941)	(73,348)	(16,625)	(101,384)	-	(766,298)
	<u>\$ 412,428</u>	<u>\$ 1,210,998</u>	<u>\$ 48,648</u>	<u>\$ 22,461</u>	<u>\$ 109,304</u>	<u>\$ 25,243</u>	<u>\$ 1,829,082</u>

	2021					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
At January 1						
Cost	\$ 412,428	\$ 1,774,021	\$ 144,706	\$ 21,286	\$ 152,535	\$ 2,504,976
Accumulated depreciation and impairment	-	(503,522)	(53,502)	(10,896)	(79,764)	(647,684)
	<u>\$ 412,428</u>	<u>\$ 1,270,499</u>	<u>\$ 91,204</u>	<u>\$ 10,390</u>	<u>\$ 72,771</u>	<u>\$ 1,857,292</u>
Opening net book amount	\$ 412,428	\$ 1,270,499	\$ 91,204	\$ 10,390	\$ 72,771	\$ 1,857,292
Additions	-	-	37,143	24,999	42,867	105,009
Disposals	-	-	(1,108)	-	(913)	(2,021)
Reclassifications	-	-	11,051	-	12,472	23,523
Depreciation charge	-	(35,589)	(77,370)	(9,096)	(24,121)	(146,176)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 1,234,910</u>	<u>\$ 60,920</u>	<u>\$ 26,293</u>	<u>\$ 103,076</u>	<u>\$ 1,837,627</u>
At December 31						
Cost	\$ 412,428	\$ 1,774,021	\$ 111,099	\$ 42,575	\$ 175,584	\$ 2,515,707
Accumulated depreciation and impairment	-	(539,111)	(50,179)	(16,282)	(72,508)	(678,080)
	<u>\$ 412,428</u>	<u>\$ 1,234,910</u>	<u>\$ 60,920</u>	<u>\$ 26,293</u>	<u>\$ 103,076</u>	<u>\$ 1,837,627</u>

The Company has no property, plant and equipment pledged to others as collateral.

(7) Leasing arrangements-lessee

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 20 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	\$ 20,745	\$ 34,592
Buildings	32,852	58,398
	<u>\$ 53,597</u>	<u>\$ 92,990</u>
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation</u>	<u>Depreciation</u>
	<u>expense</u>	<u>expense</u>
Land	\$ 13,880	\$ 13,674
Buildings	27,799	22,508
	<u>\$ 41,679</u>	<u>\$ 36,182</u>

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets amounted to \$2,287 and \$31,130, 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	\$ 1,038	\$ 1,642
Expense on short-term lease contracts	6,346	12,893
Expense on leases of low-value assets	872	639

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases amounted to \$50,452 and \$50,110 respectively.

(8) Investment property

	<u>2022</u>	<u>2021</u>
	<u>Buildings and structures</u>	<u>Buildings and structures</u>
At January 1		
Cost	\$ 198,101	\$ 198,101
Accumulated depreciation and impairment	(41,694)	(37,783)
	<u>\$ 156,407</u>	<u>\$ 160,318</u>
Opening net book amount	\$ 156,407	\$ 160,318
Additions	703	-
Disposals	-	-
Depreciation charge	(3,920)	(3,911)
Closing net book amount	<u>\$ 153,190</u>	<u>\$ 156,407</u>
At December 31		
Cost	\$ 198,804	\$ 198,101
Accumulated depreciation and impairment	(45,614)	(41,694)
	<u>\$ 153,190</u>	<u>\$ 156,407</u>

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

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from the lease of the investment property	<u>\$ 20,639</u>	<u>\$ 24,235</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>\$ 3,920</u>	<u>\$ 3,911</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 Company as at December 31, 2022 and 2021 was \$224,446 and \$261,506, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, 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.

(9) Intangible assets

	<u>2022</u>	<u>2021</u>
	<u>Software</u>	<u>Software</u>
At January 1		
Cost	\$ 35,530	\$ 19,927
Accumulated amortisation and impairment	(15,296)	(8,156)
	<u>\$ 20,234</u>	<u>\$ 11,771</u>
Opening net book amount	\$ 20,234	\$ 11,771
Additions	9,383	18,982
Amortisation charge	(10,870)	(10,519)
Disposals	-	-
Closing net book amount	<u>\$ 18,747</u>	<u>\$ 20,234</u>
At December 31		
Cost	\$ 35,434	\$ 35,530
Accumulated amortisation and impairment	(16,687)	(15,296)
	<u>\$ 18,747</u>	<u>\$ 20,234</u>

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loan			
Credit loan	<u>\$ 614,475</u>	1.41%~5.12%	-

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loan			
Credit loan	<u>\$ 1,138,848</u>	0.64%~0.72%	-

(11) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payable for purchases made by related parties on behalf of the Company	\$ 8,756,383	\$ 8,130,987
Financing payable to related parties	122,840	170,720
Payables on salary and bonus	420,778	294,050
Employees' compensation and remuneration for supervisors and directors	329,171	139,422
Payables on equipment	32,543	20,086
Others	246,223	225,300
	<u>\$ 9,907,938</u>	<u>\$ 8,980,565</u>

Please refer to Note 7 and table 1 of Note 13 for the details of financing payable to related parties.

(12) 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 parent company only and annual parent company only 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.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2022
Long-term loan borrowings				
Bank's unsecured borrowings				
- 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
Medium-term and long-term syndicated loans	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	1.93%~2.06%	4,000,000	4,000,000
				10,698,750
Less: Current portion				-
				<u>\$ 10,698,750</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2021
Long-term loan borrowings				
Bank's unsecured borrowings				
- 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
Medium-term and long-term syndicated loans	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	1.01%	4,800,000	3,200,000
				8,401,250
Less: Current portion				-
				<u>\$ 8,401,250</u>

A. In November 2020, the Company 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 \$8,000,000, 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 old one 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 parent company only and annual parent company only 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.
 - (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 \$4,000,000. As of December 31, 2022, the borrowings that have been used amounted to \$1,500,000. In the duration period of these contracts, the financial ratios in the semi-annual parent company only and annual parent company only 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. 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
The Company	E.Sun Bank	\$ 300,000	\$ 300,000
The Company	Mizuho Bank	USD 30,000	900,000
The Company	First Bank	600,000	600,000
The Company	Jih Sun International Bank	300,000	-
The Company	DBS Bank	USD 35,000	900,000
The Company	Export-Import Bank of Republic of China	480,000	198,750
The Company	Cathay Bank	500,000	500,000

Company	Bank	Credit line (in thousands)	Amount of borrowings used
The Company	Yuanta Commercial Bank	450,000	400,000
The Company	En Tie Commerical Bank	500,000	5,000,000
The Company	Taiwan Cooperative Bank	500,000	-
The Company	United Overseas Bank	USD 10,000	-
The Company	KGI Commercial Bank Co., Ltd.	1,000,000	600,000
The Company	Panhsin Bank	300,000	300,000

(14) Pensions

A.(a) The Company has 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 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 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 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	(\$ 282,568)	(\$ 314,531)
Fair value of plan assets	<u>115,210</u>	<u>110,060</u>
Net defined benefit liability	<u>(\$ 167,358)</u>	<u>(\$ 204,471)</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	(\$ 314,531)	\$ 110,060	(\$ 204,471)
Current service cost	(1,541)	-	(1,541)
Interest (expense) income	(2,202)	770	(1,432)
Past service cost	-	-	-
	<u>(318,274)</u>	<u>110,830</u>	<u>(207,444)</u>
Remeasurements:			
Change in demographic assumptions	-	-	-
Change in financial assumptions	14,753	-	14,753
Experience adjustments	(7,112)	7,646	534
	<u>7,641</u>	<u>7,646</u>	<u>15,287</u>
Pension fund contribution	-	15,037	15,037
Number of benefits paid	18,304	(18,304)	-
Paid pension	9,762	-	9,762
	<u>28,066</u>	<u>(3,267)</u>	<u>24,799</u>
Balance at December 31	<u>(\$ 282,567)</u>	<u>\$ 115,209</u>	<u>(\$ 167,358)</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	(\$ 359,082)	\$ 64,298	(\$ 294,784)
Current service cost	(2,097)	-	(2,097)
Interest (expense) income	(1,077)	193	(884)
Past service cost	-	-	-
	<u>(362,256)</u>	<u>64,491</u>	<u>(297,765)</u>
Remeasurements:			
Change in demographic assumptions	(264)	-	(264)
Change in financial assumptions	12,105	-	12,105
Experience adjustments	22,249	953	23,202
	<u>34,090</u>	<u>953</u>	<u>35,043</u>
Pension fund contribution	-	49,593	49,593
Number of benefits paid	4,977	(4,977)	-
Paid pension	8,658	-	8,658
	<u>13,635</u>	<u>44,616</u>	<u>58,251</u>
Balance at December 31	<u>(\$ 314,531)</u>	<u>\$ 110,060</u>	<u>(\$ 204,471)</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	1.30%	0.7%
Future salary increases	3.00%	3.00%

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%
December 31, 2022				
Effect on present value of defined benefit obligation	\$ 5,824	(\$ 6,010)	(\$ 5,213)	\$ 5,086
December 31, 2021				
Effect on present value of defined benefit obligation	\$ 7,087	(\$ 7,326)	(\$ 6,374)	(\$ 6,210)

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 Company for the year ending December 31, 2023 amount to \$2,328.

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

B. Effective July 1, 2005, the Company has 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 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.

The pension costs under the abovementioned defined contribution pension plan for the years ended December 31, 2022 and 2021 were \$37,630 and \$37,811, respectively.

(15) 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 512,326,940 shares, with a par value of \$10 (in dollars) per share.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held 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>
In thousand shares	27,503	27,503
Book value	<u>\$ 272,066</u>	<u>\$ 272,066</u>

(16) 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.

	<u>2022</u>					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
At January 1	\$ 9,337,850	\$ 71,336	\$ 589,709	\$ 3,829	\$ 250,151	\$ 10,252,875
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>

	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 45,078	\$ 196,481	\$ 3,336	\$ 246,001	\$ 9,828,746
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>

(17) Retained earnings/Subsequent events

- 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.
- 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 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:

	<u>Year ended December 31, 2021</u>		<u>Year ended December 31, 2020</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 94,372	\$ -	\$ 195,628	\$ -
Special reserve	565,304	-	(298,188)	-
Cash dividends	<u>768,490</u>	<u>1.5</u>	<u>1,280,818</u>	<u>2.5</u>
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:

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

(18) Other equity items

	<u>2022</u>		
	<u>Financial assets at fair value through other comprehensive income</u>	<u>Currency Translation</u>	<u>Total</u>
At January 1	(\$ 472,609)	(\$ 2,129,042)	(\$ 2,601,651)
Valuation adjustment	(71,982)	-	(71,982)
Currency translation differences:			
- Company	-	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	Currency Translation	Total
At January 1	(\$ 306,223)	(\$ 1,730,123)	(\$ 2,036,346)
Valuation adjustment	(166,386)	-	(166,386)
Currency translation differences:			
- Company	-	(404,899)	(404,899)
- Associates	-	5,980	5,980
At December 31	<u>(\$ 472,609)</u>	<u>(\$ 2,129,042)</u>	<u>(\$ 2,601,651)</u>

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company 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
3C component	\$ 22,764,695	\$ 24,667,759
Systems and peripheral products	40,005,236	34,007,100
Total revenue from external customer contracts	<u>\$ 62,769,931</u>	<u>\$ 58,674,859</u>

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021
Contract liabilities:		
Contract liabilities-advance sales receipts	<u>\$ 331,588</u>	<u>\$ 104,903</u>

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

	Years ended December 31,	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	<u>\$ 34,256</u>	<u>\$ 244,986</u>

(20) Interest income

	Years ended December 31,	
	2022	2021
Interest income	<u>\$ 14,924</u>	<u>\$ 31,274</u>

(21) Other income

	Years ended December 31,	
	2022	2021
Revenue from technical service compensation	\$ 191,068	\$ 303,451
Revenue from management service fees	36,501	37,218
Rental revenue	20,639	36,515
Others	37,920	11,181
	<u>\$ 286,128</u>	<u>\$ 388,365</u>

Please refer to Note 7(2)C for details of revenue from technical service compensation.

(22) Other gains and losses

	Years ended December 31,	
	2022	2021
Net currency exchange gains (losses)	\$ 282,969	(\$ 95,079)
Depreciation charge on investment property	(3,920)	(3,911)
Net gain (loss) on disposal of property, plant and equipment	128	(142)
Others	(6,313)	(738)
	<u>\$ 272,864</u>	<u>(\$ 99,870)</u>

(23) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 147,728	\$ 110,226
Lease liabilities	88,777	100,458
Corporate bonds	1,038	1,642
	<u>\$ 237,543</u>	<u>\$ 212,326</u>

(24) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 1,555,230	\$ 1,147,602
Depreciation expense	143,915	182,358
Amortisation charges	10,870	10,519
Transportation expenses	165,047	220,213
Operating lease payments	7,218	13,532

(25) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 1,369,289	\$ 971,396
Labour and health insurance fees	77,872	74,835
Pension costs	40,603	40,792
Directors' remuneration	10,000	6,000
Other personnel expenses	57,466	54,579
	<u>\$ 1,555,230</u>	<u>\$ 1,147,602</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 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 year for the year ended December 31, 2021 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 2022 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2022.
- 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.

(26) 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 period	\$ -	\$ 41,888
Tax on undistributed surplus earnings	-	38,901
Prior year income tax (over) under estimation	25,095	20,577
Total current tax	25,095	101,366
Deferred tax:		
Origination and reversal of temporary differences	198,867	96,051
Income tax expense	\$ 223,962	\$ 197,417

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

	Years ended December 31,	
	2022	2021
Currency translation differences	\$ 77,468	(\$ 99,730)
Remeasurement of defined benefit obligations	3,057	7,008
	\$ 80,525	(\$ 92,722)

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	\$ 349,296	\$ 223,692
Effect from items disallowed by tax regulation	(150,429)	(85,753)
Tax on undistributed surplus earnings	-	38,901
Prior year income tax (over) under estimation	25,095	20,577
Income tax expense	\$ 223,962	\$ 197,417

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	5,975	(865)	-	5,110
Unrealised profit from sales	3,609	13,201	-	16,810
Remeasurement of defined benefit plan	10,473	-	(3,057)	7,416
Unused compensated absences	7,804	-	-	7,804
Unrealised exchange loss	12,851	(12,851)	-	-
Currency translation differences	214,909	-	(77,468)	137,441
Subtotal	<u>\$ 259,183</u>	<u>(\$ 515)</u>	<u>(\$ 80,525)</u>	<u>\$ 178,143</u>
-Deferred tax liabilities:				
Unrealised exchange gain	\$ -	(\$ 89,261)	\$ -	(\$ 89,261)
Unrealised long-term investment benefits	(638,133)	(103,012)	-	(741,145)
Pension costs	(7,192)	(1,311)	-	(8,503)
Others	(252)	(4,768)	-	(5,020)
Subtotal	<u>(\$ 645,577)</u>	<u>(\$ 198,352)</u>	<u>\$ -</u>	<u>(\$ 843,929)</u>
Total	<u>(\$ 386,394)</u>	<u>(\$ 198,867)</u>	<u>(\$ 80,525)</u>	<u>(\$ 665,786)</u>

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	8,003	(2,028)	-	5,975
Unrealised profit from sales	17,667	(14,058)	-	3,609
Pension costs	3,862	(3,862)	-	-
Remeasurement of defined benefit plan	17,481	-	(7,008)	10,473
Unused compensated absences	7,293	511	-	7,804
Unrealised exchange loss	37,623	(24,772)	-	12,851
Currency translation differences	115,179	-	99,730	214,909
Others	4,235	(4,235)	-	-
Subtotal	<u>\$ 214,905</u>	<u>(\$ 48,444)</u>	<u>\$ 92,722</u>	<u>\$ 259,183</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(\$ 597,970)	(\$ 40,163)	\$ -	(\$ 638,133)
Pension costs	-	(7,192)	-	(7,192)
Others	-	(252)	-	(252)
Subtotal	<u>(\$ 597,970)</u>	<u>(\$ 47,607)</u>	<u>\$ -</u>	<u>(\$ 645,577)</u>
Total	<u>(\$ 383,065)</u>	<u>(\$ 96,051)</u>	<u>\$ 92,722</u>	<u>(\$ 386,394)</u>

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

Year ended December 31, 2022

<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Ownership</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2022	\$ 653,609	\$ 653,609	\$	653,609	2032

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(27) 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	<u>\$ 1,522,518</u>	<u>491,177</u>	<u>\$ 3.10</u>
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	<u>\$ 921,042</u>	<u>488,111</u>	<u>\$ 1.89</u>

(28) Supplemental cash flow information

Investment activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Purchase of property, plant and equipment	\$ 93,087	\$ 105,009
Add: Opening balance of payable on equipment	20,086	32,018
Less: Ending balance of payable on equipment	(32,543)	(20,086)
Cash paid during the year	<u>\$ 80,630</u>	<u>\$ 116,941</u>

(29) Changes in liabilities from financing activities

	2022					
	Short-term borrowings	Corporate bonds payable	Long-term borrowings	Lease liabilities	Other payables to related parties	Liabilities from financing activities - gross
At January 1	\$ 1,138,848	\$ 6,578,570	\$ 8,401,250	\$ 95,841	\$ 170,720	\$ 15,246,381
Changes in cash flow from financing activities	(524,373)	-	2,297,500	(42,195)	(47,880)	2,207,425
Interest expense paid	-	-	-	(1,038)	-	(1,038)
Changes in other non-cash items	-	3,804	-	3,324	-	7,128
At December 31	<u>\$ 614,475</u>	<u>\$ 6,582,374</u>	<u>\$ 10,698,750</u>	<u>\$ 55,932</u>	<u>\$ 122,840</u>	<u>\$ 17,459,896</u>

	2021					
	Short-term borrowings	Corporate bonds payable	Long-term borrowings	Lease liabilities	Other payables to related parties	Liabilities from financing activities - gross
At January 1	\$ -	\$ 6,574,982	\$ 8,781,250	\$ 101,492	\$ 195,000	\$ 15,652,724
Changes in cash flow from financing activities	1,138,848	-	(380,000)	(34,936)	(24,280)	(439,216)
Interest expense paid	-	-	-	(1,642)	-	(1,642)
Changes in other non-cash items	-	3,588	-	30,927	-	34,515
At December 31	<u>\$ 1,138,848</u>	<u>\$ 6,578,570</u>	<u>\$ 8,401,250</u>	<u>\$ 95,841</u>	<u>\$ 170,720</u>	<u>\$ 15,246,381</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
CU International Ltd. (CU)	The subsidiary
Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	The subsidiary
Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	The subsidiary
Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	The subsidiary
Kunshan Fugang Electric Trading Co., Ltd. (KFET)	The subsidiary
Foxlink Tianjin Co., Ltd. (FTJ)	The subsidiary

Names of related parties	Relationship with the Group
Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	The subsidiary
Fushineng Electronics (Kunshan) Co., Ltd. (FSNK)	The subsidiary
Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	The subsidiary
Fugang Electric (Yancheng) Co., Ltd. (FG YANCHENG)	The subsidiary
Fuqiang Electric (Yancheng) Co., Ltd. (FQ YANCHENG)	The subsidiary
Fugang Electric (Maanshan) Co., Ltd. (FG MAANSHAN)	The subsidiary
Fugang Electric (Xuzhou) Co., Ltd. (FG XuZhou)	The subsidiary
World Circuit Technology Co., Ltd. (WCT)	The subsidiary
Power Quotient International Co., Ltd. (PQI)	The subsidiary
Foxlink International Inc. (FOXLINK)	The subsidiary
Fu Uei International Investment Ltd. (FUII)	The subsidiary
Studio A Inc. (Studio A)	The subsidiary
Sinobest Brothers Limited (SINOBEST)	The subsidiary
Foxlink India Electric Private Limited (FIE)	The subsidiary
Foxlink Technical India Private Limited (FOXLINK INDIA)	The subsidiary
Straight A Inc. (Straight A)	The subsidiary
Studio A Technology Limited (Studio A Hong Kong)	The subsidiary
Ashop Co., Ltd. (ASHOP)	The subsidiary
Shinfox Energy Co., Ltd. (Shinfox)	The subsidiary
Foxwell Energy Corporation Ltd. (Foxwell Energy)	The subsidiary
Foxlink Technology Ltd. (FT)	The subsidiary
Suntain Co., Ltd. (Suntain)	The subsidiary
FIT Holding Co., Ltd. (FIT Holding)	The subsidiary
Foxlink Image Technology Co., Ltd. (Foxlink Image)	The subsidiary
Glory Science Co., Ltd. (Glory Science)	The subsidiary
Well Shin Technology Co., Ltd. (Well Shin)	Associate
Microlink Communications Inc. (Microlink)	Associate
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Associate
Hsin Hung International Investment Co., Ltd. (HSIN HUNG)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
- Subsidiaries		
FOXLINK	\$ 19,986,459	\$ 15,017,512
Others	249,307	16,156
- Other related parties	798,909	1,078,566
	<u>\$ 21,034,675</u>	<u>\$ 16,112,234</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 Company purchased goods from the abovementioned subsidiaries and sold to the customers after selling raw materials to the factories located in Mainland China for finished goods production for the years ended December 31, 2022 and 2021. Revenue and operating cost of sales of raw materials amounting to \$32,969,240 and \$33,064,425, respectively, were excluded from purchase or sales of goods as they were offset in the aforementioned transactions. The collections depend on the financial situation after offsetting the receivables against the payables.

B. Purchases of goods

	Years ended December 31,	
	2022	2021
Purchases of goods:		
- Subsidiaries		
DGFQ	\$ 22,462,964	\$ 23,100,651
FGEDG	16,108,184	14,008,282
FG XuZhou	13,420,213	7,772,509
FSNK	3,578,987	3,648,336
FGEKS	1,786,779	1,802,928
Others	1,442,876	754,313
- Associates	390,858	183,344
- Other related parties	880,175	815,679
	<u>\$ 60,071,036</u>	<u>\$ 52,086,042</u>

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

C. Non-operating income - other income

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Other income		
- Subsidiaries		
DGFQ	\$ 189,839	\$ 303,451
Suntain	22,504	20,235
Others	48,817	54,506
	<u>\$ 261,160</u>	<u>\$ 378,192</u>

The Company charged technical service compensation and management service fees from CU, Foxlink Image, Suntain, Microlink and DGFQ, respectively, and collected the net balance after offsetting with payables to related parties and considering the financial situation.

D. Receivables from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
- Subsidiaries		
FOXLINK	\$ 5,764,180	\$ 3,577,247
Others	13,042	16,722
- Associates	461	420
- Other related parties	336,095	244,686
	<u>\$ 6,113,778</u>	<u>\$ 3,839,075</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables-purchases on behalf of others		
- Subsidiaries		
FIE	\$ 2,377,076	\$ 863,655
FSNK	1,442,477	1,182,010
FG XuZhou	665,130	2,052,881
FG MANNSHAN	628,265	365,654
FGEKS	435,039	220,007
DGFQ	32,893	1,415,872
Others	514,930	413,070
Other receivables-revenue from technical service compensation and management service fees		
- Subsidiaries	15,174	22,069
Other receivables-others		
- Subsidiaries	3,050	44,407
- Associates	4,234	2,187
	<u>\$ 6,118,268</u>	<u>\$ 6,581,812</u>

The receivables for raw materials as well as fixtures and equipment, purchased by the Company on behalf of the subsidiaries, were excluded from the purchases or sales of goods of the Company. The details are provided in Note 13(3). The receivables and prepayments exceeding normal granting periods were transferred to other receivables in accordance with the regulation.

E. Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments:		
- Subsidiaries		
CU	\$ 103,809	\$ 385,519
- Other related parties	140	140
	<u>\$ 103,949</u>	<u>\$ 385,659</u>

Prepayments mainly refer to prepayments to suppliers and the related transactions were based on financial situation of the Company.

F. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
- Subsidiaries		
FGEDG	\$ 3,181,103	\$ 3,597,151
FSNK	1,543,890	1,146,640
FG XuZhou	1,372,597	1,965,593
FENC	1,264,745	1,138,373
FG MAANSHAN	435,289	245,936
Others	715,406	80,474
- Associates	123,313	58,060
- Other related parties	52,471	101,921
	<u>\$ 8,688,814</u>	<u>\$ 8,334,148</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables-other financing payable		
- Subsidiaries		
FT	\$ 122,840	\$ 110,720
VALUE SUCCESS	-	60,000
Other payables-Receipts under custody		
- Subsidiaries	46,888	42,984
- Associates	20,476	14,144
	<u>\$ 190,204</u>	<u>\$ 227,848</u>

Details of accounts payable are provided in the abovementioned Note 7(2)B., and other payables refer to financing and receipts under custody.

G. Lease transactions - lessee

(a) The Company leases buildings from other related parties. The lease term was 3 years and rent was paid at the beginning of every month.

(b) Acquisition of right-of-use assets

	Years ended December 31,	
	2022	2021
Subsidiaries	\$ 2,254	\$ -
Other related parties	-	26,763
	<u>\$ 2,254</u>	<u>\$ 26,763</u>

(c) Lease liability

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 18,873	\$ 37,446
Other related parties	13,542	22,391
	<u>\$ 32,415</u>	<u>\$ 59,837</u>

ii. Interest expense

	Years ended December 31,	
	2022	2021
Subsidiaries	\$ 474	\$ 758
Other related parties	294	200
	<u>\$ 768</u>	<u>\$ 958</u>

H. Property transactions

(a) Acquisition of property, plant and equipment

	Years ended December 31,	
	2022	2021
- Subsidiaries		
Others	\$ 494	\$ 204

The Company purchased equipment from subsidiaries for the years ended December 31, 2022 and 2021. The payment terms are based on mutual agreement.

(b) Disposal of property, plant and equipment and investment property:

	Year ended December 31, 2022	
	Disposal proceeds	Gain on disposal
Subsidiaries	<u>\$ 1,469</u>	<u>\$ -</u>
	Year ended December 31, 2021	
	Disposal proceeds	Gain on disposal
Subsidiaries	<u>\$ 1,880</u>	<u>(\$ 6)</u>

For the years ended December 31, 2022 and 2021, the Company sold equipment to subsidiaries, the collection terms were based on mutual agreement.

I. Loans to related parties

Interest income:

	Years ended December 31,	
	2022	2021
- Subsidiaries		
Foxwell Energy	\$ -	\$ 29,753

J. Endorsements and guarantees

	December 31, 2022	December 31, 2021
- Subsidiaries		
DGFQ	\$ 1,322,400	\$ 1,303,200
Studio A Hong Kong	1,228,400	1,190,240
Studio A	1,228,400	1,107,200
ASHOP	859,880	553,600
KFET	829,170	885,760
FOXLINK	995,004	896,832
Others	460,650	415,200
	<u>\$ 6,923,904</u>	<u>\$ 6,352,032</u>

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	\$ 194,528	\$ 86,921
Post-employment benefits	1,873	1,889
Total	<u>\$ 196,401</u>	<u>\$ 88,810</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Refundable deposits (Shown as other non-current assets)	<u>\$ 12,222</u>	<u>\$ 12,228</u>	Customs deposit

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 Company, 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, Article 5 and Article 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 an 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, the 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) Fugang Electric (Maanshan) Co., Ltd., an equity-method investment of the Company, has a lawsuit with Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. On November 19, 2021, Ma'anshan Intermediate People's Court in Anhui Province rendered a first-instance decision, affirming that Fugang Electric (Maanshan) Co., Ltd. shall pay principal amounting to RMB 274,450 thousand and interest amounting to RMB 139,488.9 thousand, based on the amount agreed in the court's judgement and interest calculated until the date when the principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement.

On 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).

(2) Commitments

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>
Property, plant and equipment	\$ 21,209	\$ 18,824

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(17).
- (2) The plant of FOXLINK INDIA ELECTRIC PRIVATE LIMITED, an equity-method investment of the Company, in Tirupati, India caught fire on February 27, 2023. The investee has insurance coverage for the plant, equipment and inventories. Loss on the fire will be confirmed after the identification of the fire.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company 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 amortised cost/loans and receivables		
Cash and cash equivalents	\$ 397,360	\$ 235,283
Notes receivable	2,117	1,984
Accounts receivable	14,651,812	13,861,837
Other receivables	6,183,147	6,671,314
Guarantee deposits paid	12,222	12,228
	<u>\$ 21,246,658</u>	<u>\$ 20,782,646</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 614,475	\$ 1,138,848
Accounts payable	9,255,219	8,772,246
Other accounts payable	9,907,938	8,980,565
Bands payable	6,582,374	6,578,570
Long-term borrowings (including current portion)	10,698,750	8,401,250
Lease liability	55,932	95,841
Guarantee deposits received	2,953	2,953
	<u>\$ 36,503,166</u>	<u>\$ 32,831,425</u>

B. Risk management policies

- (a) The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company'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 Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company 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 Company entities to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company 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 Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). 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	\$ 555,477	30.71	\$ 17,058,637
RMB : NTD	291	4.41	1,283
HKD : NTD	408	3.94	1,607
EUR : NTD	494	32.72	31,051
JPY : NTD	72,655	0.23	16,885
SGD : NTD	16	22.88	366
GBP : NTD	0.50	37.09	19
THB : NTD	72	0.89	64
<u>Non-monetary items</u>			
USD : NTD	\$ 49,422	30.71	\$ 1,517,747
HKD : NTD	6,555,311	3.94	25,814,814
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 560,838	30.71	\$ 17,223,335
RMB : NTD	793	4.41	3,496
HKD : NTD	4,360	3.94	17,170
EUR : NTD	1,189	32.72	38,904
JPY : NTD	30,667	0.23	7,127

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	\$ 601,620	27.68	\$ 16,652,842
RMB : NTD	594	4.34	2,580
HKD : NTD	399	3.55	1,416
EUR : NTD	345	31.32	10,805
JPY : NTD	9,571	0.24	2,302
SGD : NTD	16	20.46	327
GBP : NTD	1	37.30	19
<u>Non-monetary items</u>			
USD : NTD	\$ 36,498	27.68	\$ 1,010,256
HKD : NTD	6,868,260	3.55	24,375,453
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 791,891	27.68	\$ 21,919,543
RMB : NTD	2,458	4.34	10,678
HKD : NTD	1,553	3.55	5,512
EUR : NTD	413	31.32	12,935
JPY : NTD	24,990	0.24	6,010

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021 amounted to \$282,969 and (\$95,079), 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%	\$ 170,587	\$ -
RMB : NTD	1%	13	-
HKD : NTD	1%	16	-
EUR : NTD	1%	311	-
JPY : NTD	1%	169	-
SGD : NTD	1%	4	-
GBP : NTD	1%	-	-
THB : NTD	1%	1	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 172,233	\$ -
RMB : NTD	1%	35	-
HKD : NTD	1%	172	-
EUR : NTD	1%	389	-
JPY : NTD	1%	71	-

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%	\$	166,528	\$	-
RMB : NTD	1%		26		-
HKD : NTD	1%		14		-
EUR : NTD	1%		108		-
JPY : NTD	1%		23		-
SGD : NTD	1%		3		-
GBP : NTD	1%		1		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	219,195	\$	-
RMB : NTD	1%		107		-
HKD : NTD	1%		55		-
EUR : NTD	1%		129		-
JPY : NTD	1%		60		-

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's interest rates of borrowings are fixed and floating rate. For the years ended December 31, 2022 and 2021, the Company's borrowings issued by floating rate are priced in New Taiwan dollars.
 - 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 \$85,590 and \$67,210 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 Company 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 Company's credit policy, each local entity in the Company 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. Company treasury manages credit risk of cash in banks and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.
- iv. The Company 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 Company 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 Company classifies customers' accounts receivable in accordance with customer types. The Company applies the roll rate to estimate expected credit loss.
- vii. The Company 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	0.10%	3.71%	17.22%	100.00%	
Total book value	\$ 8,136,871	\$ 399,822	\$ 29,847	\$ 17,655	\$ 8,584,195
Loss allowance	\$ 8,538	\$ 14,828	\$ 5,140	\$ 17,655	\$ 46,161

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2021</u>					
Expected loss rate	0.07%	1.41%	17.63%	100.00%	
Total book value	\$ 9,616,265	\$ 408,241	\$ 8,195	\$ 24,637	\$ 10,057,338
Loss allowance	\$ 4,679	\$ 4,205	\$ 1,055	\$ 24,637	\$ 34,576

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

	<u>2022</u>	<u>2021</u>
	Accounts receivable	Accounts receivable
At January 1	\$ 34,576	\$ 22,009
Provision for impairment (gain on reversal of impairment loss)	11,585	12,567
Effect of foreign exchange	-	-
At December 31	<u>\$ 46,161</u>	<u>\$ 34,576</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company'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. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

	Less than <u>1 year</u>	Between <u>1 and 2 years</u>	Between <u>2 and 3 years</u>	Between <u>3 and 5 years</u>	<u>Over 5 years</u>
December 31, 2022					
Short-term borrowings	\$ 62,870	\$ -	\$ -	\$ -	-
Lease liabilities	42,951	13,508	-	-	-
Long-term borrowings (including current portion)	208,479	4,869,748	6,086,491	-	-

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	\$ 1,143,415	\$ -	\$ -	\$ -	\$ -
Lease liabilities	42,883	41,378	8,898	-	-
Long-term borrowings (including current portion)	-	3,926,383	1,309,800	3,232,320	-

- iii. The Company 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) 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 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.

(2) Information on investees

For the information on investees, except for current profit (loss) for the year ended December 31, 2022 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:

<u>Company name</u>	<u>General ledger account</u>	<u>Year ended December 31, 2022</u>	
		<u>Amount</u>	<u>Ownership (%)</u>
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	<u>\$ 22,462,964</u>	<u>37%</u>
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	<u>\$ 16,108,184</u>	<u>27%</u>
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	<u>\$ 13,420,213</u>	<u>22%</u>
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	<u>\$ 3,578,987</u>	<u>6%</u>
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	<u>\$ 1,786,779</u>	<u>3%</u>
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	<u>\$ 328,892</u>	<u>1%</u>
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	<u>\$ 241,290</u>	<u>-</u>

Company name	General ledger account	December 31, 2022	
		Amount	Ownership (%)
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 3,181,103	30%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,543,890	15%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 1,372,597	13%
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 period and at 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	Ownership (%)
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 10,745,657	33%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 9,374,522	28%
Fugang Electric (Xuzhou) 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%

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

		<u>December 31, 2022</u>	
<u>Company name</u>	<u>General ledger account</u>	<u>Amount</u>	<u>Ownership (%)</u>
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	<u>\$ 1,442,477</u>	<u>24%</u>
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	<u>\$ 665,130</u>	<u>11%</u>
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	<u>\$ 628,265</u>	<u>10%</u>
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	<u>\$ 435,039</u>	<u>7%</u>
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	<u>\$ 114,408</u>	<u>2%</u>
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	<u>\$ 63,990</u>	<u>1%</u>
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	<u>\$ 32,893</u>	<u>-</u>
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	<u>\$ 13,056</u>	<u>-</u>
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	<u>\$ 10,334</u>	<u>-</u>
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	<u>\$ 477</u>	<u>-</u>
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	<u>\$ 78</u>	<u>-</u>

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

None.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022

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

Item	Description	Amount
Cash on hand and petty cash		\$ 1,190
Checking accounts		
NTD deposits		8,711
HKD deposits	HKD 70 thousand; conversion rate was 3.94	275
Demand deposits		
NTD deposits		140,646
USD deposits	USD 7,213 thousand; conversion rate was 30.71	221,517
JPY deposits	JPY 72,164 thousand; conversion rate was 0.23	16,771
RMB deposits	RMB 197 thousand; conversion rate was 4.41	869
EUR deposits	EUR 30 thousand; conversion rate was 32.72	968
HKD deposits	HKD 316 thousand; conversion rate was 3.94	1,243
SGD deposits	SGD 15 thousand; conversion rate was 22.88	350
Time deposits		
NTD deposits		705
USD deposits	USD 134 thousand; conversion rate was 30.71	4,115
		<u>\$ 397,360</u>

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022

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

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
GOERTEK TECHNOLOGY VINA CO., LTD.		\$ 919,155	
Luxshare Precision Limited		738,034	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.		664,794	
Pegatron Corporation		510,119	
Avary Holding (Shenzhen) Co., Limited		451,421	
Others		5,300,672	Balance of each client has not exceeded 5% of total account balance
		<u>8,584,195</u>	
Less: Allowance for bad debts		(46,161)	
		<u>8,538,034</u>	
<u>Related parties</u>			
FOXLINK		5,764,180	
Hon Hai		336,095	
Others		13,503	
		<u>6,113,778</u>	
		<u>\$ 14,651,812</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022

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

Item	Amount		Note
	Cost	Market Value	
Manufactures	\$ 1,461,805	\$ 1,470,911	Net realisable value
Work in progress	33,208	37,183	"
Material	139,668	137,886	"
	<u>1,634,681</u>	<u>\$ 1,645,980</u>	
Less: Allowance for loss on slow-moving inventories and valuation loss	(25,550)		
	<u>\$ 1,609,131</u>		

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investee	Opening Balance		Addition		Decrease		Ending Balance			Net Assets Value		Valuation Basis	For collateralize and pledge
	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount (Note 1)	No. of shares (in thousands)	Amount (Note 2)	No. of shares (in thousands)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount		
CU INTERNATIONAL LTD.	460,750	\$ 23,132,826	17,600	\$ 2,282,213	-	(\$ 5,540)	478,350	100%	\$ 25,409,499	-	\$ 24,691,757	Equity method	None
CULINK INTERNATIONAL LTD.	32,228	1,010,256	-	462,152	-	-	32,228	100%	1,472,408	-	1,472,408	Equity method	None
Foxlink International Investment Ltd.	408,750	3,662,947	-	108,576	-	(75,486)	408,750	100%	3,696,037	-	3,968,102	Equity method	None
Fu Uei International Investment Ltd.	355,000	2,528,381	70,000	771,816	-	(69,641)	425,000	100%	3,230,556	-	3,245,236	Equity method	None
Well Shin Technology Co., Ltd.	22,282	1,157,286	-	165,541	-	(44,565)	22,282	18.84%	1,278,262	-	1,102,980	Equity method	None
Darts Technologies Corporation	42,086	772,985	5,490	106,452	-	-	47,576	97%	879,437	-	879,437	Equity method	None
SINOBEST BROTHERS LIMITED	20,704	422,713	-	-	-	(105,830)	20,704	91.19%	316,883	-	316,883	Equity method	None
DU Precision Industry Co., Ltd.	60,000	48,910	-	20,384	-	-	60,000	100%	69,294	-	90,996	Equity method	None
FOXLINK TECHNOLOGY LTD.	86,700	819,914	-	81,090	-	(10,777)	86,700	100%	890,227	-	878,620	Equity method	None
FOXLINK ARIZONA INC.	-	-	7,300	218,909	-	(173,570)	7,300	100%	45,339	-	45,339	Equity method	None
Suntain Co., Ltd.	19,500	217,009	1,102	19,690	-	-	20,602	100%	236,699	-	236,699	Equity method	None
		33,773,227		4,236,823		(485,409)			37,524,641		36,928,457		
Current prepayments for investments		151,907		75,165		-			227,072		-		
-JOURN TA		\$ 33,925,134		\$ 4,311,988		(\$ 485,409)			\$ 37,751,713		\$ 36,928,457		

Note 1: Addition in the year including gain on investment, changes in net asset value of investees' equity, accumulated translation adjustment, unrealised gain or loss on financial instrument and amount of investment increase.

Note 2: Decrease in the year including loss from investment, accumulated translation adjustment, distribution of cash dividends, changes in net asset value of investees' equity, disposal of investment and share returned from capital decrease of investee.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Item	Opening Balance	Addition	Decrease	Transfers	Ending Balance	For collateralize and pledge	Note
Lands	\$ 412,428	\$ -	\$ -	\$ -	\$ 412,428	None	
Buildings and structures	1,774,021	11,918	-	-	1,785,939	"	
Machinery and equipment	111,099	11,903	(3,247)	2,241	121,996	"	
Office equipment	42,575	6,486	(9,975)	-	39,086	"	
Other equipment	175,584	37,537	(2,517)	84	210,688	"	
Other equipment	-	25,243	-	-	25,243	"	
	<u>\$ 2,515,707</u>	<u>\$ 93,087</u>	<u>(\$ 15,739)</u>	<u>\$ 2,325</u>	<u>\$ 2,595,380</u>		
<u>Investment property</u>							
Buildings and structures	<u>\$ 198,101</u>	<u>\$ 703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,804</u>	"	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF ACCUMULATED DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND
INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Opening Balance	Addition	Decrease	Transfers	Ending Balance	Note
Buildings and structures	\$ 539,111	\$ 35,830	\$ -	\$ -	\$ 574,941	
Machinery and equipment	50,179	25,376	(2,207)	-	73,348	
Office equipment	16,282	10,318	(9,975)	-	16,625	
Other equipment	72,508	30,712	(1,836)	-	101,384	
	<u>\$ 678,080</u>	<u>\$ 102,236</u>	<u>(\$ 14,018)</u>	<u>\$ -</u>	<u>\$ 766,298</u>	
<u>Investment property</u>						
Buildings and structures	<u>\$ 41,694</u>	<u>\$ 3,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,614</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2022

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

<u>Type of borrowings</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of Interest</u>		<u>Credit Line</u>	<u>Collateral</u>
				<u>Rate</u>			
Unsecured borrowings	Financial institution borrowing	<u>\$ 614,475</u>	Due within one year	1.41%~5.12%		\$ -	None

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022

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

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
DSM Engineering Plastics (Jiangsu) Co., Ltd		\$ 38,629	
Others		527,776	Balance of each client has not exceeded 5% of total account balance
		<u>566,405</u>	
<u>Related parties</u>			
FGEDG		3,181,103	
FG XuZhou		1,372,597	
FSNK		1,543,890	
FENC		1,264,745	
FG MAANSHAN		435,289	
Others		891,190	
		<u>8,688,814</u>	
		<u>\$ 9,255,219</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2022

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

Creditor	Description	Amount	Contract Period	Interest Rate	For collateralize and pledge	Note
Bank of Taiwan	Unsecured syndicate credit long-term borrowing	\$ 400,000	2020/11/23~2025/11/22	1.93%~2.06%	None	
Taiwan Cooperative Bank	"	300,000	"	"	"	
Land Bank	"	300,000	"	"	"	
Taipei Fubon Bank	"	300,000	"	"	"	
BANK SINOPAC CO., LTD.	"	300,000	"	"	"	
Yuanta Commercial Bank	"	300,000	"	"	"	
Hua Nan Commercial Bank	"	300,000	"	"	"	
Cathay Bank	"	300,000	"	"	"	
Mega Bank	"	300,000	"	"	"	
Agricultural Bank of Taiwan	"	200,000	"	"	"	
E.SUN BANK	"	250,000	"	"	"	
KGI Commercial Bank Co., Ltd.	"	300,000	"	"	"	
Far Eastern International Bank	"	150,000	"	"	"	
The Shanghai Commercial & Savings Bank, Ltd.	"	300,000	"	"	"	
		<u>4,000,000</u>				
Far Eastern International Bank	Mid and long term unsecured borrowings	\$ 1,500,000	2022/5/31~2025/5/31	1.98%~2.06%	None	
KGI Commercial Bank Co., Ltd.	"	600,000	2022/8/4~2024/8/4	2.11%	"	
Mizuho Bank	"	900,000	2022/8/10~2024/8/10	1.87%~1.90%	"	
Cathay Bank	"	500,000	2022/3/31~2024/3/31	1.74%	"	
DBS Bank	"	900,000	2022/2/25~2024/2/25	1.92%	"	
First Bank	"	600,000	2022/11/11~2024/11/11	1.78%	"	
Yuanta Commercial Bank	"	400,000	2022/12/21~2024/12/21	1.80%	"	
Export-Import Bank of Republic of China	"	86,250	2018/11/29~2023/11/29	1.80%	"	
Export-Import Bank of Republic of China	"	112,500	2019/7/11~2024/7/11	1.75%	"	
Jih Sun International Bank	"	300,000	2021/11/1~2024/11/1	1.80%	"	
En Tie Commerical Bank	"	500,000	2022/3/18~2025/3/18	2.30%	"	
		<u>300,000</u>	2021/11/23~2024/11/23	1.45%	"	
		<u>6,698,750</u>				
Total		<u>\$ 10,698,750</u>				

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

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

<u>Item</u>	<u>Volume</u>	<u>Amount</u>	<u>Note</u>
Electronic equipment (including components and other electronic related products)		\$ 63,039,325	
Less: Sales returns		(23,514)	
Sales discounts and allowances		(245,880)	
		<u>\$ 62,769,931</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Item	Amount	Note
Raw materials at the beginning	\$ 143,233	
Add: Materials purchased for the year	2,755,833	
Less: Raw materials at the end	(139,668)	
Transferred to expenses	(21,598)	
Raw materials used in the year	2,737,800	
Direct labor	71,146	
Manufacturing Expenses	600,405	
Manufacturing costs	3,409,351	
Add: Work in progress at the beginning	34,896	
Less: Work in progress at the end	(33,208)	
Cost of finished goods	3,411,039	
Add: Finished goods at the beginning	918,163	
Finished goods purchased for the year	58,706,553	
Less: Finished goods at the end	(1,461,805)	
Transferred to expenses	(4,127)	
Manufacturing and selling costs	61,569,823	
Less: Revenue from sales of scraps	(4,322)	
Total operating costs	<u>\$ 61,565,501</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Freight	\$ 55,513	
Indirect labor	333,523	
Depreciation expense	46,800	
Processing fees	26,407	
Others	138,162	
	<u>\$ 600,405</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF SALES AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and Salaries	\$ 83,594	
Freight	79,947	
Others	37,920	
	<u>\$ 201,461</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and Salaries	\$ 310,853	
Depreciation expense	76,229	
Donation expense	36,035	
Insurance expense	28,971	
Freight	26,886	
Professional service fee	22,854	
Others	166,486	
	<u>\$ 668,314</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries	\$ 610,357	
Insurance expense	42,229	
Depreciation expense	20,671	
Research and development expenses	17,700	
Others	151,619	
	<u>\$ 842,576</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Function Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and Salaries	364,485	1,004,804	1,369,289	98,663	872,733	971,396
Labour and health insurance fees	12,026	65,846	77,872	8,038	66,797	74,835
Pension costs	5,799	34,804	40,603	4,057	36,735	40,792
Directors' remuneration	-	10,000	10,000	-	6,000	6,000
Other personnel expenses	9,022	48,444	57,466	6,623	47,956	54,579
Depreciation expense (Note 1)	46,800	97,115	143,915	36,264	146,094	182,358
Amortisation charge	217	10,653	10,870	253	10,266	10,519

Note 1: For the years ended December 31, 2022 and 2021, the Company's depreciation expense recognised in non-operating expenses and loss amounted to \$3,920 and \$3,911, respectively.

Note 2: For the years ended December 31, 2022 and 2021, the Company had 902 and 840 employees, including 5 and 5 non-employee directors, respectively.

Note 3: For the years ended December 31, 2022 and 2021, the average employee benefit expense amounted to \$1,723 and \$1,366, respectively.

Note 4: For the years ended December 31, 2022 and 2021, the average employee salary expenses amounted to \$1,527 and \$1,163, respectively. For the year ended December 31, 2022, the average change in adjustments on salary expenses was 31%.

Note 5: The Company's policies on salary and remuneration (including directors, independent directors, managers and employees).

(a) For payment to directors and independent directors, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:

CHENG UEI PRECISION INDUSTRY CO.,LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2022

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

- i. The Company's remuneration of directors were paid based on the common standard of the Company's conference attendance fees and traveling fee approved by the Board of Directors.
 - ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.
- (b) For payment to managers, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:
- i. The Company's remuneration for managers shall based on the Company's regulation of performance assessment, individual's performance and operating contribution to the Company's operation taking into consideration the market standard within the same industry, and reported to the directors for approval after being reviewed by salary and remuneration committee.
 - ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.
- (c) For payment to employees, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:
- i. The Company's compensation for employees were determined based on individual ability, contribution to the company and performance which have positive correlation with operating performance.

The Company has adequately controlled the future risk, the policies of compensation also related with future risk. Whole combination of salary and compensation includes basic salary, bonus and employees' compensation and allowance.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2022

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

As for the standard of compensation payment, basic salary were determined based on the market competitiveness of their positions and the Company's policy. Bonus and employees' compensation were determined through linking with employees' and segments' target or the Company's operating performance. The benefits were designed to meet employees' requirements under the related regulations in order to share the Company's operating result with employees.

- ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.

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, 2022		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%

6. In The Most Recent Year And As Of The Publication Date Of The Annual Report, Whether Any Financial Difficulties Occur At The Company That Affects The Company's Financial Status: None.

VII. Financial status and financial performance review analysis and risk issues

1. Review And Analysis Financial Status

(1) Comparative analysis table of financial status

Unit: NTD Thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	61,093,418	50,288,129	10,805,289	21.49%
Property, plant and equipment	20,923,246	21,024,968	-101,722	-0.48%
Intangible assets	1,749,316	1,467,557	281,759	19.20%
Other assets	14,532,031	10,345,617	4,186,414	40.47%
Total assets	98,298,011	83,126,271	15,171,740	18.25%
Current liabilities	36,357,990	29,954,063	6,403,927	21.38%
Non-current liabilities:	25,681,934	20,671,320	5,010,614	24.24%
Total liabilities	62,039,924	50,625,383	11,414,541	22.55%
Equity attributable to owners of parent	24,422,591	23,284,277	1,138,314	4.89%
Capital stock	5,123,269	5,123,269		
Additional paid-in capital	10,382,683	10,252,875	129,808	1.27%
Retained earnings	11,552,466	10,781,850	770,616	7.15%
Other equity interest	-2,363,761	-2,601,651	237,890	-9.14%
Treasury shares	-272,066	-272,066		
Non-controlling interests	11,835,496	9,216,611	2,618,885	28.41%
Total equity	36,258,087	32,500,888	3,757,199	11.56%

Reasons for increases or decreases in amounts in the last two years.

- Other assets increased by 40.47% mainly due to the increase of investments accounted for using the equity method and prepaid equipment in 2022
- Non-current liabilities increased by 24.24% mainly due to the increase of long term borrowings in 2022.
- Non-controlling interests increased by 28.41% mainly due to the fact that the Company disposed of the equity of subsidiaries and that subsidiaries conducted cash capital increase in 2022 and the Company did not subscribe in proportion to the shareholding.

2. Review and Analysis Of Financial Performance:

Unit: NTD Thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Operating revenue	94,102,594	86,800,735	7,301,859	8.41%
Operating costs	82,008,395	77,225,461	4,782,934	6.19%
Operating gross profit	12,094,199	9,575,274	2,518,925	26.31%
Operating Expenses	8,562,506	7,664,433	898,073	11.72%
Operating profit	3,531,693	1,910,841	1,620,852	84.82%
Non-operating income and expenses	-119,900	242,626	-362,526	-149.42%
Net profit before tax	3,411,793	2,153,467	1,258,326	58.43%
Income tax expense	1,317,094	814,963	502,131	61.61%
Net profit for the period	2,094,699	1,338,504	756,195	56.50%

Reasons for increases or decreases in amounts in the last two years.

1. Operating profit increased by 84.82% mainly due to the sales of more high-margin products in 2022.
2. Non-operating income and expenses decreased by 149.42% mainly due to the recognition of compensation losses in 2022.

3. Cash Flow Review And Analysis

Unit: NTD Thousand

Beginning cash balance	Annual net cash flows from operating activities	Annual cash outflows from investment and financing activities	Effect of exchange rate fluctuations	Cash surplus (insufficiency) amount	Remedial measures for cash shortages	
					Investment plan	Financing plan
8,707,603	(265,341)	2,670,252	133,927	11,246,441	-	-

1. Analysis of the changes in cash flows for the most recent year:
 - (1) Operating activities: NTD (265,341) thousand
 - (2) Investing activities: NTD (8,416,504) thousand
 - (3) Financing activities: NTD 11,086,756 thousand
2. Remedial measures and liquidity analysis for cash shortage: None.
3. Analysis of cash liquidity in the coming year: With the Company's substantial growth in operations and increased profits in recent years, cash flows in the coming year will be sound.

4. The Impact Of Major Capital Expenditures In Recent Years On Financial Operations

Unit: NTD Thousand

Year	Capital expenditure items	Sources of funds	Total funds	Effect on financial operations
2022	Acquisition of property, plant and equipment	Own funds and bank financing	4,088,867	Build additional factories and purchase production equipment to expand the scale of production and sales to meet market and customer needs.

5. Reinvestment Policy In The Most Recent Year, Main Reasons For Its Profit Or Loss, Improvement Plan And Investment Plan For The Next Year

(1) Reinvestment analysis table

December 31, 2022; Unit: NTD thousand

Description Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program
CU International Ltd.	14,690,129	Investments in mainland companies via reinvestment in companies located in a third region	Profit of NTD 1,531,337 thousand	-
Culink International Ltd.	989,722	Investments in Singapore and US companies via reinvestment in companies located in a third region	Profit of NTD 445,582 thousand	-
Foxlink International Investment Ltd.	3,350,000	Controlling stakes and investments in other companies	Profit of NTD 26,771 thousand	
Fu Uei International Investment Ltd.	4,250,000	Controlling stakes and investments in other companies	Loss of NTD 61,361 thousand	Strengthen management of the investee target company
Well Shin Technology Co., Ltd.	270,065	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 759,540 thousand	-
Darts Technologies Corporation	762,566	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 81,796 thousand	-
DU Precision Industry Co., Ltd.	600,000	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 20,380 thousand	-
Foxlink Technology Ltd.	341,425	Expanding the scale of operations to take full advantage of vertical integration	Loss of NTD 10,688 thousand	
Suntain Co., Ltd.	190,810	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 19,690 thousand	
Sinobest Brothers Limited	635,820	Investments in Myanmar companies via reinvestment in companies located in a third region	Loss of NTD 83,012 thousand	Improve and enhance the operational efficiency of Myanmar companies

(2) The Company's investment plan for the next year is expected to focus on expanding production capacity in response to market demand.

6. Risk Management

- (1) Most recent year impact of interest rate, exchange rate changes, and inflation on the Company's profit and loss and future countermeasures:
 - A. The amount of bank loans increased in 2022 compared with 2021, and market interest rates rose. Therefore, annual interest expense was NTD 423,257 thousand, representing an increase from the NTD 341,527 thousand seen in 2021. In the future, the Company will regularly evaluate deposit and borrowing interest rates between banks and maintain good relationships with correspondent banks to obtain more favorable borrowing rates. At the same time, we will pay close attention to changes in interest rates to maintain the flexibility of financial operations.
 - B. The Company's 2022 exchange gains totaled NTD 374,682 thousand mainly due to the appreciation of the US dollar. However, based on the inconsistency of exchange rate changes in the market, it is difficult to accurately predict the future direction of exchange rate changes. Therefore, the Company's consistent practice is to reduce the net position exposed to the risk of exchange rate fluctuations as its main principle. At the same time, we will closely monitor market exchange rate fluctuations, and undertake forward foreign exchange transactions for risky positions to hedge risks. This will be done to reduce the impact of exchange rate fluctuations on the company's profits and losses.
 - C. Prices of raw materials such as international crude oil and basic metals have remained at high levels, which has put pressure on the Company's overall material costs. In 2022, domestic water, oil and electricity prices gradually increased. The Company thus will pay close attention to price changes. At the same time, a relatively medium- to long-term procurement strategy will be formulated to reduce the impact of inflation on the Company's profits and losses.
- (2) In the past year, policies for engagement in high risk and high leverage investment, loaning funds to others, guarantees/endorsements, and derivative trade, the main reason for profit or loss, and the response in the future:
 - A. Since its establishment, the Company has been committed to operations in its industry and has not engaged in high risk and high leverage investment behavior.
 - B. The Company's conduct of loans of funds to others and of endorsements and guarantees are all handled in accordance with the company's Operational Procedures for Loaning Funds to Others and Implementation Measures for Endorsements and Guarantees.
 - C. The Company did not engage in derivative operations in 2022. Any future derivative transactions will be for the purpose of hedging and will be handled in accordance with the Procedures for the Acquisition or Disposal of Assets.
- (3) The most recent annual research and development plans, current progress of ongoing R&D plans, R&D expenses to be reinvested, estimated time before mass production is completed, and main factors influencing the success of future R&D:
 - A. The main future research and development directions and strategies of the Company will be:
 - (i) Closely integrate technology into products to generate differentiated competitive advantages.
 - (ii) Integrate the technical fields of materials, machinery, electronics, optics, electroacoustics, etc.; e.g., through: optical inspection automation, engineering analysis capabilities, secondary processing electroplating technology, antenna design, and wire nano coating development.
 - (iii) Build professional laboratories for high frequency technology, electroacoustic technology, surface technology, and so on.
 - (iv) Lead and continue to develop various halogen-free, lead-free materials and application products that meet future environmental protection requirements.
 - (v) Participate in the development process of customers' new products to provide them with various solutions and technical support.
 - (vi) Strengthen the ability to integrate existing technologies and evaluate and introduce new

product development technologies.

(vii) Integrate the technology platform of electro-optic sound to expand products and market share.

B. Cases that have been developed and completed as of the first quarter of this year:

- (i) High End Qualcomm Wireless ANC Headset
- (ii) Development of smart tail lights for two-wheeled vehicles
- (iii) Automated dual-channel roughness etching technology
- (iv) Centrifugal electroplating technology for metal parts
- (v) Electronic cigarette product development

C. This year's planned development of ongoing cases is as follows, and it is expected that mass production and shipments will be attained by the end of this year.

- (i) Panoramic video conference camera
- (ii) High End Qualcomm Wireless ANC Headset
- (iii) Wireless Gaming Headset
- (iv) Eye-tracking webcam
- (v) Development of AR glasses technology
- (vi) 4DView stereoscopic image recording and modeling
- (vii) Development of AI technology for game console joystick object colors
- (viii) Physical movement detection for remote fitness sessions
- (ix) Low pollution and carbon reduction production technology
- (x) Electric scooter battery modules
- (xi) Electric bicycle battery modules
- (xii) Charging pile product development
- (xiii) Introduction of automated guided vehicles (AGVs)
- (xiv) Black nickel plating technology

D. Actual consolidated R&D expenses of the Company and its subsidiaries came to NTD 2,419,396 thousand in 2022, equivalent to approximately 2.57% of consolidated operating income of the year. This marked a decrease of 0.07% from the consolidated R&D expenses of NTD 2,259,829 thousand seen in 2021. Through the first quarter of 2022, actual consolidated research and development expenses were approximately NTD 552,439,927, accounting for 2.92% of operating income. Moreover, it is estimated that the total R&D expenditures to be invested this year will be 2.57% of this year's operating income, and the total amount is seen reaching NT\$2,584,388,757. Therefore, R&D expenditures yet to be invested this year come to approximately NT\$2,031,941,830.

(4) In the past year, the impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures:

The Company has a legal unit that keeps an eye on important domestic and foreign policies and changes in laws to propose impact assessments and response plans. At the same time, the Company has also appointed external legal counsel to make inquiries and deal with legal issues related to the Company.

(5) Effect of changes in technology (including information and communication security risks) and industrial changes on the Company's financial operations and countermeasures:

A. The advancement of science and technology is set to transform human life as well as impact the ecology of the industry. The changes in and rise and fall of the industry are closely related to the Company's future development. In the past, our Company has developed from its start in the information industry to take its place in the communications industry, and is now set to expand into the consumer electronics industry. The Company has thus always been able to keep abreast of technological information and changes in this industry to understand market needs and trends in this industry, so as to set out strategies that are beneficial to the Company's long-term development.

B. Information security risk assessment analysis

The Company has formulated an information security policy to strengthen information security management, ensuring the confidentiality, integrity, and availability of the information assets. It has done so in order to provide an information environment for the continuous operation of the Company's business, as well as freedom from internal and external threats whether deliberate or accidental. The Company has also formulated information security risk assessment procedures and conducts regular annual assessments.

(i) Information security policy scope

- 1.) Personnel management and information security education and training
- 2.) Network and computer system security management
- 3.) System access control, development and maintenance security management
- 4.) Information asset security management
- 5.) Physical and environmental safety management
- 6.) Planning and management of business continuity operation plan

(ii) Information security policy responsibilities

- 1.) The Company has established an inter-departmental information security management team. The staff work of this group is the responsibility of the information unit, coordinating matters related to information security management.
- 2.) Supervisors at all levels of the Company should actively participate in and support the information security management system, and achieve cost policies through the relevant standards and procedures that have been established.
- 3.) All personnel of the company, outsourced service vendors and visitors should abide by these policies.
- 4.) When any personnel of the Company or outsourced service providers discover an information and security incident, the contact person of the information security team should be notified, and the person in charge of the information security team should be informed. At the same time, the information security contact person should report information security incidents or discovered weaknesses through the notification mechanism, and should also record them.
- 5.) Any act that endangers information security will be investigated for civil, criminal and administrative responsibilities according to the seriousness of the circumstances or will be dealt with in accordance with the relevant regulations of the Company.
- 6.) The information security team's operations are to be implemented in accordance with the Company's procedures to ensure data integrity and security. As the results of the information security risk assessment are still optimal, the Company's information security has therefore experienced no major adverse effects and no major operational risks in the most recent year and as of the publication date of the annual report.

(6) In the most recent year, the impact of corporate image change on corporate crisis management and countermeasures:

The Company has been committed to operations in its industry and with the goal of establishing a positive social image of the Company and exerting its social responsibility. Nothing has happened that would damage our corporate image.

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

In the most recent year and up to the date of publication of the annual report, the Company has not had any mergers or acquisitions.

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

In order to meet the needs of future business growth, the company will continue to expand the production capacity of each production base to expand its market share.

(9) Risks arising from purchase or sales concentration and countermeasures:

A. Sales:

As the company's products are diversified, including cables, connectors, batteries, power

modules and other system products, the application scope of terminal products covers communication and consumer electronics products and the sales target is mainly international brand manufacturers; therefore, risk is relatively low. At the same time, the company's products have gradually changed from OEM and ODM to JDM (joint design manufacturing with customers) in recent years, thus providing customers with multiple technical resources. Therefore, the close integration of customer relationships also greatly enhances the Company's R&D strength and competitiveness; and even in the face of an oligopolistic market for end products, the Company can also expand various new product areas and achieve the goal of stable growth in its annual performance.

B. Purchasing:

Except for agency sales involving finished products bought back from subsidiaries, the Company requires a wide range of raw materials in view of the diversified nature of its products. As a result, actual purchasing counterparties are quite spread out and there is no risk of concentration.

- (10) The influence and risk of the massive transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the response:

In the most recent year and up to the date of publication of the annual report, the Company has not faced the aforementioned situation.

- (11) The impact, risks and countermeasures of a change of management rights on the Company:

In the most recent year and up to the date of publication of the annual report, there has not been such a concern.

(12) Litigation or non-litigation events:

A. The Company's current major litigation or non-litigation events or administrative disputes still being adjudicated:

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
<p>*Defendant: Fugang Electric (Maanshan) Co., Ltd. Fugang Electric (Kunshan) Co., Ltd.</p>	<p>*Plaintiff: Maanshan Economic and Technology Development Area Construction and Investment Co., Ltd.</p>	2021	<p>(Loan contract dispute)</p> <p>*Plaintiff's assertion: 1. Fugang Electric (Maanshan) Co., Ltd. signed a loan contract with the plaintiff. The loan failed to be repaid at the end of the loan term, and the plaintiff demanded the return of the principal of RMB 274.45 million and the payment of interest at twice the benchmark loan interest rate for the same period stipulated by People's Bank of China Because Fugang Electric (Kunshan) Co., Ltd. is the joint guarantor of the loan, it should be jointly and severally responsible for repayment.</p> <p>*Defendant's claims 1. As per the investment agreement signed between Cheng Uei Precision Industry Co., Ltd., Fugang Electric (Maanshan) Co., Ltd. and the Ma'anshan Economic and Technological Development Zone Management Committee (hereinafter referred to as the "Management Committee"), the Management Committee provided a subsidy to Fugang Electric (Maanshan) Co., Ltd. in the form of a loan through Maanshan Economic and Technology Development Area Construction and Investment Co., Ltd., and it is agreed that after the first phase of the project is completed and put into operation, the loan will be fully converted into a subsidy. Therefore, the legal basis in this case should be an administrative agreement rather than a loan contract, so it should be an administrative case rather than a civil case and should not be handled through civil proceedings. 2. As per the Supplementary Agreement 6 signed by Cheng Uei Precision Industry Co., Ltd., Fugang Electric (Maanshan) Co., Ltd., and the Management Committee, the first phase of the project has been</p>	RMB 274.45 million plus interest	The Ma'anshan Intermediate People's Court and the Higher People's Court of Anhui Province

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
			<p>completed and officially put into operation, and the loan has been converted into a subsidy, and there is no obligation to repay it.</p> <p>3. In short, even if the loan involved has not been converted into a subsidy, as per the Supplementary Agreement 6, the loan term will be extended by three years. If the tax assessment criteria are not met at the end of the loan term, the loan will be automatically extended until the assessment criteria are met, and whether the loan needs to be repaid will not be determined until 2038.</p> <p>4. As per the terms of the loan agreement, only when the plaintiff claims to rescind the contract can it request the return the principal in advance and an interest payment at double the interest rate. In fact, the plaintiff has never claimed to rescind the contract, and the default interest should interpreted as liquidated damages. Also, the doubling of interest rate is too high, higher than the legal requirements.</p> <p>5. Fugang Electric (Kunshan) Co., Ltd.'s liability as a joint guarantor has expired.</p>		
As above	As above	As above	<p>*The defendant received the first-instance judgment from the Intermediate People's Court of Ma'anshan Municipality on November 22, 2021, and the verdict is as follows:</p> <p>1. The defendant shall pay the loan principal of RMB 2,774.45 million and the interest of RMB 139,488,900. With RMB 150 million as the amount, interest shall be paid at the annual rate of interest of 10.8% from April 16, 2021 to the principal repayment date. With RMB 124.45 million as the amount, interest shall be paid at the annual rate of interest of 9.5% from April 16, 2021 to the principal repayment date.</p> <p>2. Other claims were rejected.</p> <p>Second-instance litigation history (Higher People's Court of Anhui Province):</p> <p>* In response to the first-instance judgment, the defendant, Fugang Electric (Maanshan) Co., Ltd., appealed to the Higher People's</p>	As above	As above

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
			<p>Court of Anhui Province on December 6, 2021.</p> <p>* On March 30, 2022, a Notice of Response was received from the Higher People's Court of Anhui Province (Case No.: (2022) Wan Min Zhong No. 499). The case is still being tried, and the result is yet to be known.</p>		
<p>*Plaintiff: Fugang Electric (Maanshan) Co., Ltd. Cheng Uei Precision Industry Co., Ltd.</p>	<p>*Defendant: People's Government of Ma'anshan Municipality Ma'anshan Economic and Technological Development Zone Management Committee Maanshan Economic and Technology Development Area Construction and Investment Co., Ltd.</p>	2022	<p>(Administrative agreement dispute)</p> <p>I. Plaintiff's claim:</p> <ol style="list-style-type: none"> 1. Petitioned for the defendant to continue implementing the "Ma On Shan Cheng Uei Science and Technology Park Investment Agreement" and "Supplementary Agreement (6)" to assist Fugang Electric (Maanshan) Co., Ltd. in handling real estate property registration certificates of the first-phase project real estate. 2. Petitioned that the defendant be ordered to continue performing the relevant provisions of the "Ma On Shan Cheng Uei Science and Technology Park Investment Agreement" and "Supplementary Agreement (6)" regarding the extension of the payment of RMB 274.45 million, and that there should not be a unilateral demand for the return of payment before the assessment date arrives. 3. Petitioned that that the third party, Maanshan Economic and Technology Development Area Construction and Investment Co., Ltd., be ordered to stop requesting Fugang Maanshan Co. to return the amount of RMB 274.45 million plus interest in accordance with the "Loan Contract." <p>II. Litigation history:</p> <p>* Notification of acceptance was issued by the Ma'anshan Intermediate People's Court on March 28, 2022 (Case No.: (2022) Anhui 05 Xingchu No. 14), pending further notice of a hearing to be held by the court.</p> <p>* On May 6, 2022, a notice of dismissal of the suit was issued by the Ma'anshan Intermediate People's Court. An appeal was filed with the Higher People's Court of Anhui Province on May 13.</p>	RMB 274.45 million plus interest	The Ma'anshan Intermediate People's Court and the Higher People's Court of Anhui Province

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
			<p>* On July 6, 2022, a Notice of Response was received from the Higher People's Court of Anhui Province (Case No.: (2022) Wan Xing Zhong No. 642). The case is still being tried, and the result is yet to be known.</p>		
Shih Fong Power Co., Ltd.	* Shanli tribe, Taiping tribe, and indigenous peoples	2020	<p>The Shanli tribe, the Taiping tribe, and indigenous peoples filed a case for the suspension of the extended construction permit of Shih Fong Power Co., Ltd.'s power plant issued by the Bureau of Energy, Ministry of Economic Affairs: The first instance of this case has been approved by the Taipei High Administrative Court, referenced 2021-Ting No. 79, to suspend the extended construction permit issued by the Ministry of Economic Affairs on December 31, 2020 until the conclusion of the administrative proceedings, and the court rejected the remaining claims. The Ministry of Economic Affairs and Shih Fong Power Co., Ltd. refused to accept the judgment and filed an appeal with the Supreme Administrative Court prior to a deadline stipulated in law. The case is still being tried, and the result is yet to be known.</p> <p>* On April 13, 2022, the Supreme Court's ruling was received (as attached), and it was considered that the appeal was justified. The ruling's intention: the extension of the case would expire on December 31, 2021 and there was no cause to suspend enforcement. - -Program termination of this portion here</p>	NA	Supreme Administrative Court
Shih Fong Power Co., Ltd.	* Shanli tribe, Taiping tribe, and indigenous peoples	2020	<p>* The Shanli tribe, the Taiping tribe, and indigenous peoples filed a petition to revoke the extended construction permit of Shih Fong Power Co., Ltd.'s power plant, issued by the Bureau of Energy, Ministry of Economic Affairs: This petition case is under review by the Petitions and Appeals Committee, Executive Yuan, and the decision</p>	NA	Taipei High Administrative Court

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
			<p>has not come out yet. Shih Fong Power Co., Ltd.'s application for stating opinions has been passed.</p> <p>* On March 3, 2022, by decision of the Appeal Review Committee (Yuantai Suzi No. 1110166224) regarding the portion of petitioner Taiping tribe, the Ministry of Economic Affairs would undertake revocation on December 31, 2020 through Letter Quannengzi No. 10900223510 and the Ministry would take other appropriate legal sanctions within two months.</p> <p>* On April 29, 2022, Shi Fong Company filed an administrative suit against the decision in the preceding paragraph. As of November 9, 2022, the procedural court was still being prepared. The case is still being tried, and the result is yet to be known.</p>		
Shih Fong Power Co., Ltd.	Citizen of the Earth, Taiwan	2021	<p>Reason: Citizen of the Earth, Taiwan submitted a citizen notification letter to the Environmental Protection Administration in respect to an environmental impact assessment event, requesting the Administration to order the Company to submit a surprise analysis of the current environmental situation and a review report on countermeasures for the development plan, submitting it to the Administration for review. In accordance with the letter from the Environmental Protection Administration of June 9, 2021, the development plan has passed the environmental impact assessment and environmental impact review, and there is no basis for a second environmental impact assessment in accordance with the law. Citizen of the Earth, Taiwan filed an administrative suit (against defendant EPA) on August 6, 2021, alleging administrative inaction.</p> <p>* The Company filed a plea for participation in the litigation on March 23, 2022. As of October 12, 2022, the procedural court was still being prepared. The case is still being tried, and the result is yet to be known.</p>	NA	Taipei High Administrative Court

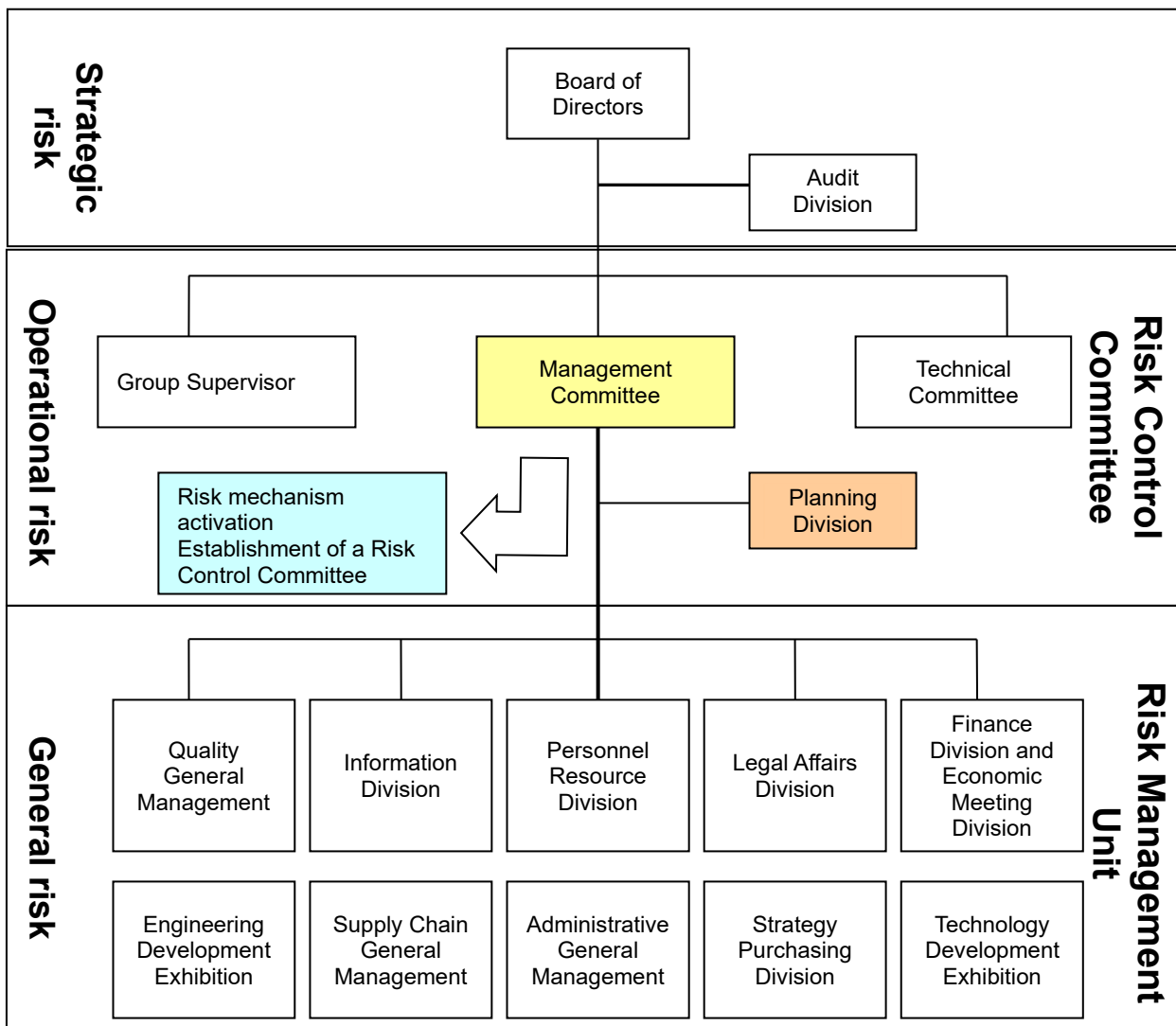
B. Major litigation or non-litigation events impacting the Company and its directors, supervisors, general managers, substantive persons in charge, and major shareholders whose shareholding ratio exceeds 10%, and major litigation or non-litigation events or administrative disputes confirmed or still being adjudicated for affiliated companies, where the outcomes may have a significant impact on shareholders' equity or the price of securities: None.

(13) Other important risks and countermeasures: None.

A. Risk management policy of the Company:

In order to strengthen its risk management mechanisms and improve internal response to various risk issues, the Company has formulated its Risk Management Measures. These clearly define risk items, risk levels, notification and management procedures, risk control management organizational structure, supervision and tracking rights and responsibilities, and so on. This is done to enhance the Company's internal risk management awareness and reduce the possibility of risk. It is further hoped that the impact of risk items can be reduced so as to achieve the Company's vision and business goals.

B. Risk management organization framework:



C. Functional description of each organizational unit:

Management Committee: Comprehensively coordinates the operation of various functional organizations; discuss and suggest optimal countermeasures

Finance and Accounting Division: Financial risk assessment and control

Information Division: Evaluation and control of information systems and computer hardware and software equipment

Administrative Management Division: Evaluation and control of general affairs and industrial safety system planning

Human Resources Division: Evaluation and control of talent cultivation and personnel management

Legal Affairs Division: Evaluation and control of legal risks

Spokesperson: The Company's unified external contact window

7. Other Important Matters:

(1) Status of advanced training for directors:

Position	Name	Training date		Organizer Unit	Course Designation	Training Hours
		From	Until			
Director	T.C Gou, Chen-Phan Pu	2022.08.10	2022.08.10	Taiwan Corporate Governance Association	Business management practices: new knowledge in digital transformation	3
	T.C. Wang James Lee Eric Huang Jui-Hsia Wan	2022.11.10	2022.11.10	Taiwan Corporate Governance Association	Transnational management and sustainable management	3
Director	Randy Lee	2022.07.08	2022.07.08	Internal Audit Association of the Republic of China	Analysis and audit focus of regulations of the Board of Directors and functional committees (Audit, Remuneration).	6
Director	Randy Lee	2022.07.22	2022.07.22	Taiwan Corporate Governance Association	Audit Committee Advanced Practice Sharing - The Role of Independent Directors in Corporate Operations and Corporate Governance	3
Director	Chien-Chung Fu	2022.06.10	2022.06.10	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulation	3
Director	Chien-Chung Fu	2022.08.23	2022.08.23	Securities & Futures Institute	Discussion of independent directors and the Audit Committee from the perspective of court practices	3
Director	Chien-Chung Fu	2022.08.23	2022.08.23	Securities & Futures Institute	Ethical Corporate Management Best Practice Principles	3
Director	Jing-Mi Tang	2022.07.28	2022.07.28	Internal Audit Association of the Republic of China	Legal self-protection: facing investigation and judgment procedures	6

(2) On-the-job training of the corporate governance officer:

Position	Name	Training date		Organizer Unit	Course Designation	Training Hours
		From	Until			
Co., Ltd. Governance Supervisor	Kufn Lin	2022.01.24	2022.01.24	Accounting Research and Development Foundation	Relevant legal responsibilities and case analysis of corporate "competition for management rights"	3
		2022.01.25	2022.01.25	Accounting Research and Development Foundation	Analysis of common internal control management deficiencies and practical cases among businesses	6
		2022.03.25	2022.03.25	Accounting Research and Development Foundation	TCFD climate-related financial disclosures and low-carbon green new value models	3

(3) Personnel involved in financial information transparency, participating in training or obtaining licenses:

A. Participation in training:

Year	Organizer	Course title	Course Hours	The Company's number of participating staff
2022	Accounting Research and Development Foundation	Most recent legal compliance and fraud prevention practices for "Amendments to Internal Control Management Guidelines " and "Information Security"	6	2
2022	Accounting Research and Development Foundation	The Latest Policy Development and Internal Control Management Practice for ESG Sustainability and for Self-Prepared Financial Reports	6	2
2022	Accounting Research and Development Foundation	Continuing training course for issuing broker stock exchange accounting supervisors	12	1
2022	Taiwan Corporate Governance Association	Business management practices: new knowledge in digital transformation	3	1
2022	Accounting Research and Development Foundation	Internal auditors' audit control practice in respect to Information Security	6	1
2022	Accounting Research and Development Foundation	Analysis of common internal control management deficiencies and practical cases among businesses	6	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Intangible asset classes and identification	3	1
2022	Professional Education Committee, National	Getting started with nonprofits for the first time	3	1

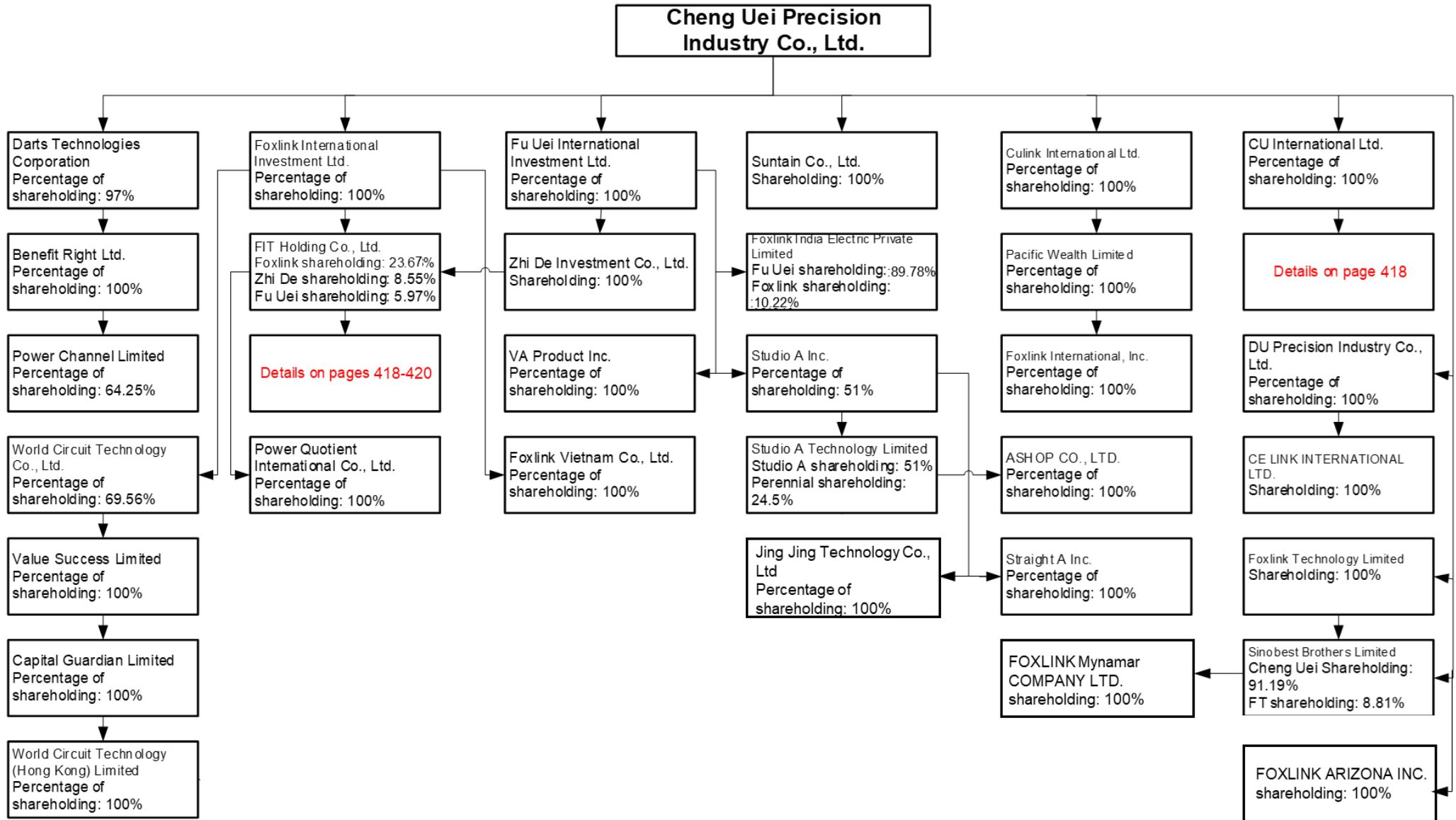
Year	Organizer	Course title	Course Hours	The Company's number of participating staff
	Federation of CPA Associations of ROC			
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Identification of purchase prices for intangible assets	3	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Business management practices	3	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Anti-Money Laundering and Countering Terrorism Financing	3	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Transnational management and sustainable management	3	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Financial instruments under IFRS 15	3	1
2022	Professional Education Committee, National Federation of CPA Associations of ROC	Inheritance tax audit practice and case sharing	3	1

B. Circumstances of obtaining licenses: None.

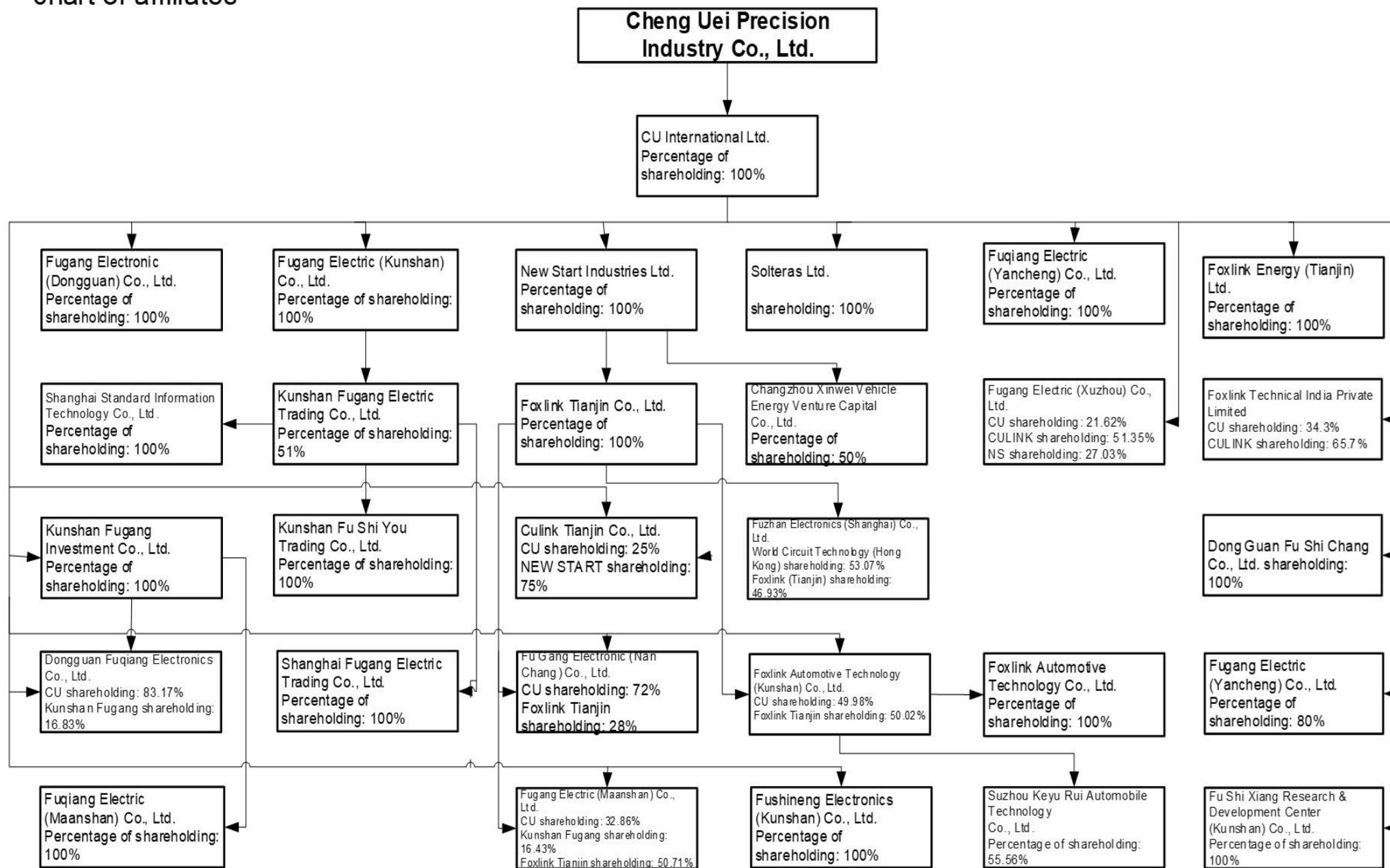
VIII. Special Disclosures

1. Related Information Of Affiliated Companies:

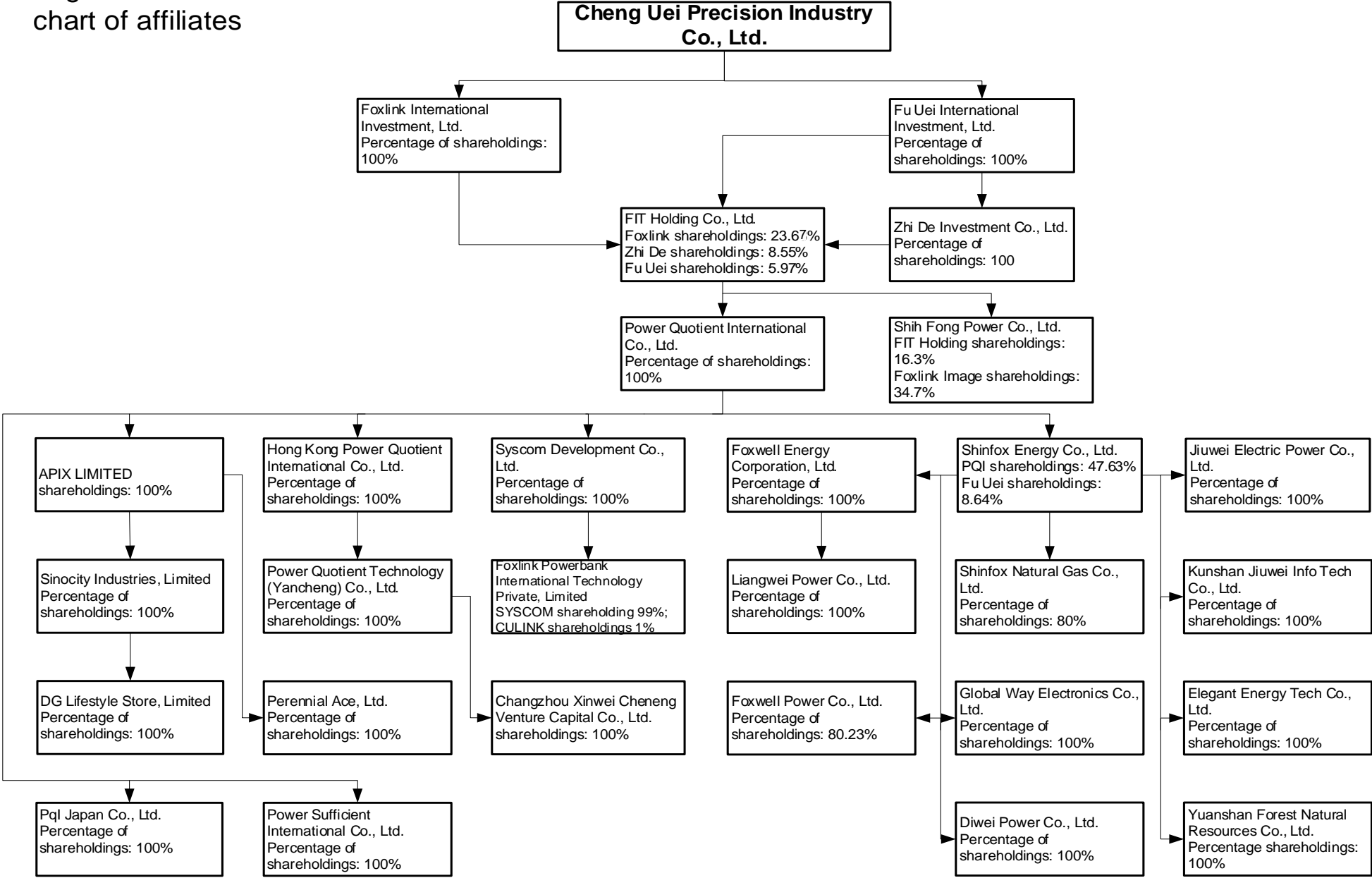
(1) Organization chart of affiliated companies (2022.12.31)



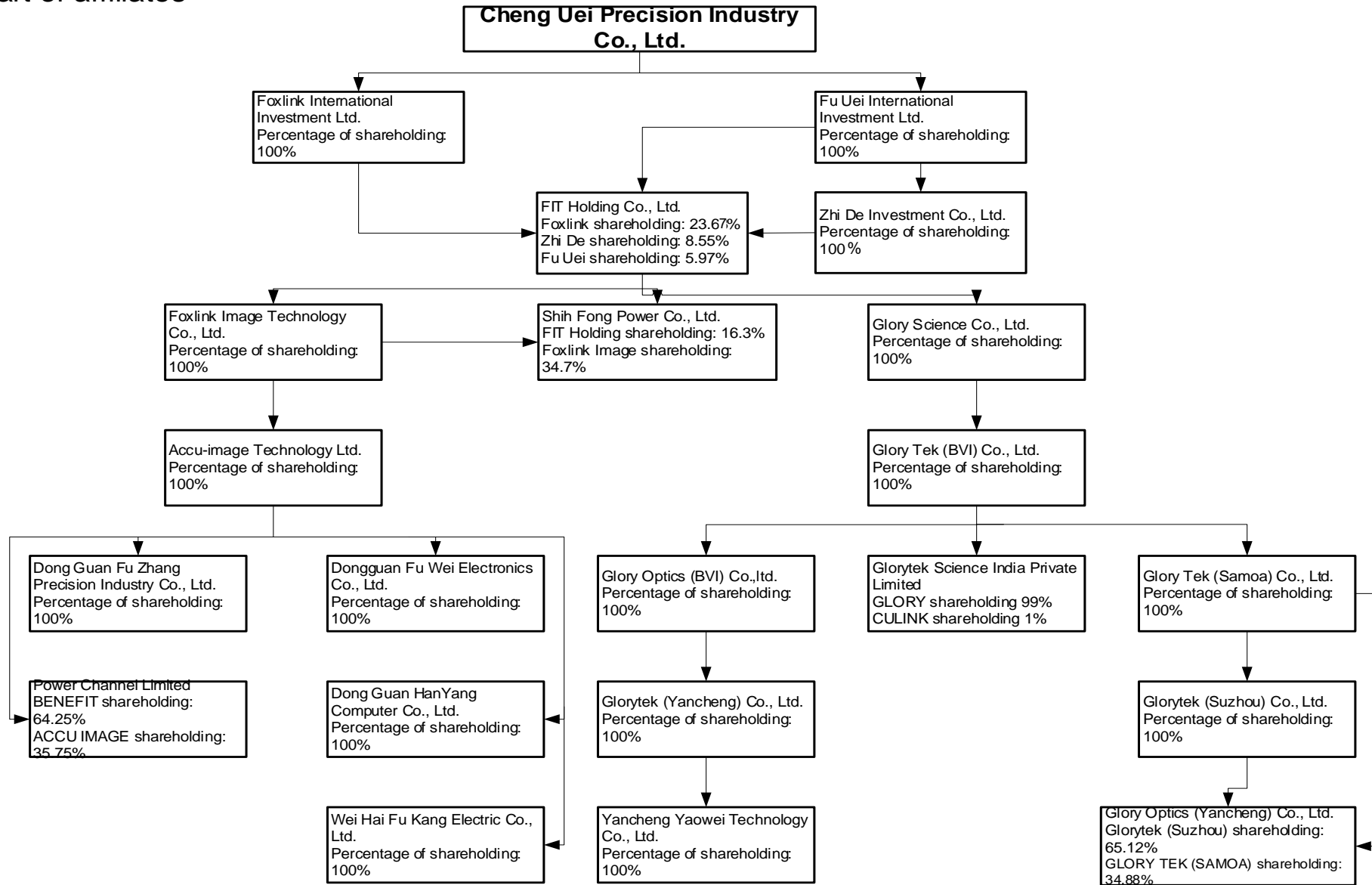
Organization chart of affiliates



Organizational chart of affiliates



Organization
chart of affiliates



(2) Basic information of each affiliated company

December 31, 2022; Unit: NTD thousand

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
CU INTERNATIONAL LTD.	1996.11.06	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	14,690,129	Manufacturing and reinvestment of electronic components and related businesses
CULINK INTERNATIONAL LTD.	1996.10.30	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	989,722	Investment in related business
PACIFIC WEALTH LTD.	1997.08.01	Huntlaw Building, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	30,710	General investing
FOXLINK INTERNATIONAL, INC.	1994.07.15	360 N. Pastoria Ave., Sunnyvale CA 94085	15,355	Shipping center and marketing business
Foxlink International Investment Ltd.	2000.03.20	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	4,087,500	General investing
NEW START INDUSTRIES LTD.	1998.12.18	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	264,106	Investment in related business
Foxlink Tianjin Co., Ltd.	1998.10.30	Jinnan Economic Development Zone, Tianjin City, Hebei Province, China	552,780	Manufacturing and trading of electronic components
Fugang Electronic (Dongguan) Co., Ltd.	1997.12.17	Room 101, Building 1, No.132 South Dongkeng Avenue, Dongkeng Town, Dongguan City, Guangdong Province, China	1,792,666	Electronic component manufacturing
Fugang Electric (Kunshan) Co., Ltd.	2002.04.03	Jinxi Development Zone, Jinxi Town, Kunshan City, Jiangsu Province, China	3,731,265	Electronic component manufacturing
Dong Guan Fu Shi Chang Co., Ltd.	2002.06.25	Yinhe Industrial Zone, Keji Road, Qingxi Town, Dongguan City, Guangdong Province, China	3,686	Electronic component manufacturing
Culink Tianjin Co., Ltd.	2002.11.08	No. 33, Fifth Avenue, Jinnan Economic Development Zone, Tianjin	122,840	Manufacturing and trading of electronic components
World Circuit Technology Co., Ltd.	2003.09.15	No. 28-1, Zhongshan Road, Tucheng District, New Taipei City	225,000	Manufacturing and trading of flex PCBs and electronic components
VALUE SUCCESS LTD.	2003.04.15	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	169,309	Holding and reinvestment business
Fu Uei International Investment	2004.11.15	6th Floor, No. 260, Bade Road Section 2,	4,250,000	General investing

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
Ltd.		Zhongshan District, Taipei City		
Dongguan Fuqiang Electronics Co., Ltd.	2005.02.24	Room 101, Building 1, No. 136, Dongkeng Keji Road, Dongkeng Town, Dongguan City, Guangdong Province, China	4,262,855	Manufacturing and trading of electronic components
Foxlink Energy (Tianjin) Ltd.	2004.11.23	No. 137, Huanghai Road, Tianjin Economic and Technological Development Zone	112,840	Manufacturing and trading of electronic components
Foxlink Automotive Technology (Kunshan) Co., Ltd.	2005.09.08	No. 2-18, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	189,610	Manufacturing and trading of electronic components
CAPITAL GUARDIAN LTD.	2004.07.01	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	196,544	Holding and reinvestment business
World Circuit Technology (Hong Kong) Limited	1999.07.02	Units 901-4,9/F., Lu Plaza, No. 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong	34,316	Trading of electronic components
Shanghai World Circuit Technology Co., Ltd.	2004.11.08	No.1089, Chuan Qiao Road, Jin Qiao Export Processing Zone, Pu Dong New Area, Shanghai, China	244,452	Manufacturing and trading of electronic components
Darts Technologies Corporation	2002.09.23	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	490,470	Manufacturing and trading of wired and wireless communication equipment
SOLTERAS LTD.	2006.04.06	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	61,410	General investing
DU Precision Industry Co., Ltd.	2007.08.09	No. 28, Zhongshan Road, Tucheng District, New Taipei City	600,000	Trading of various connector materials and products
CE LINK INTERNATIONAL LTD.	2007.07.31	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	507,812	Trading of various connector materials and products
BENEFIT RIGHT LTD.	2007.08.15	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	302,371	General investing
Studio A Inc.	2007.03.22	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	258,750	Trading of electronic components
Straight A Inc.	2009.08.25	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	101,232	Trading of electronic components
Fushineng Electronics (Kunshan) Co., Ltd.	2007.09.06	No. 6, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province	368,520	Manufacturing and trading of electronic components

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
VA Product Inc.	2001.05.22	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	24,000	Trading of electronic components
FOXLINK TECHNOLOGY LIMITED	2000.03.01	Unit 901-4, 9/F., Lu Plaza 2 Wing Yip Street, Kwun Tong, Kowloon Hong Kong	341,425	Reinvestment related business
Studio A Technology Limited	2010.02.11	Shop 101-102, First Floor, Frontline Touch, 310 Gloucester Road, Causeway Bay, Hong Kong	15,040	Trading of electronic components
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	2010.02.10	North side of Jindong Road, Jinxi Town, Kunshan City, Jiangsu Province	138,195	Manufacturing and trading of electronic components
Zhi De Investment Co., Ltd.	1998.07.10	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	1,709,183	General investing
Kunshan Fugang Electric Trading Co., Ltd.	2010.10.09	No. 6, Zhengwei West Road, Jinxi Town, Kunshan City, Jiangsu Province	172,111	Trading of electronic components
ASHOP CO., LTD.	1999.10.12	B1-23 Coex Mall,159. Samseong-dong, Gangnam-gu, Seoul Korea	4,607	Trading of electronic components
Fu Gang Electronic (Nan Chang) Co., Ltd.	2010.11.09	No. 189, Huoju 3rd Road, Xingao District, Nanchang City, Jiangxi Province	1,535,500	Manufacturing and trading of electronic components
Shinfox Energy Co., Ltd.	2007.04.27	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	2,161,500	Energy service management
Jing Jing Technology Co., Ltd.	2010.11.17	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	3,700	Trading of electronic components
Power Quotient International Co., Ltd.	1997.12.31	8F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	4,446,905	Manufacturing and trading of electronic components
Hong Kong Power Quotient International Co., Ltd.	1999.09.29	Unit 2018, Shatin Galleria, 18-24 Shan Mei Street, Fotan, New Territories, Hong Kong	417,822	Trading of electronic components
SYSCOM DEVELOPMENT CO.,LTD	2000.11.09	Office of Insinger Corporate Services Limited, Road Town, Tortola, British Virgin Islands.	333,602	Professional investment company
Power Quotient Technology (Yancheng) Co., Ltd.	2001.04.12	Room 815, Commercial Building, Comprehensive Bonded Zone, No. 18, Hope Avenue South Road, Yancheng Economic and Technological Development Zone, Jiangsu Province, China	614,200	Manufacturing and trading of electronic components

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
PQI JAPAN CO.,LTD.	2002.04.09	5-1208 BIWAJIMA-TYO, NISHI-KU, NAGOYA CITY 451-0053, JAPAN	23,129	Trading of electronic components
Fugang Electric (Yancheng) Co., Ltd.	2011.08.05	Room 803, Commercial Building, Comprehensive Bonded Zone, No. 18, Hope Avenue South Road, Yancheng Economic and Technological Development Zone, Jiangsu Province	92,130	Manufacturing and trading of electronic components
Kunshan Fu Shi You Trading Co., Ltd.	2011.09.19	No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	61,712	Trading of electronic components
Shanghai Fugang Electric Trading Co., Ltd.	2011.11.15	Room 102-20, No.438 South Ruijin Road, Xuhui District, Shanghai, China	8,816	Trading of electronic components
Fuqiang Electric (Yancheng) Co., Ltd.	2011.11.11	2# Standard Factory Building in Yancheng Comprehensive Bonded Zone, Jiangsu Province	307,100	Manufacturing and trading of electronic components
Sinocity Industries Limited	1991.12.10	Room 3906, Cable Building, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong	2,658,150	Trading of electronic products
APIX LIMITED	2012.12.13	Portcullis TrustNet Chambers, P.O Box 3444 Road Town, Tortola, British Virgin Islands	3,177,539	Professional investment company
DG Lifestyle Store Limited	2007.09.13	Shop 2109&2111, 3rd Floor, Shoppes at Venetian, Coloane Road, Macau	382	Trading of electronic products
PERENNIAL ACE LTD.	2012.01.17	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	654,123	Professional investment company
Foxwell Energy Corporation Ltd.	2013.02.08	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	6,100,000	Energy service management
Suntain Co., Ltd.	1991.04.30	4F, No.11, Minquan St., Tu Cheng Dist., New Taipei City	206,017	Electroplating service
Fugang Electric (Maanshan) Co., Ltd.	2013.01.17	No. 2161, Zhengwei Road, Ma'anshan Economic and Technological Development Zone	934,540	Manufacturing and trading of electronic components
Kunshan Fugang Investment Co., Ltd.	2014.03.04	No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	921,300	Investment in related business
Shinfox Natural Gas Co., Ltd.	2014.04.11	6F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng	450,000	Energy service management

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
		Dist., New Taipei City		
Fuqiang Electric (Maanshan) Co., Ltd.	2013.03.13	1st Floor, Comprehensive Building, No. 259, Huxi Avenue South Road, Ma'anshan Economic and Technological Development Zone	153,550	Manufacturing and trading of electronic components
Power Sufficient International Co., Ltd.	2014.11.21	8F, No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	10,000	Medical equipment sales
POWER CHANNEL LIMITED	2003.09.05	Room 1904, 19th Floor, Donghui Commercial Building, 109-111 Gloucester Road, Wanchai, Hong Kong.	150,479	General investing
Kunshan Jiuwei Info Tech Co., Ltd.	2017.06.01	Room 9606, Room 3, No. 28, Jinchang Road, Jinxi Town, Kunshan City, Jiangsu Province	1,536	Supply chain finance energy service management
Foxlink Automotive Technology Co., Ltd.	2008.02.27	3F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	50,000	Manufacturing and trading of electronic components
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	2017.08.03	A-13, Sector 64, Noida Gautam Buddha Nagar, Uttar Pradesh, India	266,002	Manufacturing and trading of electronic components
Fugang Electric (Xuzhou) Co., Ltd.	2017.10.26	North side of Shenda Road, Xuzhou Economic and Technological Development Zone	1,750,470	Manufacturing and trading of electronic components
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	2018.01.16	A-13, Sector 64, Noida Gautam Buddha Nagar, Uttar Pradesh, India	104,053	Trading of electronic components
FIT Holding Co., Ltd.	2018.10.01	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	2,462,421	General investing
Foxlink Image Technology Co., Ltd.	1997.03.25	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	1,649,940	Manufacturing and trading of image scanners and electronic communication parts, etc.
Glory Science Co., Ltd.	2000.06.29	No. 22, Houke S. Rd., Houli Dist., Taichung City	600,000	Manufacturing and trading of optical instruments
ACCU-IMAGE TECHNOLOGY LIMITED	2000.07.18	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	591,928	Manufacturing and trading of image scanners and multi-function printers, etc.
Dongguan Fu Wei Electronics Co., Ltd.	2014.01.10	Yinhe Industrial Zone, Zhonghe Management Zone, Qingxi Town, Dongguan	184,260	Sales and purchase of image scanners, multi-function printers and

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
				their accessories
Wei Hai Fu Kang Electric Co., Ltd.	2011.07.12	No. 373, Shuangdao Road, Shuangdao Bay, Weihai High District	460,650	Manufacturing and sales of parts and molds such as photocopiers and scanners
Dong Guan Fu Zhang Precision Industry Co., Ltd.	2011.06.01	Yinhe Industrial Zone, Zhonghe Management Zone, Qingxi Town, Dongguan	249,127	Mold development and plastic parts
Dong Guan HanYang Computer Co., Ltd.	2000.11.24	Yinhe Industrial Zone, Zhonghe Management Zone, Qingxi Town, Dongguan	187,442	Manufacturing of image scanners and multi-function printers; investment in real estate
Glory Science (BVI) Co., Ltd.	2003.11.03	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	1,372,936	General investing
Glory Optics (BVI) Co., Ltd.	2003.12.24	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	491,360	Trading business
Glory Science (Samoa) Co., Ltd.	2003.10.31	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	769,305	General investing
Glorytek (Yancheng) Co., Ltd.	2011.11.11	1 Standard Factory Building in Yancheng Comprehensive Bonded Zone, Jiangsu Province	276,390	Trading and manufacturing business
Glorytek (Suzhou) Co., Ltd.	2004.01.09	Building 2, No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province	429,940	Trading and manufacturing business
Yancheng Yaowei Technology Co., Ltd.	2015.11.05	No. 50, Jiuhuashan Road, Yancheng Technology Development Zone, Jiangsu Province	44,080	Trading and manufacturing business
Glory Optics (Yancheng) Co., Ltd.	2017.05.23	Room 919, No. 18, Hope Avenue South Road, Yancheng Technology Development Zone, Jiangsu Province	951,101	Trading and manufacturing business
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	2017.08.14	C-3 in Unit No.532, Logix Technova, Tower B Plot No.A-4, Sector-132 Noida Gautam Buddha Nagar-201301	104,126	Trading and manufacturing business
Suzhou Keyu Rui Automobile Technology Co., Ltd.	2016.01.22	No. 1088, Jindong Road, Jinxi Town, Kunshan City, Jiangsu Province	11,020	Trading and manufacturing business
Changzhou Xinwei Vehicle Energy	2018.12.14	Room 405, Block E, Building 3, High-Tech Park,	440,800	General investing

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
Venture Capital Co., Ltd.		Xinbei District, Changzhou City		
SINOBEST BROTHERS LIMITED	2011.08.10	Room 902-4, 9th Floor, Zhen Wan Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong	696,863	Reinvestment related business
FOXLINK MYANMAR COMPANY LIMITED	2013.07.25	Plot C-8, Mingaladon Industrial Park, Mingaladon Township, Yangon, Myanmar	697,240	Manufacturing and trading of electronic components
Shih Fong Power Co., Ltd.	1995.01.18	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	2,300,000	Hydropower
Foxwell Power Co., Ltd.	2019.06.28	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	600,000	Energy service management
SHANGHAI STANDARD INFORMATION TECHNOLOGY CO., LTD	2018.12.12	Room 05, 1st Floor, No. 39 Ruiping Road, Xuhui District, Shanghai	4,408	Trading of electronic components
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	2020.03.18	Plot 2, EMC I, Vikruthamala Village Yerpedu Mandal, Tirupati Airport Road CHITTOR Chittoor AP 517520 India.	1,171,601	Manufacturing and trading of electronic components
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	2020.06.18	North side of Shenda Road, Xuzhou Economic and Technological Development Zone	44,080	Manufacturing and trading of electronic components
FOXLINK VIETNAM CO., LTD.	2020.12.09	Standard Factory C, lot Va.04b,Road 24 & 17, Industrial Park,Tan Thuan Export Processing Zone,Tan Thuan Dong Ward, District 7,Ho Chi Minh City, Vietnam	119,318	Manufacturing and trading of electronic components
Jiuwei Electric Power Co., Ltd.	2021.10.10	No. 27, Minsheng 6th Street, Guiren District, Tainan City	1,100,000	Natural gas power generation business
FOXLINK ARIZONA INC.	2022.01.06	2140 West Pinnacle Peak Road,Phoenix, AZ, 85027, USA	224,183	Energy service management
Elegant Energy Tech Co., Ltd.	2020.04.07	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	5,000	Energy Service Management
Yuanshan Forest Natural Resources Co., Ltd.	2022.03.18	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	10,000	Afforestation
Global Way Electronics Co., Ltd.	2022.06.21	No. 49, Zhongyang Road Section 4, Tucheng	35,700	Power generation business

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
		District, New Taipei City		
Diwei Power Co., Ltd.	2022.06.24	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	30,000	Power generation business
Liangwei Power Co., Ltd.	2022.06.27	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	40,000	Power generation business

(3) The information of identical shareholders presumed to have control and subsidiary relationship: None.

(4) The industries covered by the business of the overall related company: Including manufacturing, investment, trading, etc.

(5) Information on directors, supervisors and general managers of related companies

December 31, 2022 Unit: Shares

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
CU INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
CULINK INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
PACIFIC WEALTH LTD.	DIRECTOR	CULINK INTERNATIONAL LTD.	-	-
FOXLINK INTERNATIONAL, INC.	DIRECTOR	Chen-Phan Pu	-	-
Foxlink International Investment Ltd.	Chairperson	T.C. Gou (Note 1)	408,750,000	100.00%
	Director	Liu Su-Fang (Note 1)	408,750,000	100.00%
	Director	Kufn Lin (Note 1)	408,750,000	100.00%
	Supervisor	Chen-Phan Pu (Note 1)	408,750,000	100.00%
NEW START INDUSTRIES LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
Foxlink Tianjin Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
Fugang Electronic (Dongguan) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
Fugang Electric (Kunshan) Co., Ltd.	Legal representative	Kufn Lin	-	-
Dong Guan Fu Shi Chang Co., Ltd.	Legal representative	Lan Chia-Cheng	-	-
Culink Tianjin Co., Ltd.	Legal representative	Kufn Lin	-	-
World Circuit Technology Co., Ltd.	Chairperson	Liu Su-Fang (Note 2)	15,650,000	69.56%
	Supervisor	Chen-Phan Pu (Note 12)	100,000	0.44%-
VALUE SUCCESS LTD.	DIRECTOR	Kufn Lin	-	-
Fu Uei International Investment Ltd.	Chairperson	Kufn Lin (Note I)	425,000,000	100.00%
Dongguan Fuqiang Electronics Co., Ltd.	Legal representative	Kufn Lin	-	-
Foxlink Energy (Tianjin) Ltd.	Legal representative	Kufn Lin	-	-
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Legal representative	Kuo Shou-Fu	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
CAPITAL GUARDIAN LTD.	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	Chen-Phan Pu	-	-
World Circuit Technology (Hong Kong) Limited	DIRECTOR	Kufn Lin	-	-
Darts Technologies Corporation	Chairperson	Liu Su-Fang (Note 1)	47,575,573	97.00%
	Director	Teng Ching-Yueh (Note 1)	47,575,573	97.00%
	Director	Kufn Lin (Note 1)	47,575,573	97.00%
	Supervisor	Chen-Phan Pu (Note 16)	1,471,410	3.00%
SOLTERAS LTD.	DIRECTOR	Liu Su-Fang	-	-
DU Precision Industry Co., Ltd.	Chairperson	T.C. Gou (Note 1)	60,000,000	100.00%
CE LINK INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Chang Shao-Liang	-	-
BENEFIT RIGHT LTD.	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	Leu Tzu-Keng	-	-
Studio A Inc.	Chairperson	T.C. Gou (Note 3)	13,196,250	51.00%
	Director	Kuan Hsin (Note 11)	12,678,750	49.00%
	Director	Kufn Lin (Note 3)	13,196,250	51.00%
	Supervisor	Chen-Phan Pu	-	-
	Supervisor	Su Yu-Lan	-	-
Straight A Inc.	Chairperson	Cheng Ying-Lung (Note 4)	10,123,200	100.00%
	Director	Kufn Lin (Note 4)	10,123,200	100.00%
	Director	Fu Chih-Fang (Note 4)	10,123,200	100.00%
	Supervisor	Chen-Phan Pu (Note 4)	10,123,200	100.00%
Fushineng Electronics (Kunshan) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
VA Product Inc.	Chairperson	Kufn Lin (Note 3)	2,400,000	100.00%
	Director	Liu Su-Fang (Note 3)	2,400,000	100.00%
	Director	Cheng Ying-Lung (Note 3)	2,400,000	100.00%
	Supervisor	Chen-Phan Pu (Note 3)	2,400,000	100.00%
FOXLINK TECHNOLOGY LIMITED	DIRECTOR	Kufn Lin	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Studio A Technology Limited	DIRECTOR	Cheng Ying-Lung	-	-
	DIRECTOR	Kufn Lin	-	-
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Corporate representative	Kufn Lin	-	-
Zhi De Investment Co., Ltd.	Chairperson	Liu Su-Fang (Note 3)	170,918,308	100.00%
	Director	Kufn Lin (Note 3)	170,918,308	100.00%
	Director	Luo Chi-Wei (Note 3)	170,918,308	100.00%
	Supervisor	Chen-Phan Pu (Note 3)	170,918,308	100.00%
Kunshan Fugang Electric Trading Co., Ltd.	Legal representative	Kufn Lin	-	-
ASHOP CO., LTD.	DIRECTOR	Cheng Ying-Lung	-	-
		Kufn Lin		
		Koh, Hyunlim		
Fu Gang Electronic (Nan Chang) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
Shinfox Energy Co., Ltd.	Chairperson	T.C. Gou (Note 6)	102,951,145	47.63%
	Director	Kufn Lin (Note 6)	102,951,145	47.63%
	Director	Hu Hui-Sen (Note 6)	102,951,145	47.63%
	Director	Tu Tze-Chun	-	-
	Independent Director	Wang Shu-Fen	-	-
	Independent Director	Ong Chung-Hsiung	-	-
	Independent Director	Liu Wen-Shuai	-	-
Jing Jing Technology Co., Ltd.	Chairperson	Cheng Ying-Lung (Note 4)	370,000	100.00%
	Director	Kufn Lin (Note 4)	370,000	100.00%
	Director	Fu Chih-Fang (Note 4)	370,000	100.00%
	Supervisor	Chen-Phan Pu (Note 4)	370,000	100.00%
Power Quotient International Co., Ltd.	Chairperson	T.C. Gou (Note 5)	444,690,529	100.00%
Hong Kong Power Quotient International Co., Ltd.	Director	Liu Su-Fang (Note 6)	106,100,000	100.00%
SYSCOM DEVELOPMENT CO.,LTD	Director	Liu Su-Fang (Note 6)	10,862,980	100.00%

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Power Quotient Technology (Yancheng) Co., Ltd.	Director	Liu Su-Fang (Note 8)	(Capital contribution USD 20,000 thousand, unissued shares)	100.00%
PQI JAPAN CO.,LTD.	Director	Liu Su-Fang (Note 6)	24,300	100.00%
Fugang Electric (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
Kunshan Fu Shi You Trading Co., Ltd.	Legal representative	Cheng Ying-Lung	-	-
Shanghai Fugang Electric Trading Co., Ltd.	Legal representative	Kufn Lin	-	-
Fuqiang Electric (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
Sinocity Industries Limited	Director	Liu Su-Fang (Note 9)	6,000,000	100.00%
	Director	Cheng Ying-Lung	-	-
APIX LIMITED	Director	Liu Su-Fang (Note 6)	12,501	100.00%
DG Lifestyle Store Limited	Director	Cheng Ying-Lung (Note 19)	100,000	100.00%
PERENNIAL ACE LTD.	Director	Liu Su-Fang (Note 9)	(Capital contribution USD 21,300 thousand, unissued shares)	100.00%
Foxwell Energy Corporation Ltd.	Chairperson	Hu Hui-Sen (Note 10)	610,000,000	100.00%
	Director	Kufn Lin (Note 10)	610,000,000	100.00%
	Director	Liu Su-Fang (Note 10)	610,000,000	100.00%
	Supervisor	Chen-Phan Pu (Note 10)	610,000,000	100.00%
Suntain Co., Ltd.	Director	Chen-Phan Pu (Note 1)	20,601,666	100.00%
Fugang Electric (Maanshan) Co., Ltd.	Legal representative	Kufn Lin	-	-
Kunshan Fugang Investment Co., Ltd.	Legal representative	Kufn Lin	-	-
Shinfox Natural Gas Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	36,000,000	80.00%
	Director	Tsai Mei-Chi(Note 10)	36,000,000	80.00%
	Director	Kufn Lin (Note 10)	36,000,000	80.00%
	Director	Kuei-Lung Liao (Note 10)	36,000,000	80.00%
	Director	Yi-chiu Chemical & Technical Co., Ltd.	9,000,000	20.00%
	Supervisor	Chen-Phan Pu	-	-
Fuqiang Electric (Maanshan) Co., Ltd.	Legal representative	Kufn Lin	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Power Sufficient International Co., Ltd.	Chairperson	Liu Su-Fang (Note 6)	1,000,000	100.00%
POWER CHANNEL LIMITED	DIRECTOR	Kufn Lin	-	-
Kunshan Jiuwei Info Tech Co., Ltd.	Legal representative	Hu Hui-Sen	-	-
Foxlink Automotive Technology Co., Ltd.	Chairperson	Kuo Shou-Fu (Note 14)	5,000,000	100.00%
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	WU HSIANG CHIN	-	-
	DIRECTOR	PRANAV NEGI	-	-
Fugang Electric (Xuzhou) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	Director	Liu Su-Fang (Note 7)	217,900,000	99.27%
	Director	WU HSIANG CHIN	-	-
FIT Holding Co., Ltd.	Chairperson	T.C. Gou (Note 2)	58,303,464	23.68%
	Director	Kufn Lin (Note 2)	58,303,464	23.68%
	Director	Cheng Ying-Lung (Note 22)	5,419,329	2.20%
	Director	Lin Hui-Chuan (Note 22)	5,419,329	2.20%
	Director	Wang Hsiu-Ming (Note 12)	2,771,276	1.13%
	Director	Hu Hui-Sen (Note 12)	2,771,276	1.13%
	Independent Director	Chen Tzu-Chien	-	-
	Independent Director	Chiang Chen-Jung	-	-
Independent Director	Wang Wei-Lin	-	-	
Foxlink Image Technology Co., Ltd.	Chairperson	T.C. Gou (Note 5)	164,993,974	100.00%
Glory Science Co., Ltd.	Chairperson	T.C. Gou (Note 5)	60,000,001	100.00%
ACCU-IMAGE TECHNOLOGY LIMITED	DIRECTOR	Kufn Lin (Note 17)	13,241,034	100%
Dongguan Fu Wei Electronics Co., Ltd.	Legal representative	Kufn Lin (Note 18)	6,000,000	100%
Wei Hai Fu Kang Electric Co., Ltd.	Legal representative	Kufn Lin (Note 18)	8,000,000	100%
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Legal representative	Kufn Lin (Note 18)	8,112,257	100%
Dong Guan HanYang Computer Co., Ltd.	Legal representative	Kufn Lin (Note 18)	47,598,184	100%
Glory Science (BVI) Co., Ltd.	Director	Kufn Lin	-	-
Glory Optics (BVI) Co., Ltd.	Director	Kufn Lin	-	-
Glory Science (Samoa) Co., Ltd.	Director	Kufn Lin	-	-
Glorytek (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Glorytek (Suzhou) Co., Ltd.	Legal representative	Kufn Lin	-	-
Yancheng Yaowei Technology Co., Ltd.	Legal representative	Kufn Lin	-	-
Glory Optics (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	Director	Kufn Lin	-	-
	Director	Cheng-Chieh Lin	-	-
	Director	SWAPNA LATHA SATYANARAYANA KATTA	-	-
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Legal representative	Kufn Lin	-	-
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Legal representative	Ting Hsueh-Wen	-	-
SINOBEST BROTHERS LIMITED	DIRECTOR	Kufn Lin	-	-
FOXLINK MYANMAR COMPANY LIMITED	DIRECTOR	Kufn Lin	-	-
Shih Fong Power Co., Ltd.	Chairperson	T.C. Gou (Note 5)	37,500,000	16.30%
	Director	Hu Hui-Sen (Note 5)	37,500,000	16.30%
	Director	Kufn Lin (Note 5)	37,500,000	16.30%
	Director	Chiang-Chang Ju (Note 21)	57,500,000	25.00%
	Director	Peng Shao-Po (Note 20)	46,000,000	20.00%
	Supervisor	Chen-Phan Pu (Note 17)	79,800,000	34.70%
Foxwell Power Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	48,140,000	80.23%
	Director	Kufn Lin (Note 10)	48,140,000	80.23%
	Director	Hao Hsia-Peng (Note 10)	48,140,000	80.23%
	Supervisor	Chen-Phan Pu	-	-
Shanghai Standard Information Technology Co., Ltd.	Legal representative	Cheng Ying-Lung	-	-
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	WU HSIANG CHIN	-	-
	DIRECTOR	BENSON CHO F	-	-
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	Legal representative	Spencer Yeh (Note 13)	(Capital contribution CNY 10,000 thousand, unissued shares)	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
FOXLINK VIETNAM CO., LTD.	Legal representative	Cheng-Chieh Lin (Note 2)	1,300,000	100%
Jiuwei Electric Power Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	110,000,000	100%
FOXLINK ARIZONA INC.	DIRECTOR	Kuo Shou-Fu (Note 1)	-	-
Elegant Energy Tech Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	500,000	100%
Yuanshan Forest Natural Resources Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	1,000,000	100%
Global Way Electronics Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	3,570,000	100%
Diwei Power Co., Ltd.	Chairperson	Hu Hui-Sen (Note 10)	3,000,000	100%
Liangwei Power Co., Ltd.	Chairperson	Hu Hui-Sen (Note 15)	4,000,000	100%

Note 1: Representative of Cheng Uei Precision Industry Co., Ltd.

Note 2: Representative of Foxlink International Investment Ltd.

Note 3: Representative of Fu Uei International Investment Ltd.

Note 4: Representative of Studio A Inc.

Note 5: Representative of FIT Holding Co., Ltd.

Note 6: Representative of Power Quotient International Co., Ltd.

Note 7: Representative of Syscom Development Co., Ltd.

Note 8: Representative of PQI Mobility Inc.

Note 9: Representative of Apix Limited

Note 10: Representative of Shinfox Energy Co., Ltd.

Note 11: Representative, Allied Industrial Corp., Ltd.

Note 12: Representative of Foxlink Taiwan Industry Co., Ltd.

Note 13: Representative of Power Quotient Technology (Yancheng) Co., Ltd.

Note 14: Representative of Foxlink Automotive Technology (Kunshan) Co., Ltd. of China

Note 15: Representative of Foxwell Energy Corporation Ltd.

Note 16: Representative of Zhengfa Investment Co., Ltd.

Note 17: Representative of Foxlink Image Technology Co., Ltd.

Note 18: Representative: of Accu-Image Technology Limited

Note 19: Representative of Sinocity Industries Limited

Note 20: Representative of the National Development Fund, Executive Yuan of the R.O.C.

Note 21: C&C Investment Corporation in Japan

Note 22: Hsin Hung International Investment Co., Ltd.

(6) Overview of operations of affiliated companies

A. The financial status and financial performance of each affiliated company in 2022:

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
CU INTERNATIONAL LTD.	14,690,129	27,061,202	1,567,652	25,493,551	1,315	-282,417	1,531,337	Note
CULINK INTERNATIONAL LTD.	989,722	1,487,821	15,414	1,472,408	0	0	445,582	Note
PACIFIC WEALTH LTD.	30,710	0	0	0	0	0	-17,740	Note
FOXLINK INTERNATIONAL, INC.	15,355	6,645,813	6,766,968	-121,155	19,892,451	-7,005	-17,740	-12.46
Foxlink International Investment Ltd.	4,087,500	3,993,884	25,782	3,968,102	0	-1,312	26,771	0.07
NEW START INDUSTRIES LTD.	264,106	2,784,372	3,123	2,781,249	0	0	-275,247	Note
Foxlink Tianjin Co., Ltd.	552,780	1,444,839	14,002	1,430,837	0	-24,879	-533,181	Note
Fugang Electronic (Dongguan) Co., Ltd.	1,792,666	11,386,723	4,226,668	7,160,054	19,363,106	1,125,090	1,238,199	Note
Fugang Electric (Kunshan) Co., Ltd.	3,731,265	9,048,384	6,166,361	2,882,023	2,481,028	-497,101	-450,772	Note
Dong Guan Fu Shi Chang Co., Ltd.	3,686	3,221	749	2,472	0	0	0	Note
Culink Tianjin Co., Ltd.	122,840	239,109	2,238	236,870	0	-46	482	Note
World Circuit Technology Co., Ltd.	225,000	275,891	2,228	273,663	0	-191	10,455	0.46
VALUE SUCCESS LTD.	196,544	33,032	0	33,032	0	0	-286	Note
Fu Uei International Investment Ltd.	4,250,000	3,246,732	1,497	3,245,236	0	-1,759	-61,361	-0.14
Dongguan Fuqiang Electronics Co., Ltd.	4,262,855	23,254,705	12,667,703	10,587,002	25,570,734	1,516,356	1,320,707	Note
Foxlink Energy (Tianjin) Ltd.	122,840	177,745	45	177,700	0	-45	842	Note
Foxlink Automotive Technology (Kunshan) Co., Ltd.	189,610	721,478	437,813	283,664	614,547	-18,051	-52,073	Note
CAPITAL GUARDIAN LTD.	196,544	37,304	0	37,304	0	0	-624	Note
World Circuit Technology (Hong Kong) Limited	34,316	37,304	0	37,304	0	0	-624	Note
Shanghai World Circuit Technology Co., Ltd.	244,452	52,574	614	51,960	0	-632	-539	Note

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
Darts Technologies Corporation	490,470	930,888	25,558	905,330	0	-81	81,796	1.67
SOLTERAS LTD.	61,410	0	0	0	0	0	0	Note
DU Precision Industry Co., Ltd.	600,000	251,436	160,440	90,996	3,646	3,395	20,380	0.34
CELINK INTERNATIONAL LTD.	507,821	0	0	0	0	0	0	Note
BENEFIT RIGHT LTD.	302,371	933,721	3,694	930,027	0	0	87,075	Note
Studio A Inc.	258,750	1,762,954	1,005,329	757,625	5,197,123	38,041	192,079	7.42
Straight A Inc.	101,232	1,568,735	1,356,894	211,841	4,332,449	135,575	93,721	9.26
Fushineng Electronics (Kunshan) Co., Ltd.	368,520	3,673,113	2,192,872	1,480,241	4,470,051	267,567	215,553	Note
VA Product Inc.	24,000	71,382	41,514	29,868	116,099	12,426	12,223	5.09
FOXLINK TECHNOLOGY LIMITED	341,425	880,175	1,556	878,620	17,248	-3,218	-10,688	Note
Studio A Technology Limited	15,040	710,993	212,501	498,492	2,430,060	76,367	65,881	4.38
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	138,195	96,777	28,011	68,767	6,239	-3,071	-3,052	Not Applicable
Zhi De Investment Co., Ltd.	1,709,183	604,261	84	604,177	0	-89	44,610	0.26
Kunshan Fugang Electric Trading Co., Ltd.	172,111	436,909	407,207	29,702	1,560,214	9,547	8,733	Not Applicable
ASHOP CO., LTD.	4,607	379,234	301,545	77,689	2,042,490	1,590	1,590	3,452.02
Fu Gang Electronic (Nan Chang) Co., Ltd.	1,535,500	1,295,110	71,244	1,223,866	0	-405	97,158	Not Applicable
Shinfox Energy Co., Ltd.	2,161,500	11,842,119	1,488,425	10,353,694	1,719,357	18,796	225,212	1.14
Jing Jing Technology Co., Ltd.	3,700	9,498	1,543	7,955	0	-30	4	0.01
Power Quotient International Co., Ltd.	4,446,905	7,569,923	2,618,968	4,950,955	79,188	-23,824	158,141	0.36
Hong Kong Power Quotient International Co., Ltd.	417,822	712,395	130	712,265	0	-150	11,317	0.11
SYSCOM DEVELOPMENT CO.,LTD	333,602	83,046	0	83,046	0	0	-881	-0.12
Power Quotient Technology (Yancheng)	614,200	715,179	3,390	711,789	0	-937	7,496	Not

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
Co., Ltd.								Applicable
PQI JAPAN CO.,LTD.	23,129	2,838	158,429	-155,591	0	0	0	0.00
Fugang Electric (Yancheng) Co., Ltd.	92,130	66,874	1,636	65,238	0	-25	1,639	Not Applicable
Kunshan Fu Shi You Trading Co., Ltd.	61,712	15,967	2,701	13,265	892	-105	-105	Not Applicable
Shanghai Fugang Electric Trading Co., Ltd.	8,816	214,461	269,242	-54,781	1,190,215	22,596	27,308	Not Applicable
Fuqiang Electric (Yancheng) Co., Ltd.	307,100	91,356	127,648	-36,292	0	-6,669	-11,481	Not Applicable
Sinocity Industries Limited	2,658,150	659,216	175,555	483,661	2,129,944	76,967	61,273	Not Applicable
APIX LIMITED	3,177,539	1,212,623	0	1,212,623	0	0	78,129	6,250.28
DG Lifestyle Store Limited	382	18,027	27,940	-9,913	60,679	-11,381	-8,811	-88.11
PERENNIAL ACE LTD.	654,123	174,946	0	174,946	0	0	16,855	Not Applicable
Foxwell Energy Corporation Ltd.	6,100,000	12,102,276	5,780,654	6,321,622	2,073,539	184,567	186,554	0.31
Suntain Co., Ltd.	206,017	416,847	180,148	236,699	373,204	25,173	19,690	0.96
Fugang Electric (Maanshan) Co., Ltd.	934,540	2,475,647	3,576,090	-1,100,443	491,313	-174,299	-987,334	Not Applicable
Kunshan Fugang Investment Co., Ltd.	921,300	1,749,496	80	1,749,416	0	-169	59,921	Not Applicable
Shinfox Natural Gas Co., Ltd.	450,000	410,646	34,782	375,864	13,858	-41,283	-36,892	-2.45
Fuqiang Electric (Maanshan) Co., Ltd.	153,550	141,108	121	140,987	0	-44	-27	Not Applicable
Power Sufficient International Co., Ltd.	10,000	13,160	0	13,160	0	0	107	0.11
POWER CHANNEL LIMITED	150,479	1,285,266	0	1,285,266	0	-1	134,185	0.38
Kunshan Jiuwei Info Tech Co., Ltd.	1,536	32,443	5,416	27,027	17,265	7,987	8,775	Not

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
								Applicable
Foxlink Automotive Technology Co., Ltd.	50,000	47,484	118	47,366	0	-1	-269	-0.05
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	266,002	149,443	30,087	119,356	0	-38,061	-36,328	-1.58
Fugang Electric (Xuzhou) Co., Ltd.	1,750,470	4,465,734	1,711,684	2,754,050	14,896,788	1,287,278	950,027	Not Applicable
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	104,053	81,828	818	81,010	0	-379	-897	Not Applicable
FIT Holding Co., Ltd.	2,462,421	10,493,897	2,617,211	7,876,686	551,836	526,167	529,589	2.15
Foxlink Image Technology Co., Ltd.	1,649,940	7,208,896	4,367,110	2,841,786	5,088,442	451,873	693,126	4.20
Glory Science Co., Ltd.	600,000	1,904,288	1,208,363	695,925	190,487	-117,012	-288,663	-4.00
ACCU-IMAGE TECHNOLOGY LIMITED	668,002	2,164,227	98,381	2,065,846	206,519	15,523	292,660	Not Applicable
Dongguan Fu Wei Electronics Co., Ltd.	184,260	580,598	93,846	486,752	856,976	122,683	119,158	Not Applicable
Wei Hai Fu Kang Electric Co., Ltd.	460,650	735,769	142,755	593,014	607,038	108,619	115,027	Not Applicable
Dong Guan Fu Zhang Precision Industry Co., Ltd.	249,127	244,637	60,411	184,226	153,593	-59,738	-33,807	Not Applicable
Dong Guan HanYang Computer Co., Ltd.	187,442	304,260	1,694	302,566	0	-15,866	27,462	Not Applicable
Glory Science (BVI) Co., Ltd.	1,262,422	165,740	0	165,740	0	0	-274,877	-6.75
Glory Optics (BVI) Co., Ltd.	494,837	-301,971	0	-301,971	0	0	-126,543	-7.91
Glory Science (Samoa) Co., Ltd.	780,074	387,279	0	387,279	0	0	-147,276	-5.88
Glorytek (Yancheng) Co., Ltd.	276,390	411,681	974,191	-562,510	192,951	-81,390	-143,282	Not Applicable
Glorytek (Suzhou) Co., Ltd.	429,940	375,814	95,056	280,758	0	-78	-94,444	Not Applicable

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
Yancheng Yaowei Technology Co., Ltd.	44,080	85,597	0	85,597	0	-23,395	-58,511	Not Applicable
Glory Optics (Yancheng) Co., Ltd.	951,101	1,246,925	928,739	318,186	13,987	-145,615	-151,454	Not Applicable
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	99,927	81,829	887	80,942	0	-378	-1,076	-0.05
Suzhou Keyu Rui Automobile Technology Co., Ltd.	11,020	12,343	100	12,242	0	-110	-75	Not Applicable
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	440,800	854,520	0	854,520	0	-17,244	-7,408	Not Applicable
SINOBEST BROTHERS LIMITED	696,863	542,623	195,128	347,494	215,237	-22,739	-83,012	-0.13
FOXLINK MYANMAR COMPANY LIMITED	697,240	421,967	20,384	401,583	60,960	-56,248	-53,504	-0.10
SHIH FONG POWER CO., LTD.	2,300,000	2,446,736	6,523	2,440,213	0	-10,085	-2,742	-0.01
Foxwell Power Co., Ltd.	600,000	2,094,393	1,213,711	880,682	362,250	34,071	25,833	0.64
Shanghai Standard Information Technology Co., Ltd.	4,408	2,566	8,708	-6,142	429	-8,145	-8,587	Not Applicable
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1,171,661	3,344,839	2,781,240	563,600	2,060,299	-175,021	-306,278	-2.63
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	44,080	44,320	3	44,317	0	-9	117	Not Applicable
FOXLINK VIETNAM CO., LTD.	119,318	221,351	200,424	20,927	9,102	-81,231	-80,507	-0.65
Jiuwei Electric Power Co., Ltd.	1,100,000	1,095,484	3,155	1,092,329	0	-7,825	-7,660	-0.07
FOXLINK ARIZONA INC.	224,183	598,349	553,009	45,339	10,776	-165,530	-173,570	-0.80
Elegant Energy Tech Co., Ltd.	5,000	11,316	3,053	8,263	10,390	5,314	3,106	6.21
Yuanshan Forest Natural Resources Co., Ltd.	10,000	9,996	50	9,946	0	-67	-53	-0.05
Global Way Electronics Co., Ltd.	35,700	35,719	50	35,669	0	-74	-31	-0.01

December 31, 2022 ; Unit: NTD thousand

企業名稱	資本額	資產總值	負債總額	淨 值	營業收入	營業利益	本期損益 (稅後)	每股盈餘 (元)(稅後)
Diwei Power Co., Ltd.	30,000	122,537	92,586	29,951	0	-73	-50	-0.17
Liangwei Power Co., Ltd.	40,000	146,203	106,242	39,961	0	-72	-39	-0.01

Note: As a limited company, this is not applicable

- B. Consolidated financial statements of affiliated enterprises: For the consolidated financial statements of the parent and subsidiary companies, please refer to pages 148 to 286 of this book.
- C. Report on relationships of affiliated companies: Not applicable

2. Handling of Privately Placed Securities In The Most Recent Year And As of The Date of Publication of The Annual Report: None.

3. Status Of Holding Or Disposing Of The Company's Stocks By Subsidiaries In The Most Recent Year And As Of The Date Of Publication Of The Annual Report:

Units: NTD thousands; thousand shares;%

Subsidiary name	Paid-in capital amount	Sources of funds	Percentage of shareholding of the Company	Date of acquisition or disposal	Number and amount of shares acquired	Disposal of shares and amount	Investment gains and losses	Number and amount of shares held as of the publication date of the annual report	Setting of pledges	The Company's endorsement/guarantee amounts for subsidiaries	The company's loan amounts to subsidiaries
Foxlink Image Technology Co., Ltd.	1,649,940	Own funds	38.19% (Note)	2023.02.13	35,065 thousand shares NTD 1,014,860 thousand	0	0	35,065 thousand shares NTD 1,014,860 thousand	None	0	0

Note: 100% owned subsidiary of FIT Holding Co., Ltd.

4. Other Necessary Supplementary Explanations: None.

5. In The Most Recent Year And As Of The Printing Date Of The Annual Report, Matters That Have A Significant Impact On Shareholders' Equity Or Securities Prices: None.

Cheng Uei Precision Industry Co., Ltd.

Chairman: T.C. Gou