Shihlin Electric & Engineering Corp.

**Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shihlin Electric & Engineering Corp.

Opinion

We have audited the accompanying financial statements of Shihlin Electric & Engineering Corp. (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies(collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its 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 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Financial Statements section of our report. We are independent of the Corporation 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. Accordingly, these matters were addressed in our audit of the financial statements as a whole, and in forming our opinion thereon. Therefore, we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2022 is described as follows:

The Occurrence of Operating Revenue

The Corporation is engaged in the manufacture of heavy electrical equipment and machinery and automotive electrical equipment, devices, and related parts. Heavy electrical equipment sales revenue accounted for 45.19% of the total operating revenue in 2022. Since the amount of heavy electrical equipment sales is material and higher than the prior year, the sales revenue of heavy electrical equipment was deemed as a key audit matter. Refer to Notes 4 and 22 to the Corporation's financial statements for the related revenue recognition policies and information.

The audit procedures performed in response to the abovementioned key audit matter were as follows:

1. We obtained a thorough understanding of the Corporation's policies on recognizing sales revenue, evaluated the design of the internal controls related to the occurrence of sales revenue, and determined that the controls were implemented.

2. We performed detailed verification tests on the selected samples of sales revenue and checked transaction vouchers, subsequent collections as well as future sales returns and confirmed the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of certain investees of the Corporation as of and for the years ended December 31, 2022 and 2021, which were reflected in the accompanying financial statements using the equity method of accounting, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT$7,551,847 thousand and NT$6,697,031 thousand as of December 31, 2022 and 2021, respectively, which represented 16.57% and 16.08% of the Corporation's total assets, respectively. The Corporation's share of the profit or loss of such subsidiaries and associates amounted to NT$123,177 thousand and NT$32,155 thousand for the years ended December 31, 2022 and 2021, respectively, which represented 4.92% and 1.46% of the Corporation's profit before income tax, respectively. The Corporation's share of the comprehensive income of such subsidiaries and associates amounted to NT$340,722 thousand and NT$284,444 thousand for the years ended December 31, 2022 and 2021, respectively, which represented 13.56% and 13.48% of the Corporation's total comprehensive income, respectively.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative, but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.

2. 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 Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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 Corporation'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 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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the 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 financial statements for the year ended December 31, 2022 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.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yuan Chen and Ching-Cheng Yang.

Chih-Yuan Chen   Ching-cheng Yang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SHIHLIN ELECTRIC & ENGINEERING CORP.

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Note 6)	$ 1,481,589	3	$ 2,033,402	5
Contract assets - current (Note 22)	2,351,254	5	2,029,482	5
Notes receivable (Notes 9 and 22)	1,316,312	3	1,083,722	3
Notes receivable from related parties (Notes 22 and 29)	619	-	932	-
Trade receivables (Notes 9 and 22)	4,801,321	11	4,083,095	10
Trade receivables from related parties (Notes 22 and 29)	87,414	-	81,326	-
Other receivables	1,210	-	4,410	-
Other receivables from related parties (Note 29)	8,289	-	4,963	-
Inventories (Note 10)	6,369,750	14	4,413,148	10
Other current assets (Notes 15, 29 and 30)	726,243	2	784,451	2
Total current assets	17,144,001	38	14,518,931	35
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	585,329	1	583,528	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,557,403	3	1,077,884	3
Investments accounted for using the equity method (Note 11)	13,708,871	30	12,659,247	30
Property, plant and equipment (Notes 12 and 30)	5,110,208	11	5,105,121	12
Right-of-use assets (Note 13)	1,063	-	2,104	-
Investment properties (Notes 14 and 30)	7,183,252	16	7,283,822	18
Deferred tax assets (Note 24)	231,476	1	285,908	1
Other non-current assets (Notes 15 and 30)	64,760	-	132,316	-
Total non-current assets	28,442,362	62	27,129,930	65
TOTAL	$ 45,586,363	100	$ 41,648,861	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 2,800,000	6	$ 1,400,000	4
Contract liabilities - current (Notes 22 and 29)	4,230,108	9	2,909,883	7
Notes payable (Note 17)	83,028	-	135,147	-
Trade payables (Note 17)	4,369,089	9	3,855,506	9
Trade payables to related parties (Note 29)	509,419	1	792,246	2
Other payables (Note 18)	1,214,080	3	1,185,157	3
Other payable to related parties (Note 29)	27,293	-	41,281	-
Current tax liabilities (Note 24)	192,347	-	143,234	-
Provisions - current (Note 19)	1,209,066	3	911,330	2
Lease liabilities-current (Note 13)	800	-	1,043	-
Other current liabilities (Notes 18 and 29)	271,498	1	414,566	1
Total current liabilities	14,906,728	32	11,789,393	28
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	-	-	650,000	2
Provisions - non-current (Note 19)	22,394	-	22,896	-
Deferred tax liabilities (Note 24)	2,273,615	5	2,237,297	5
Lease liabilities - non-current (Note 13)	276	-	1,070	-
Net defined benefit liabilities - non-current (Note 20)	261,920	1	396,065	1
Other non-current liabilities (Note 18)	78,888	-	102,104	-
Total non-current liabilities	2,637,093	6	3,409,432	8
Total liabilities	17,543,821	38	15,198,825	36
EQUITY (Note 21)				
Ordinary shares	5,209,722	11	5,209,722	13
Capital surplus	2,646,125	6	2,639,057	6
Retained earnings				
Legal reserve	3,061,580	7	2,881,934	7
Special reserve	5,136,954	11	5,136,954	12
Unappropriated earnings	10,813,918	24	9,562,841	23
Total retained earnings	19,012,452	42	17,581,729	42
Other equity	1,174,243	3	1,019,528	3
Total equity	28,042,542	62	26,450,036	64
TOTAL	$ 45,586,363	100	$ 41,648,861	100

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors’ report dated March 9, 2023)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 22 and 29)				
Sales	$ 19,680,041	83	$ 17,478,201	85
Rental revenue	464,035	2	467,360	2
Construction revenue	3,676,767	15	2,615,768	13
Total operating revenue	23,820,843	100	20,561,329	100
OPERATING COSTS (Notes 10, 23 and 29)				
Cost of goods sold	16,603,386	70	14,622,212	71
Rental costs	196,954	1	202,711	1
Construction costs	3,415,324	14	2,400,925	12
Total operating costs	20,215,664	85	17,225,848	84
GROSS PROFIT	3,605,179	15	3,335,481	16
OPERATING EXPENSES (Notes 9, 23 and 29)				
Selling and marketing expenses	775,956	3	770,657	4
General and administrative expenses	825,277	3	824,376	4
Research and development expenses	495,684	2	481,138	2
Expected credit loss (reversed) on trade receivables	(50,203)	-	16,421	-
Total operating expenses	2,046,714	8	2,092,592	10
PROFIT FROM OPERATIONS	1,558,465	7	1,242,889	6
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	8,707	-	896	-
Other income (Notes 23 and 29)	27,660	-	23,568	-
Other gains and losses (Notes 23 and 29)	186,794	1	190,145	1
Finance costs (Note 23)	(22,408)	-	(14,858)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	744,650	3	759,608	4
Total non-operating income	945,403	4	959,359	5
PROFIT BEFORE INCOME TAX	2,503,868	11	2,202,248	11
INCOME TAX EXPENSE (Note 24)	493,968	2	397,334	2
NET PROFIT FOR THE YEAR	2,009,900	9	1,804,914	9

(Continued)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	$ 101,206	1	$ (22,677)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	81,248	-	61,518	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	225,106	1	251,986	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(20,241)	-	4,537	-
	387,319	2	295,364	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	125,519	-	(3,927)	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	15,462	-	13,569	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	(25,103)	-	786	-
	115,878	-	10,428	-
Other comprehensive income for the year, net of income tax	503,197	2	305,792	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,513,097	11	$ 2,110,706	10
EARNINGS PER SHARE (Note 25)				
Basic	$ 3.86		$ 3.46	
Diluted	$ 3.84		$ 3.45	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation									
			Retained Earnings				Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE, JANUARY 1, 2021	$ 5,209,722	$ 2,626,221	$ 2,730,986	$ 5,136,954	$ 8,750,888	$ 16,618,828	$ (360,186)	$ 1,077,718	$ 717,532	$ 25,172,303
Appropriation of the 2020 earnings										
Legal reserve	-	-	150,948	-	(150,948)	-	-	-	-	-
Cash dividends	-	-	-	-	(833,556)	(833,556)	-	-	-	(833,556)
Changes in equity from investments in associates accounted for using the equity method	-	13,102	-	-	(12,260)	(12,260)	-	-	-	842
Adjustments to share of changes in equity of subsidiaries	-	(266)	-	-	-	-	-	7	7	(259)
Net profit for the year ended December 31, 2021	-	-	-	-	1,804,914	1,804,914	-	-	-	1,804,914
Other comprehensive income (loss) for the year ended December 31, 2021 net of income tax	-	-	-	-	(18,152)	(18,152)	10,428	313,516	323,944	305,792
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,786,762	1,786,762	10,428	313,516	323,944	2,110,706
Disposals of investment in equity instruments designated as at fair value through other comprehensive income profit or loss	-	-	-	-	21,955	21,955	-	(21,955)	(21,955)	-
BALANCE, DECEMBER 31, 2021	5,209,722	2,639,057	2,881,934	5,136,954	9,562,841	17,581,729	(349,758)	1,369,286	1,019,528	26,450,036
Appropriation of the 2021 earnings										
Legal reserve	-	-	179,646	-	(179,646)	-	-	-	-	-
Cash dividends	-	-	-	-	(937,750)	(937,750)	-	-	-	(937,750)
Changes in equity from investments in associates accounted for using the equity method	-	7,146	-	-	10,065	10,065	-	-	-	17,211
Adjustments to share of changes in equity of subsidiaries	-	(78)	-	-	-	-	-	26	26	(52)
Net profit for year ended December 31, 2022	-	-	-	-	2,009,900	2,009,900	-	-	-	2,009,900
Other comprehensive income for year ended December 31, 2022, net of income tax	-	-	-	-	93,927	93,927	115,878	293,392	409,270	503,197
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	2,103,827	2,103,827	115,878	293,392	409,270	2,513,097
Disposals of investment in equity instruments designated as at fair value through other comprehensive income profit or loss	-	-	-	-	254,581	254,581	-	(254,581)	(254,581)	-
BALANCE, DECEMBER 31, 2022	$ 5,209,722	$ 2,646,125	$ 3,061,580	$ 5,136,954	$ 10,813,918	$ 19,012,452	$ (233,880)	$ 1,408,123	$ 1,174,243	$ 28,042,542

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 2,503,868	$ 2,202,248
Adjustments for:		
Depreciation expense	489,846	502,684
Expected credit loss (reversed) recognized on trade receivables	(50,203)	16,421
Net (loss) gain on fair value change of financial assets and liabilities at fair value through profit or loss	(1,801)	5,077
Finance costs	22,408	14,858
Interest income	(8,707)	(896)
Dividend income	(15,482)	(11,267)
Share of profit of subsidiaries and associates accounted for using the equity method	(744,650)	(759,608)
Loss on disposal of property, plant and equipment	4,953	2,690
Loss (gain) on disposal of subsidiaries	1,542	(2,622)
Gain on changes in lease term	-	(3)
Changes in operating assets and liabilities		
Contract assets	(321,772)	761,155
Notes receivable	(232,590)	(396,296)
Notes receivable from related parties	313	(627)
Trade receivables	(668,023)	(30,020)
Trade receivables from related parties	(6,088)	24,560
Other receivables	3,200	(2,773)
Other receivables from related parties	(3,326)	2,907
Inventories	(1,981,007)	(1,567,092)
Other current assets	77,469	(370,517)
Financial liabilities held for trading	-	(10,785)
Contract liabilities	1,320,225	1,540,546
Notes payable	(52,119)	16,957
Trade payables	515,314	274,988
Trade payables to related parties	(282,827)	(3,030)
Other payables	26,906	102,170
Other payables to related parties	(13,988)	15,817
Provisions	297,234	56,175
Other current liabilities	(163,741)	137,979
Net defined benefit liabilities	(32,939)	(26,153)
Cash generated from operations	684,015	2,495,543
Interest received	8,529	887
Interest paid	(20,391)	(15,500)
Income tax paid	(399,449)	(459,539)
Net cash generated from operating activities	272,704	2,021,391

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SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (425,145)	$ (62,710)
Proceeds from sale of financial assets at fair values through other comprehensive income	26,874	-
Acquisition of associates	(70,274)	-
Proceeds from disposal of subsidiary	-	1,421
Payments for property, plant and equipment	(381,831)	(326,600)
Proceeds from disposal of property, plant and equipment	6,230	10,702
Decrease (increase) in other financial assets	5,071	(11,473)
Decrease (increase) in other non-current assets	43,402	(43,495)
Dividends received from subsidiaries and associates	411,461	518,453
Other dividends received	15,482	11,267
Net cash generated from investing activities	(368,730)	97,565
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,400,000	(250,000)
Payment of long-term loans	(650,000)	(200,000)
Proceeds from guarantee deposits received	(2,543)	(3,276)
Payment of the principal portion of lease liabilities	(1,037)	(676)
Payments for dividends	(937,750)	(833,556)
Partial acquisition of interests in subsidiaries	(380,000)	(80,000)
Capital reduction and refund of share payment of subsidiaries accounted for using the equity method	115,543	82,761
Net cash used in financing activities	(455,787)	(1,284,747)
NET DECREASE (INCREASE)IN CASH AND CASH EQUIVALENTS	(551,813)	834,209
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,033,402	1,199,193
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,481,589	$ 2,033,402

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Shihlin Electric & Engineering Corp. (the “Corporation”) was established in November 1955, and engaged in the manufacture of heavy electrical equipment, electrical machinery, electrical automotive equipment and related parts, and also the sale and lease of commercial buildings.

The Corporation’s shares have been listed and traded on the Taiwan Stock Exchange since December 1969.

The financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 9, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRIC (IFRIC), and Interpretations of SIC (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China

   Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of other standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
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 IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - 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

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of other standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These financial statements of the Corporation are its parent company only financial statements and have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of presentation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these parent company only financial statements, the Corporation used the equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in these parent company only financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the investments accounted for by the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least twelve months after the reporting period. 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.

Assets and liabilities that are not classified as current are classified as non-current.

The Corporation engages in the construction business, which has an operating cycle of over one year, the normal operating cycle applies when considering the classification of the Corporation’s construction-related assets and liabilities.

d. Foreign currencies

In preparing the Corporation’s financial statements, transactions in currencies other than the Corporation’s functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting the financial statements, the functional currencies of the entities (including operations of the subsidiaries and associates in other countries which used different currencies from the functional currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Corporation’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing of control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials and supplies, work-in-process and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Corporation similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Corporation use the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Corporation.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation’s share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation’s share of equity of subsidiaries attributable to the Corporation.

Changes in the Corporation’s ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits and losses resulting from downstream transactions are eliminated in full in the financial statements. Profits and losses transactions from upstream and transactions between subsidiaries are recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Corporation's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the financial statements only to the extent of interest in the associate that are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method or the fixed-percentage-of-declining-balance method. Each significant part of depreciable asset is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method or the fixed-percentage-of-declining-balance method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset and assets related to contract costs

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment and right-of-use asset, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is evaluated based on present value of estimated future cash flows, discounted at the current market-determined rate, and certain risk assumptions which impact future cash flows. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Corporation recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories and property, plant and equipment related to the contract shall be recognized in accordance with the applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

   a) Measurement category

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI

      i. Financial assets at FVTPL

         Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

         Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 28.

      ii. Financial assets at amortized cost

         Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

         ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

         Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

         Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

         i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

         ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and contract assets.

The Corporation always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method except for financial liabilities at fair value through profit or loss.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provision

Provision is measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Also, provision is measured using the cash flows estimated to settle the obligation which is evaluated based on present value.

m. Revenue recognition

The Corporation identifies contracts with customers and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Corporation transfers a promised good to a customer and the date on which the customer pays for that good is one year or less, the Corporation does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electric distribution, automobile parts, automation equipment and part. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

2) Construction contract revenue

Customers control construction contract while they have constructions in progress, and thus, the Corporation recognizes revenue over time. The Corporation measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Corporation recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Corporation adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Corporation satisfies its performance obligations.

n. Leasing

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, effect of changes to asset ceiling and return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits for research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current tax and deferred tax

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH

	December 31	
	2022	**2021**
Cash on hand	$ 1,122	$ 987
Checking accounts and demand deposits	1,480,467	2,032,415
	$ 1,481,589	$ 2,033,402

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Bank balance	0.05%-0.46 %	0.01%-0.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Unlisted shares	$ 8,813	$ 10,251
Mutual funds	576,516	573,277
	$ 585,329	$ 583,528

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2022	**2021**
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 325,674	$ 97,972
Unlisted shares	1,231,729	979,912
	$ 1,557,403	$ 1,077,884

These investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2022	**2021**
Notes receivable		
At amortized amount		
Gross carrying amount	$ 1,316,312	$ 1,083,722
Trade receivables		
At amortized amount		
Gross carrying amount	$ 4,874,883	$ 4,206,860
Less: Allowance for impairment loss	(73,562)	(123,765)
	$ 4,801,321	$ 4,083,095

The average credit period of sales of goods was 90 days. In order to minimize credit risk, the Corporation authorized a department to be responsible for determining credit limits, credit approvals, credit management and returns of other unusual risks to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date.

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

The following table details the loss allowance of notes receivable and trade receivables based on the Corporation's provision matrix.

December 31, 2022

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.16%	9.07%	27.81%	51.19%	100%	
Gross carrying amount	$ 5,915,765	$ 156,249	$ 74,578	$ 32,005	$ 12,598	$ 6,191,195
Loss allowance (Lifetime ECLs)	(9,678)	(14,164)	(20,739)	(16,383)	(12,598)	(73,562)
Amortized cost	$ 5,906,087	$ 142,085	$ 53,839	$ 15,622	$ -	$ 6,117,633

December 31, 2021

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.23%	13.86%	37.53%	66.81%	100%	
Gross carrying amount	$ 4,925,739	$ 212,296	$ 83,182	$ 52,571	$ 16,794	$ 5,290,582
Loss allowance (Lifetime ECLs)	(11,205)	(29,426)	(31,219)	(35,121)	(16,794)	(123,765)
Amortized cost	$ 4,914,534	$ 182,870	$ 51,963	$ 17,450	$ -	$ 5,166,817

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	2022	2021
Balance at January 1	$ 123,765	$ 108,392
Add: Net remeasurement of loss allowance	-	16,421
Less: Amounts written off	-	(1,048)
Less: Net remeasurement of loss allowance	(50,203)	-
Balance at December 31	$ 73,562	$ 123,765

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 2,048,841	$ 1,496,293
Work in progress	3,342,679	1,828,515
Raw materials	978,230	1,088,340
	$ 6,369,750	$ 4,413,148

The cost of goods sold included the reversal of inventory write-downs of $(58,455) thousand and inventory write-downs of $5,194 thousand for the years ended December 31, 2022 and 2021, respectively. The reversals of previous write-downs resulted from the increase in the selling price of some products and the proposed resale of slow-moving inventories.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	$ 9,808,397	$ 8,985,381
Investments in associates	3,900,474	3,673,866
	$ 13,708,871	$ 12,659,247

a. Investments in subsidiaries

Name of Subsidiaries	December 31 2022	December 31 2021
SEEC International Holdings Ltd. of the British Virgin Islands (“SEEC International Holdings”)	$ 5,066,222	$ 4,844,427
Yuh Lin Investment Co., Ltd. (“Yuh Lin”)	640,842	611,675
Hwo Lin Investment Co., Ltd. (“Hwo Lin”)	569,800	537,786
Shihlin Electrical Engineering Ltd. of Vietnam (“Shihlin Electric Vietnam”)	506,055	423,901
Shang Lin Investment Co., Ltd. (“Shang Lin”)	594,467	560,409
Rueylin Electric & Engineering Corp. (“Rueylin”)	397,264	352,637
Ji Lin Investment, Co., Ltd. (“Ji Lin”)	319,899	305,028
Jeng Lin Investment Co., Ltd. (“Jeng Lin”)	354,804	335,719
Hsin Lin Electric Machinery Co., Ltd. (“Hsin Lin”)	250,234	229,847
Cheng Lin Investments Co., Ltd. (“Cheng Lin”)	461,473	340,835
SEEC International Trading Ltd. of the British Virgin Islands (“SEEC International Trading”)	-	114,971
Ting Lin Enterprise Co., Ltd. (“Ting Lin”)	175,189	165,347
Jeen-Lin Industrial Co., Ltd. (“Jeen-Lin”)	113,778	110,267
Shihlin Electric USA Company Limited (“Shihlin Electric USA”)	30,783	27,938
Chuan Lin Technology Corporation (“Chuan Lin”)	27,470	24,594
Shihlin Electric Green Power Co. (Shihlin Electric Green Power)	300,117	-
	$ 9,808,397	$ 8,985,381

At the end of the reporting period, the proportions of ownership and voting rights in subsidiaries held by the Corporation were as follows:

Name of Subsidiaries	December 31 2022	December 31 2021
SEEC International Holdings	100.0%	100.0%
Yuh Lin	94.3%	94.3%
Hwo Lin	94.8%	94.8%
Shihlin Electric Vietnam	100.0%	100.0%
Shang Lin	99.6%	99.6%
Rueylin	90.0%	90.0%
Ji Lin	99.9%	99.9%
Jeng Lin	89.4%	89.4%

(Continued)

Name of Subsidiaries	December 31 2022	December 31 2021
Hsin Lin	60.0%	60.0%
Cheng Lin	99.5%	99.4%
SEEC International Trading	-	100.0%
Ting Lin	96.7%	96.7%
Jeen-Lin	78.4%	78.4%
Shihlin Electric USA	100.0%	100.0%
Chuan Lin	31.5%	31.5%
Shihlin Electric Green Power	100.0%	-

(Concluded)

Refer to Note 33 for the details on the indirectly held investments in subsidiaries.

The sum of the equity ownership of the Corporation and its subsidiaries in Chuan Lin is 73.0%; thus, they have a collective ability of control over Chuan Lin. Hence, it is classified as a subsidiary.

Fuzhou SEEC had been sold in March 2021.

Shihlin Electric Australia was liquidated in June 2021.

Shanghai Kingdom Trading was liquidated in November 2021.

Shihlin International Trading was liquidated in March 2022, and the loss on disposal of subsidiary was $1,542 thousand.

In August 2022, the Corporation established Shihlin Electric Green Power Co. with a registered capital of $300,000 thousand, representing 100% of shareholding.

b. Investments in associates

	December 31 2022	December 31 2021
Investments in associates		
Material associate		
The Ambassador Hotel, Ltd. ("Ambassador Hotel")	$ 3,726,535	$ 3,578,880
Associates that are not individually material	173,939	94,986
	$ 3,900,474	$ 3,673,866

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights December 31 2022	Proportion of Ownership and Voting Rights December 31 2021
Ambassador Hotel	18.2%	18.2%

Refer to Table 6 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associate.

The sum of the equity ownership of the Corporation and its subsidiaries in Ambassador Hotel is 21.34%; thus, they have a significant influence over Ambassador Hotel. Hence, it is classified as an associate.

Fair value (Level 1) of investment in associate with available published price quotation is as follows:

	December 31	
Name of Associate	**2022**	**2021**
Ambassador Hotel	$ 2,181,547	$ 2,081,169

The investment in associate is accounted for using the equity method.

Summarized financial information of the Corporation's material associate set out below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted by the Corporation for equity accounting purposes.

Ambassador Hotel

	December 31	
	2022	**2021**
Current assets	$ 10,502,919	$ 7,652,098
Non-current assets	15,852,692	17,887,014
Current liabilities	(1,341,044)	(4,067,270)
Non-current liabilities	(4,576,977)	(1,843,718)
Equity	20,437,590	19,628,124
Non-controlling interests	(4,473)	(4,622)
	$ 20,433,117	$ 19,623,502
Proportion of the Corporation's ownership	18.2%	18.2%
Equity attributable to the Corporation	$ 3,726,535	$ 3,578,880
Other adjustments	-	-
Carrying amount	$ 3,726,535	$ 3,578,880

	For the Year Ended December 31	
	2022	**2021**
Operating revenue	$ 1,449,384	$ 1,518,343
Net profit (loss) for the year	$ 415,230	$ (56,530)
Other comprehensive income	267,143	851,123
Total comprehensive income for the year	$ 682,373	$ 794,593

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	2021
The Corporation's share of:		
Net profit for the year	$ 1,146	$ 1,205
Other comprehensive income	7,727	3,549
Total comprehensive income for the year	$ 8,873	$ 4,754

12. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Corporation

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost						
Balance at January 1, 2022	$ 2,450,723	$ 3,280,257	$ 4,142,169	$ 2,176,884	$ 62,954	$ 12,112,987
Additions	-	22,967	207,848	45,638	105,378	381,831
Disposals	-	-	(140,772)	(134,522)	(348)	(275,642)
Transferred from inventories	-	-	-	19,830	4,575	24,405
Transferred to investment properties	-	-	-	-	(2,074)	(2,074)
Reclassification	-	43,898	19,570	62,153	(127,352)	(1,731)
Balance at December 31, 2022	$ 2,450,723	$ 3,347,122	$ 4,228,815	$ 2,169,983	$ 43,133	$ 12,239,776
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 2,103,112	$ 3,126,006	$ 1,778,748	$ -	$ 7,007,866
Disposals	-	-	(138,015)	(126,444)	-	(264,459)
Depreciation expense	-	62,570	200,065	123,526	-	386,161
Balance at December 31, 2022	$ -	$ 2,165,682	$ 3,188,056	$ 1,775,830	$ -	$ 7,129,568
Carrying amounts at December 31, 2022	$ 2,450,723	$ 1,181,440	$ 1,040,759	$ 394,153	$ 43,133	$ 5,110,208
Cost						
Balance at January 1, 2021	$ 2,450,723	$ 3,190,293	$ 3,951,160	$ 2,119,201	$ -	$ 11,711,377
Additions	-	21,582	151,592	37,496	115,930	326,600
Disposals	-	-	(30,879)	(48,204)	(3,010)	(82,093)
Transferred from inventories	-	-	-	19,289	3,312	22,601
Transferred from prepayments for equipment	-	-	-	-	134,662	134,662
Transferred to investment properties	-	-	-	-	(160)	(160)
Reclassification	-	68,382	70,296	49,102	(187,780)	-
Balance at December 31, 2021	$ 2,450,723	$ 3,280,257	$ 4,142,169	$ 2,176,884	$ 62,954	$ 12,112,987

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ -	$ 2,015,803	$ 2,969,430	$ 1,691,200	$ -	$ 6,676,433
Disposals	-	-	(30,260)	(38,441)	-	(68,701)
Depreciation expense	-	87,309	186,836	125,989	-	400,134
Balance at December 31, 2021	$ -	$ 2,103,112	$ 3,126,006	$ 1,778,748	$ -	$ 7,007,866
Carrying amounts at December 31, 2021	$ 2,450,723	$ 1,177,145	$ 1,016,163	$ 398,136	$ 62,954	$ 5,105,121

(Concluded)

The Corporation adopted depreciation methods that were decided at the dates the assets were acquired. The Corporation's depreciation cost is calculated by using straight-line method for properties bought before January 1, 1988 and on or after January 1, 1999. The Corporation's depreciation cost is calculated by using the fixed-percentage-of-declining-balance method for properties bought in the period from January 1, 1988 to December 31, 1998.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the asset as follows:

Buildings	
Main buildings	40-60 years
Building improvements	20-35 years
Electrical power equipment and engineering systems	8-35 years
Others	2-15 years
Machinery and equipment	2-20 years
Other equipment	2-30 years

Refer to Note 30 for the carrying amount of property, plant and equipment pledged to secure general banking facilities granted to the Corporation.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Buildings	$ 1,063	$ 2,104

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ -	$ 2,543
Depreciation charge for right-of-use assets		
Buildings	$ 1,041	$ 687

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 800	$ 1,043
Non-current	$ 276	$ 1,070

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	0.61%	0.61%

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 14.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 22,398	$ 22,374
Total cash outflow for leases	$ (23,444)	$ (23,059)

The Corporation leases certain office equipment and transportation equipment which qualify as short-term leases. The Corporation has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance at January 1, 2022	$ 10,469,471
Transfers from construction in progress and equipment under installation	2,074
Balance at December 31, 2022	$ 10,471,545
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 3,185,649
Depreciation expense	102,644
Balance at December 31, 2022	$ 3,288,293
Carrying amounts at December 31, 2022	$ 7,183,252

(Continued)

	Completed Investment Property
Cost	
Balance at January 1, 2021	$ 10,469,311
Transfers from construction in progress and equipment under installation	160
Balance at December 31, 2021	$ 10,469,471
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 3,083,786
Depreciation expense	101,863
Balance at December 31, 2021	$ 3,185,649
Carrying amounts at December 31, 2021	$ 7,283,822

(Concluded)

The abovementioned investment properties were leased out for 1 to 20 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	For the Year Ended December 31	
	2022	2021
Not later than 1 year	$ 395,569	$ 475,578
Later than 1 year and not later than 5 years	1,313,003	1,433,628
Later than 5 years	417,500	717,500
	$ 2,126,072	$ 2,626,706

In addition to the minimum lease payments receivable, the contract for the Corporation's lease of mall building and parking spaces to Pacific Sogo Department Store Company Limited included contingent rentals clause, which provides that the Corporation shall receive shopping mall's monthly minimum guaranteed rent (minimum guaranteed rent at 6% of revenue) and car parking spaces rent, and at each year end, an extra operating lease payment will be charged if the actual revenue exceeds the minimum revenue base of the guaranteed 6% of revenue.

Because the COVID-19 has severely affected market economics, considering the long-term cooperation with Pacific Sogo Department Store Company Limited, the lowest guaranteed turnover had been decreased 15% from July 1, 2020.

Investment properties were depreciated by applying straight-line method (before January 1, 1988 and on or after January 1, 1999) or fixed-percentage-of-declining-balance method (in the period from January 1, 1988 to December 31, 1998) over their estimated useful lives of the asset:

Main buildings	50-60 years
Engineering system	5-15 years
Air-conditioning system	8-10 years
Others	3-15 years

The fair value of the Corporation's investment properties as of December 31, 2022 and 2021 was $20,735,334 thousand $20,843,414 thousand, respectively. The fair value was based on the valuations carried out on February 1, 2023 and January 12, 2022 by independent qualified professional valuers. The valuation was carried out by reference to sales comparison approach and income approach.

Refer to Note 30 for the carrying amount of investment properties pledged to secure general banking facilities granted to the Corporation.

15. OTHER ASSETS

	December 31	
	2022	**2021**
Current		
Prepaid expenses	$ 64,444	$ 32,208
Prepayments for purchases	575,046	709,036
Refundable deposits	5,031	562
Other financial assets	41,152	26,359
Others	40,570	16,286
	$ 726,243	$ 784,451
Non-current		
Refundable deposits	$ 1,825	$ 22,456
Prepayments for equipment	91	43,494
Other financial assets	22,429	25,951
Others	40,415	40,415
	$ 64,760	$ 132,316

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	**2021**
Unsecured borrowings		
Bank loans (NTD)	$ 2,800,000	$ 1,400,000

The range of weighted average effective interest rate on bank loans was 1.17%-1.77% and 0.52%-0.58% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Bank loans (NTD)*	$ -	$ 650,000

* December 31, 2022: The loan was repaid in advance on August 15, 2022; December 31, 2021: Revolving before January 2023, interest at 0.64%. The loan was repaid in advance on August 15, 2022.

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable		
Operating	$ 83,028	$ 135,147
Trade payables		
Operating	$ 4,369,089	$ 3,855,506

The average credit period of purchases of certain goods was 90-120 days. The Corporation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payable for salaries or bonus	$ 412,933	$ 422,405
Payable for annual leave	91,229	87,302
Payable for dividends	83,195	99,325
Payable for employees' compensation	128,390	118,207
Payable for remuneration of directors	55,000	49,800
Payable for royalties	2,683	2,603
Payable for labor and health insurance	21,169	22,236
Others	419,481	383,279
	$ 1,214,080	$ 1,185,157

(Continued)

	December 31	
	2022	2021
Other liabilities		
Temporary receipts	$ 113,477	$ 283,423
Deposits received	24,864	4,191
Refund liability	97,087	72,353
Others	36,070	54,599
	$ 271,498	$ 414,566
Non-current		
Other liabilities		
Deposits received	$ 78,888	$ 102,104

(Concluded)

19. PROVISIONS

	December 31	
	2022	2021
Current		
Warranties	$ 1,209,066	$ 911,330
Non-current		
Warranties	$ 22,394	$ 22,896

	Warranties
Balance at January 1, 2022	$ 934,226
Additional provisions recognized	297,234
Balance at December 31, 2022	$ 1,231,460

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Corporation's obligations for warranties under contracts for the sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the Republic of China (ROC). Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts equivalent to 3% (5% before September 2018) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 1,388,908	$ 1,501,640
Fair value of plan assets	(1,126,988)	(1,105,575)
Net defined benefit liability	$ 261,920	$ 396,065

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability (Asset)**
Balance at January 1, 2021	$ 1,543,819	$ (1,144,278)	$ 399,541
Service costs			
Current service cost	13,252	-	13,252
Past service cost	825	-	825
Net interest expense (income)	7,593	(5,693)	1,900
Recognized in profit or loss	21,670	(5,693)	15,977
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(15,018)	(15,018)
Actuarial loss - changes in demographic assumptions	42,588	-	42,588
Actuarial loss - changes in financial assumptions	(20,073)	-	(20,073)
Actuarial loss - experience adjustments	15,180	-	15,180
Recognized in other comprehensive income	37,695	(15,018)	22,677
Contributions from the employer	-	(33,283)	(33,283)
Benefits paid	(101,544)	92,697	(8,847)
Balance at December 31, 2021	1,501,640	(1,105,575)	396,065

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Service costs			
Current service cost	$ 10,689	$ -	$ 10,689
Past service cost	5,064	-	5,064
Net interest expense (income)	9,203	(6,856)	2,347
Recognized in profit or loss	24,956	(6,856)	18,100
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(87,829)	(87,829)
Actuarial loss - changes in financial assumptions	(57,211)	-	(57,211)
Actuarial loss - experience adjustments	48,834	-	48,834
Recognized in other comprehensive income	(13,377)	(87,829)	(101,206)
Contributions from the employer	-	(35,190)	(35,190)
Benefits paid	(124,311)	108,462	(15,849)
Balance at December 31, 2022	$ 1,388,908	$ (1,126,988)	$ 261,920

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate	1.500%	0.6254%
Expected rate of salary increase	2.500%	2.000%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rate		
0.250% increase	$ (35,158)	$ (39,980)
0.250% decrease	$ 36,402	$ 41,471
Expected rate of salary increase		
0.250% increase	$ 35,406	$ 40,191
0.250% decrease	$ (34,374)	$ (38,955)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
The expected contributions to the plan for the next year	$ 36,779	$ 34,091
The average duration of the defined benefit obligation	10.4 years	10.9 years

21. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	**2021**
Number of authorized shares (in thousands)	580,000	580,000
Amount of authorized shares	$ 5,800,000	$ 5,800,000
Number of issued and fully paid shares (in thousands)	520,972	520,972
Amount of issued and fully paid shares	$ 5,209,722	$ 5,209,722

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Arising from issuance of common share	$ 1,441,424	$ 1,441,424
Arising from conversion of bonds	970,457	970,457
Arising from treasury share transactions	68,529	68,529
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	75,096	75,096

(Continued)

	December 31	
	2022	2021
May only be used to offset a deficit		
Arising from changes in percentage of ownership interest in subsidiaries (2)	$ 12,271	$ 12,349
Arising from changes in equity from investments in associates accounted for using the equity method	76,818	69,672
Arising from treasury share transactions	1,530	1,530
	$ 2,646,125	$ 2,639,057

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Corporation's Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 23, i.

The Corporation's Articles also prescribe that 1) not less than 5% of the sum of the remaining annual net income and the previous year's accumulated undistributed earnings shall be appropriated as dividends and 2) of the dividends, not less than 20% shall be paid in cash. The actual distribution ratio or method of dividend distribution is subjected to the operating situation as determined by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset any deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" shall be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meetings on June 24, 2022 and August 27, 2021, respectively, as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2021	2020
Legal reserve	$ 179,646	$ 150,948
Cash dividends	$ 937,750	$ 833,556
Cash dividends per share (NT$)	$ 1.8	$ 1.6

The appropriation of earnings for 2022 had been proposed by the Corporation's board of directors on March 9, 2023. The appropriations and dividends per share were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 236,847
Cash dividends	$ 1,041,944
Cash dividends per share (NT$)	$ 2.0

The appropriation of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held on June 21, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1 and balance at December 31	$ 5,136,954	$ 5,136,954

The special reserve appropriated on the first-time adoption of IFRSs relating to land may be reversed on the disposal or reclassification of the related assets. An additional special reserve should be appropriated for the amount equal to the difference between the reversed net debit balance and the appropriated special reserve on the first-time adoption of IFRSs. Any appropriated special reserve may be reversed to the extent that the net debit balance reverses and, thereafter, is distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (349,758)	$ (360,186)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	100,416	(3,141)
Share from subsidiaries and associates accounted for using the equity method	15,462	13,569
Other comprehensive income recognized for the year	115,878	10,428
Balance at December 31	$ (233,880)	$ (349,758)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 1,369,286	$ 1,077,718
Recognized for the year		
Unrealized loss - equity instruments	81,248	61,518
Share from subsidiaries and associates accounted for using the equity method	212,144	251,998
Other comprehensive income recognized for the year	293,392	313,516
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(254,581)	(21,955)
Partial acquisition of interests in subsidiaries	26	7
Balance at December 31	$ 1,408,123	$ 1,369,286

22. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sale of goods	$ 19,680,041	$ 17,478,201
Construction contract	3,676,767	2,615,768
	23,356,808	20,093,969
Rental income		
Rental income from property	464,035	467,360
	$ 23,820,843	$ 20,561,329

a. Contact balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 9)	$ 1,316,312	$ 1,083,722	$ 687,426
Notes receivable from related parties (Note 29)	$ 619	$ 932	$ 305
Trade receivables, net (Note 9)	$ 4,801,321	$ 4,083,095	$ 4,069,496
Trade receivables from related parties (Note 29)	$ 87,414	$ 81,326	$ 105,886
Contract assets			
Sale of goods	$ 505,133	$ 458,962	$ 299,860
Construction contracts	1,846,121	1,570,520	2,490,777
Contract assets - current	$ 2,351,254	$ 2,029,482	$ 2,790,637
Contract liabilities			
Sale of goods	$ 3,502,133	$ 2,577,635	$ 1,055,201
Construction contracts	727,975	332,248	314,136
Contract liabilities - current	$ 4,230,108	$ 2,909,883	$ 1,369,337

The credit risk management of contract assets and trade receivables are the same, refer to Note 9.

b. Disaggregation of revenue

2022

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 13,502,300	$ 3,109,776	$ 2,767,535	$ 300,430	$ 19,680,041
Construction contracts	2,845,973	-	830,794	-	3,676,767
	$ 16,348,273	$ 3,109,776	$ 3,598,329	$ 300,430	$ 23,356,808

2021

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 11,472,864	$ 3,101,085	$ 2,587,353	$ 316,899	$ 17,478,201
Construction contracts	1,627,755	-	988,013	-	2,615,768
	$ 13,100,619	$ 3,101,085	$ 3,575,366	$ 316,899	$ 20,093,969

23. NET PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME

a. Net profit:

1) Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 8,696	$ 777
Others	11	119
	$ 8,707	$ 896

2) Other income

	For the Year Ended December 31	
	2022	2021
Dividend income		
Investments in equity instruments at FVTOCI	$ 15,482	$ 11,267
Rental income	12,178	12,301
	$ 27,660	$ 23,568

3) Other gains and losses

	For the Year Ended December 31	
	2022	**2021**
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 1,801	$ (4,711)
Financial liabilities held for trading	-	(366)
Loss on disposal of property, plant and equipment	(4,953)	(2,690)
(Loss)/gain on disposal of subsidiaries	(1,542)	2,622
Net foreign exchange gains (losses)	127,195	(3,097)
Others	64,293	198,387
	$ 186,794	$ 190,145

4) Finance costs

	For the Year Ended December 31	
	2022	**2021**
Interest on bank loans	$ 22,399	$ 14,849
Interest on finance leases	9	9
	$ 22,408	$ 14,858

5) Impairment losses recognized (reversed)

	For the Year Ended December 31	
	2022	**2021**
Trade receivables	$ (50,203)	$ 16,421
Inventories (included in operating costs)	$ (58,455)	$ 5,194

6) Depreciation

	For the Year Ended December 31	
	2022	**2021**
An analysis of depreciation by function		
Operating costs	$ 418,987	$ 431,268
Operating expenses	70,859	71,416
	$ 489,846	$ 502,684

7) Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	**2021**
Generated rental income	$ 38,257	$ 38,638

8) Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 60,530	$ 56,385
Defined benefit plans (Note 20)	18,100	15,977
	78,630	72,362
Other employee benefits	2,504,071	2,339,227
Total employee benefits expense	$ 2,582,701	$ 2,411,589
An analysis of employee benefits expense by function		
Operating costs	$ 1,390,301	$ 1,261,632
Operating expenses	1,192,400	1,149,957
	$ 2,582,701	$ 2,411,589

9) Employees' compensation and remuneration of directors

In accordance with the Corporation's Articles, the Corporation accrued employees' compensation and remuneration of directors at rates of no less than 1%-8% and no higher than 4%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Corporation's board of directors on March 9, 2023 and March 10, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Employees' compensation	4.12%	4.24%
Remuneration of directors	2.06%	2.12%

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	$ 110,000	$ 99,600
Remuneration of directors	55,000	49,800

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

10) Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 475,118	$ 314,968
Foreign exchange losses	(347,923)	(318,065)
	$ 127,195	$ (3,097)

24. INCOME TAXES

a. Major components of income tax recognized in profit or loss

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 422,234	$ 384,610
Income tax on unappropriated earnings	7,995	-
Adjustments for prior years	18,333	(5,788)
	448,562	378,822
Deferred tax		
In respect of the current year	46,137	24,087
Adjustments for prior years	(731)	(5,575)
	45,406	18,512
Income tax expense recognized in profit or loss	$ 493,968	$ 397,334

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 2,503,868	$ 2,202,248
Income tax expense calculated at the statutory rate	$ 500,774	$ 440,450
Nondeductible expenses in determining taxable income	31,711	22,824
Tax-exempt income	(51,012)	(41,790)
Investment tax credits used in the current year	(36,343)	(19,803)
Income tax on unappropriated earnings	7,995	-
Unrecognized deductible temporary differences	23,241	7,016
Adjustments for prior years' tax	17,602	(11,363)
Income tax expense recognized in profit or loss	$ 493,968	$ 397,334

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Translation of the financial statements of foreign operations	$ 25,103	$ (786)
Remeasurement on defined benefit plans	20,241	(4,537)
Total income tax recognized in other comprehensive income	$ 45,344	$ (5,323)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	$ 192,347	$ 143,234

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 28,481	$ (4,524)	$ -	$ 23,957
Provisions	65,396	20,806	-	86,202
Defined benefit plans	79,214	(6,589)	(20,241)	52,384
Exchange differences on translating the financial statements of foreign operations	75,488	-	(25,103)	50,385
Payables for annual leave	17,460	786	-	18,246
Others	19,869	(19,567)	-	302
	$ 285,908	$ (9,088)	$ (45,344)	$ 231,476

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 260,105	$ (7,144)	$ -	$ 252,961
Rental revenue receivable	15,911	335	-	16,246
Investments accounted for using the equity method	758,415	36,678	-	795,093
Financial assets at FVTPL	27,148	990	-	28,138
Reserve for land value increment tax	1,175,718	-	-	1,175,718
Others	-	5,459	-	5,459
	$ 2,237,297	$ 36,318	$ -	$ 2,273,615

(Concluded)

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 29,046	$ (565)	$ -	$ 28,481
Provisions	61,463	3,933	-	65,396
Defined benefit plans	79,908	(5,231)	4,537	79,214
Exchange differences on translating the financial statements of foreign operations	75,231	-	257	75,488
Payables for annual leave	16,007	1,453	-	17,460
Others	13,553	6,316	-	19,869
	$ 275,208	$ 5,906	$ 4,794	$ 285,908

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 264,360	$ (4,255)	$ -	$ 260,105
Rental revenue receivable	16,023	(112)	-	15,911
Exchange differences on translating the financial statements of foreign operations	529	-	(529)	-
Investments accounted for using the equity method	728,698	29,717	-	758,415
Financial assets at FVTPL	28,080	(932)	-	27,148
Reserve for land value increment tax	1,175,718	-	-	1,175,718
	$ 2,213,408	$ 24,418	$ (529)	$ 2,237,297

e. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2022	2021
Deductible temporary differences	$ 1,172,700	$ 1,056,495

f. Income tax assessments

The Corporation’s income tax returns through 2020 have been assessed by the tax authority.

25. EARNINGS PER SHARE

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	$ 3.86	$ 3.46
Diluted earnings per share	$ 3.84	$ 3.45

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic and diluted earnings per share	$ 2,009,900	$ 1,804,914

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares outstanding used in the computation of basic earnings per share	520,972	520,972
Effect to potentially dilutive ordinary shares		
Employees' compensation	2,247	2,309
Weighted average number of ordinary shares outstanding used in the computation of diluted earnings per share	523,219	523,281

If the Corporation offered to settle compensation paid to employees in cash or shares, the Corporation shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares shall be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares shall be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

On April 13, 2022, the Corporation subscribed for additional new shares of Cheng Lin at a percentage different from its existing ownership percentage, and increased its continuing interest from 99.4% to 99.5%.

On April 11, 2021, the Corporation subscribed for additional new shares of Cheng Lin at a percentage different from its existing ownership percentage, and increased its continuing interest from 99.3% to 99.4%.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over these subsidiaries.

27. CAPITAL MANAGEMENT

In order to maintain the Corporation's competitiveness in the market and to continually generate profits and grow as well as to reward shareholders, it makes decision based on industry features and current operations and future development plans, and after considering factors such as changes in the external environment, plan for future working capital requirements, research and development expenses, dividend payments and other needs.

Management regularly reviews the capital structure and considers various structures that may involve different considerations of cost and risk. According to scale in the industry, industry growth and future product roadmaps, the Corporation plans for an appropriate market share. In addition, the Corporation plans the required funding that corresponds to capital expenditure needs, as well as calculates the working capital based on the characteristics of the industry and provides an overall plan for the Corporation's long term development. Lastly, the Corporation estimates the needed contribution margin and ratio, ratio of profit from operations and cash flows to support the competitiveness of its products; as well as it considers the industry business cycle fluctuations and risk factors such as product life cycle to determine an appropriate capital structure for the Corporation.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Corporation's management believes that the carrying amount of financial assets not measured at fair value approximates their fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 8,813	$ 8,813
Mutual funds	576,516	-	-	576,516
	$ 576,516	$ -	$ 8,813	$ 585,329
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares and emerging market shares	$ 78,144	$ -	$ 247,530	$ 325,674
Unlisted shares	-	-	1,231,729	1,231,729
	$ 78,144	$ -	$ 1,479,259	$ 1,557,403

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 10,251	$ 10,251
Mutual funds	573,277	-	-	573,277
	$ 573,277	$ -	$ 10,251	$ 583,528
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 97,972	$ -	$ -	$ 97,972
Unlisted shares	-	-	979,912	979,912
	$ 97,972	$ -	$ 979,912	$ 1,077,884

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 10,251	$ 979,912	$ 990,163
Recognized in profit or loss (included in other gains and losses)	(1,438)	-	(1,438)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	74,202	74,202
Purchases	-	425,145	425,145
Balance at December 31, 2022	$ 8,813	$ 1,479,259	$ 1,488,072
Recognized in other gains and losses - unrealized	$ (1,438)		$ (1,438)

For the year ended December 31, 2021

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2021	$ 9,372	$ 864,064	$ 873,436
Recognized in profit or loss (included in other gains and losses)	879	-	879
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	53,138	53,138
Purchases	-	62,710	62,710
Balance at December 31, 2021	$ 10,251	$ 979,912	$ 990,163
Recognized in other gains and losses - unrealized	$ 879		$ 879

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach, income approach, and the asset approach to assess its fair value.

The market approach refers to the comparable market transaction price and related information to estimate the fair value of the investment target; the income approach based on discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees; the asset approach evaluates the fair value by assessing the total value of individual assets and individual liabilities of the investment target.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 585,329	$ 583,528
Financial assets at amortized cost (1)	7,767,190	7,367,178
Financial assets at FVTOCI	1,557,403	1,077,884
Financial liabilities		
Financial liabilities at amortized cost (2)	7,868,034	6,939,924

1) The balances include financial assets measured at amortized cost, which comprise cash, debt investments, notes receivable, trade receivables, other receivable, refundable deposits and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, long-term borrowings and other financial liabilities.

d. Financial risk management objectives and policies

The Corporation's major financial instruments included cash and cash equivalents, equity investments, mutual funds, notes receivable, trade receivables, trade payables and borrowings. The Corporation's Finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Corporation through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price risk (refer to (c) below).

a) Foreign currency risk

The Corporation had foreign currency denominated sales and purchases, which exposed the Corporation to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period, refer to Note 32.

Sensitivity analysis

The Corporation was mainly exposed to the USD, RMB and JPY.

The following table details the Corporation's sensitivity to a 1% increase and a 1% decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase (decrease) in pre-tax profit when the New Taiwan dollar strengthened by 1% against the relevant foreign currency. Conversely, a negative number below indicates a decrease in pre-tax profit when the New Taiwan dollar weakened by 1% against the relevant foreign currency.

	USD Impact		RMB Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021	2022	2021
Profit or loss	$ (11,824) (i)	$ (10,945) (i)	$ (2,715) (ii)	$ (4,318) (ii)	$ (2,787) (iii)	$ (4,506) (iii)

i. This was mainly attributable to the exposure on outstanding USD bank deposits, receivables and payables which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding RMB bank deposits, receivables and payables which were not hedged at the end of the reporting period.

iii. This was mainly attributable to the exposure on outstanding JPY bank deposits, receivables and payables which were not hedged at the end of the reporting period.

The Corporation's exchange rate sensitivity to USD, RMB and JPY did not change significantly in the current year compared to the previous year.

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The Corporation pays attention to changes in market interest rates in order to make plans to manage interest rate risk.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	$ 37,882	$ 26,611
Financial liabilities	1,000,000	640,000
Cash flow interest rate risk		
Financial liabilities	1,800,000	1,410,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by $18,000 thousand and $14,100 thousand, respectively.

The Corporation's sensitivity to interest rates did not change significantly in the current year compared to the previous year.

c) Other price risk

The Corporation was exposed to price risk through its investments in listed equity securities and mutual funds. The Corporation has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $5,853 thousand and $15,574 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $5,835 thousand and $10,779 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Corporation.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

The table below analyzes the collaterals held as security and other credit enhancements, and their financial effect in respect of the financial assets recognized in the Corporation's balance sheets:

December 31, 2022

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by Collateral	Maximum Exposure to Credit Risk Mitigated by Other Credit Enhancements	Total
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 8,556,920	$ 194,920	$ 140,491	$ 335,411

December 31, 2021

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by Collateral	Maximum Exposure to Credit Risk Mitigated by Other Credit Enhancements	Total
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 7,278,557	$ 234,410	$ 161,500	$ 395,910

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Corporation had available unutilized short-term bank loan facilities of $9,020,000 thousand and $9,250,000 thousand, respectively.

Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,540,243	$ 2,369,855	$ 1,075,802	$ 6,506	$ 156,077
Lease liabilities	90	179	531	276	-
Variable interest rate liabilities	941,158	-	870,139	-	-
Fixed interest rate liabilities	-	702,476	301,690	-	-
Refund liability	16,181	32,362	48,544	-	-
	$ 2,497,672	$ 3,104,872	$ 2,296,706	$ 6,782	$ 156,077

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,359,705	$ 2,326,626	$ 1,100,961	$ 120,802	$ 80,426
Lease liabilities	89	178	816	1,092	-
Variable interest rate liabilities	353	841,604	3,134	650,342	-
Fixed interest rate liabilities	260,106	300,162	-	-	-
Refund liability	12,059	24,118	36,176	-	-
	$ 1,632,312	$ 3,492,688	$ 1,141,087	$ 772,236	$ 80,426

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, the details of transactions between the Corporation and other related parties are disclosed below.

a. Related parties and relationships:

Name of Related Party	Relationship with the Corporation
Mitsubishi Electric Corporation of Japan (Mitsubishi Electric)	Investor that has significant influence over the Corporation
SEEC International Holdings	Subsidiary
Shihlin Electric USA	Subsidiary

(Continued)

Name of Related Party	Relationship with the Corporation
Hsin Lin	Subsidiary
Jeen-Lin	Subsidiary
Chuan Lin	Subsidiary
Rueylin	Subsidiary
Shihlin Electric Vietnam	Subsidiary
Shihlin Electric Engineering Equipment Vietnam Company Limited (Vietnam Electric Engineering Equipment)	Subsidiary
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd. (Changzhou Shihlin Mitsuba)	Subsidiary
Xiamen Shihlin Electrical & Engineering Corp. (Xiamen SEEC)	Subsidiary
Suzhou Shihlin Electric & Engineering Corp. (Suzhou SEEC)	Subsidiary
Wuxi Shihlin Electric & Engineering Co., Ltd. (Wuxi SEEC)	Subsidiary
Shihlin Technology (Shenzhen) Co., Ltd.	Subsidiary
Shihlin Electric (Suzhou) Power Equipment Co., Ltd. (Suzhou Power Equipment)	Subsidiary
Changzhou Shihlin Auto Parts Co., Ltd.	Subsidiary
Yeangder Entertainment Co., Ltd. (Yeangder Entertainment)	Subsidiary
Wuling Electric Co., Ltd. (Wuling)	Subsidiary
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Associate
Mitsuba Shihlin Electric (Wuhan) Co., Ltd. (Wuhan Mitsuba Shihlin)	Associate
Ambassador Hotel	Associate
Mitsubishi Electric Taiwan Co., Ltd.	Subsidiary of investor that has significant influence over the Corporation
HCT Logistics Co., Ltd. (HCT Logistics)	Related party in substance

(Concluded)

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Sales	Subsidiaries	$ 287,480	$ 358,150
	Associates	1,402	3,129
	Subsidiaries of investors that have significant influence over the Corporation	17,345	1,416
	Related parties in substance	661	201
		$ 306,888	$ 362,896
Rental revenue	Subsidiaries of investors that have significant influence over the Corporation	$ 24,922	$ 24,800
	Associates	113	-
	Related parties in substance	29,657	26,904
		$ 54,692	$ 51,704

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2022	2021
Investors that have significant influence over the Corporation	$ 531,513	$ 703,447
Subsidiaries		
Hsin Lin	1,862,425	1,679,113
Others	1,413,323	1,278,199
Subsidiaries of investors that have significant influence over the Corporation	97,942	98,176
	$ 3,905,203	$ 3,758,935

d. Contract liabilities

Related Party Category/Name	December 31 2022	2021
Subsidiaries of investors that have significant influence over the Corporation	$ 15,169	$ 6,775

e. Temporary credits (included in other current liabilities)

Related Party Category/Name	December 31 2022	2021
Subsidiaries		
SEEC International Trading	$ -	$ 115,543

f. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2022	2021
Notes receivable from related parties	Subsidiaries		
	Wuling	$ 616	$ 932
	Related parties in substance	3	-
Trade receivables from related parties	Subsidiaries		
	Suzhou SEEC	24,170	7,576
	Xiamen SEEC	21,136	30,728
	Vietnam Electric Engineering Equipment	19,334	8,369
	Changzhou Shihlin Mitsuba	6,799	8,990
	Suzhou Power Equipment	1,327	21,035
	Others	5,440	4,055
	Investors that have significant influence over the Corporation	6,330	-
	Associates	338	442
	Subsidiaries of investors that have significant influence over the Corporation	2,135	131
	Related parties in substance	405	-

(Continued)

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Other receivables from related parties	Associates		
	Wuhan Mitsuba Shihlin	$ 4,749	$ 3,510
	Subsidiaries		
	Hsin Lin	1,754	-
	SEEC International Holdings	584	1,170
	Others	677	283
	Subsidiaries of investors that have significant influence over the Corporation	134	-
	Related parties in substance	391	-
		$ 96,322	$ 87,221

(Concluded)

g. Payables to related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade payables to related parties	Subsidiaries		
	Hsin Lin	$ 288,857	$ 605,697
	Vietnam Electric Engineering Equipment	65,349	17,272
	Chuan Lin	54,858	49,229
	Others	95,179	110,363
	Subsidiaries of investors that have significant influence over the Corporation	5,176	9,685
Other payables to related parties	Investors that have significant influence over the Corporation		
	Mitsubishi Electric	$ 24,650	$ 37,130
	Associates		
	Ambassador Hotel	1,872	3,050
	Subsidiaries		
	Shihlin Electric USA	-	5
	Related parties in substance	771	1,096
		$ 536,712	$ 833,527

h. Prepayments (included in other current assets)

Related Party Category/Name	December 31 2022	December 31 2021
Investors that have significant influence over the Corporation	$ 119,126	$ 436,109
Subsidiaries	18,891	15,666
	$ 138,017	$ 451,775

i. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Royalty expenses	Investors that have significant influence over the Corporation		
	Mitsubishi Electric	$ 16,485	$ 34,740
Freight expenses	Related parties in substance	$ 5,482	$ 5,636
Rental expenses	Subsidiaries	$ 1,176	$ 1,226
	Related parties in substance	1,009	1,008
		$ 2,185	$ 2,234
Commission expenses	Subsidiaries		
	Shihlin Electric USA	$ 17,643	$ 5,490
Advertising expenses	Subsidiaries		
	Yeangder Entertainment	$ 11,000	$ 9,000
Rental revenue (included in other income)	Subsidiaries		
	Hsin Lin	$ 12,118	$ 12,129
	Others	60	173
		$ 12,178	$ 12,302
Management service revenue (included in other gains and losses)	Subsidiaries		
	Suzhou SEEC	$ 11,881	$ 11,902
	Xiamen SEEC	7,393	6,551
	Others	4,475	4,426
	Associates		
	Wuhan Mitsuba Shinlin	4,731	4,745
		$ 28,480	$ 27,624
Miscellaneous revenue (included in other gains and losses)	Subsidiaries of investors that have significant influence over the Corporation	$ 7,477	$ 9,089
	Related parties in substance	4,690	7,538
		$ 12,167	$ 16,627

The transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

The aforementioned rentals collected or paid monthly were based on those prevailing in the market.

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for receivables from related parties.

The outstanding payables to related parties are unsecured.

j. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 143,132	$ 141,127
Post-employment benefits	1,568	1,545
	$ 144,700	$ 142,672

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	December 31	
	2022	2021
Demand deposits (included in other current assets)	$ 25,699	$ 25,699
Time deposits (included in other current assets and other non-current assets)	37,882	26,611
Land (included in property, plant and equipment and investment properties)	6,635,862	6,635,862
Buildings, net (included in property, plant and equipment)	181,669	187,714
	$ 6,881,112	$ 6,875,886

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Corporation as of December 31, 2022 were as follows:

a. The Corporation and several foreign companies have signed technical cooperation contracts respectively, and these contracts expired between January 2022 and October 2023. According to the technical cooperation contract, in addition to the down payment, the Corporation shall pay the technical royalties regularly according to the agreed percentage based on the net amount that the sales of technical cooperation products after deducting the prescribed fees. For the years ended December 31, 2022 and 2021, royalties were $23,891 thousand and $40,022 thousand, respectively.

b. As of December 31, 2022 and 2021, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $132,497 thousand and $97,097 thousand, respectively.

c. Unrecognized commitments were as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	$ 46,433	$ 16,142

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currency of the Corporation and the exchange rates between foreign currencies and functional currency, were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 41,959	30.71 (USD:NTD)	$ 1,288,559
JPY	1,232,451	0.2324 (JPY:NTD)	286,422
RMB	78,672	4.408 (RMB:NTD)	346,788
EUR	857	32.72 (EUR:NTD)	28,027
CAD	3,511	22.67 (CAD:NTD)	79,588
CHF	69	33.205 (CHF:NTD)	2,280
AUD	134	20.83 (AUD:NTD)	2,791
Non-monetary items			
Investments accounted for using the equity method			
USD	166,241	30.71 (USD:NTD)	5,105,253
VND	394,045,792	0.0013 (VND:NTD)	506,349
Others			
USD	18,419	30.71 (USD:NTD)	565,656
Financial liabilities			
Monetary items			
RMB	17,076	4.408 (RMB:NTD)	75,269
USD	3,457	30.71 (USD:NTD)	106,155
JPY	33,340	0.2324 (JPY:NTD)	7,748
EUR	21	32.72 (EUR:NTD)	702
PHP	55	0.5443 (PHP:NTD)	30

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 40,604	27.68 (USD:NTD)	$ 1,123,919
JPY	1,890,672	0.2405 (JPY:NTD)	454,707
RMB	114,555	4.34 (RMB:NTD)	497,626
EUR	1,487	31.32 (EUR:NTD)	46,575
CAD	9,042	21.62 (CAD:NTD)	195,496
CHF	83	30.18 (CHF:NTD)	2,496
AUD	206	20.08 (AUD:NTD)	4,141

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using the equity method			
USD	$ 180,748	27.68 (USD:NTD)	$ 5,003,101
VND	356,159,611	0.0012 (VND:NTD)	425,611
Others			
USD	20,257	27.68 (USD:NTD)	560,707
<u>Financial liabilities</u>			
Monetary items			
RMB	15,161	4.34 (RMB:NTD)	65,860
USD	1,063	27.68 (USD:NTD)	29,418
JPY	17,009	0.2405 (JPY:NTD)	4,091
EUR	49	31.32 (EUR:NTD)	1,542
PHP	2,230	0.5353 (PHP:NTD)	1,194

(Concluded)

Please refer to the statements of comprehensive income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the years ended December 31, 2022 and 2021. Due to various kinds of foreign currency transactions, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: Table 2.

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

9) Trading in derivative instruments: None.

b. Information on investees: Table 6.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: Table 8.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

TABLE 1

SHIHLIN ELECTRIC & ENGINEERING CORP.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
1	Wuxi Shihlin Electric & Engineering Co., Ltd.	Changzhou Shihlin Auto Parts Co., Ltd.	Other receivables from related parties	Yes	$ 22,444	$ 22,047	$ 22,047	3.7	2	$ -	Operational turnaround	$ -	-	$ -	$ 135,114	$ 135,114

Note 1: The Corporation is indicated by No. 0, investees are numbered in order from No. 1.

Note 2: Nature of financing as follows:

a. Business relationship is indicated by No. 1.
b. Short-term financing is indicated by No. 2.

Note 3: The following information was in accordance with the recent financial statements as of December 31, 2022 received from the following companies. Wuxi Shihlin Electric & Engineering Co., Ltd. had a net value limit of 40% that amounted to $135,114 thousand in equity (net value of $337,784 thousand as of December 31, 2022 × 40%).

TABLE 2

SHIHLIN ELECTRIC & ENGINEERING CORP.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 5)
		Name	Relationship (Note 2)										
0	Shihlin Electric & Engineering Corp.	Shihlin Electric Engineering Equipment Vietnam Company Limited	a and b	$ 5,608,508 (Note 3)	$ 225,505	$ 214,970	$ -	$ -	0.77	$ 14,021,271 (Note 4)	Y	-	-
		Changzhou Shihlin Auto Parts Co., Ltd.	b	5,608,508 (Note 3)	354,367	337,810	160,789	-	1.20	14,021,271 (Note 4)	Y	-	Y
		Wuxi Shihlin Electric & Engineering Co., Ltd.	a and b	5,608,508 (Note 3)	161,076	153,550	-	-	0.55	14,021,271 (Note 4)	Y	-	Y
		Suzhou Shihlin Electric & Engineering Corp.	a and b	5,608,508 (Note 3)	225,505	214,970	46,065	-	0.77	14,021,271 (Note 4)	Y	-	Y
		Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	a and b	5,608,508 (Note 3)	96,645	92,130	57,265	-	0.33	14,021,271 (Note 4)	Y	-	Y
		Xiamen Shihlin Electric & Engineering Corp.	a and b	5,608,508 (Note 3)	238,178	228,354	-	-	0.81	14,021,271 (Note 4)	Y	-	Y
		Shihlin Technology (Shenzhen) Co., Ltd.	a and b	5,608,508 (Note 3)	45,092	44,094	-	-	0.16	14,021,271 (Note 4)	Y	-	Y
		Vietnam Shihlin Electric & Engineering Co., Ltd.	a and b	5,608,508 (Note 3)	161,076	153,550	119,769	-	0.55	14,021,271 (Note 4)	Y	-	-

Note 1: The Corporation is numbered "0", while invested in companies are numbered "1" onward.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

a. A company that the Corporation has business relationship with.
b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
c. The company that owns directly or indirectly over 50% ownership of the Corporation.
d. In between companies that held over 90% of voting shares directly or indirectly by an entity.
e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 3: The company held more than 50% of subsidiary's shares; in accordance with the recent financial statements as of December 31, 2022, the parent company had a limited net value of 20% - this became the quota of the guaranteed party. The parent company had an equity amount of $5,608,508 thousand. (Net value of $28,042,542 thousand as of December 31, 2022 × 20%).

Note 4: The Corporation's financial statement as of December 31, 2022 had a limited net value of 50% with an equity amount of $14,021,271 thousand. (Net value of $28,042,542 thousand as of December 31, 2022 × 50%).

Note 5: The company as subsidiary's guarantor, subsidiary as parent company's guarantor and guarantee companies from China are marked Y.

TABLE 3

SHIHLIN ELECTRIC & ENGINEERING CORP.

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Shihlin Electric & Engineering Corp.	Shares						
	AmTrust Capital I Corp.	The Corporation is a director	Financial assets at FVTOCI	7,500,000	$ 65,550	7.8	$ 65,550
	Arch Meter Corp.	The Corporation is a director	Financial assets at FVTOCI	5,636,050	187,906	14.5	187,906
	Jine De Sheng Co., Ltd.	The Corporation is a supervisor	Financial assets at FVTOCI	5,332,000	169,557	7.7	169,557
	Charter Leisure Co., Ltd.	The Corporation is a supervisor	Financial assets at FVTOCI	950,000	8,682	19.0	8,682
	Power World Capital Management Inc.	-	Financial assets at FVTPL	697,819	8,813	6.0	8,813
	HCT Logistics Co., Ltd.	Same chairman	Financial assets at FVTOCI	4,757,721	379,476	1.9	379,476
	Innocom Telecom Corp.	-	Financial assets at FVTPL	250,000	-	0.6	-
	Formosa Capital Holdings Corporation	-	Financial assets at FVTPL	363,636	-	9.1	-
	TSC Finance.Com	The Corporation is a director	Financial assets at FVTOCI	409,087	6,808	5.6	6,808
	Chinese Products Promotion Center	-	Financial assets at FVTOCI	500	45	0.1	45
	Normpacific Automation Corp.	-	Financial assets at FVTOCI	672,188	15,090	2.4	15,090
	Windance Co., Ltd.	-	Financial assets at FVTPL	6,500,000	-	0.9	-
	Asia Technology 3 Limited	-	Financial assets at FVTPL	636,500	-	1.2	-
	Hsin Chu Golf Country Club Co., Ltd.	The Corporation is a director	Financial assets at FVTOCI	24	110,512	2.8	110,512
	The Orient Linko Golf & Country Club	-	Financial assets at FVTOCI	10	105,525	1.0	105,525
	Taichung International Country Club	-	Financial assets at FVTOCI	1	3,668	-	3,668
	O-Bank Co., Ltd. (Industrial Bank of Taiwan Co., Ltd.)	-	Financial assets at FVTOCI	6,157,769	51,664	0.2	51,664
	The Great Taipei Corporation	-	Financial assets at FVTOCI	691,901	21,553	0.1	21,553
	Taiwan Cogeneration Corporation	-	Financial assets at FVTOCI	151,844	4,927	-	4,927
	eTreego Co., Ltd.	-	Financial assets at FVTOCI	8,571,420	40,800	9.3	40,800
	HD Renewable Energy Co., Ltd.	-	Financial assets at FVTOCI	3,000,000	247,530	3.5	247,530
	Star Energy Storage Solutions Co., Ltd.	-	Financial assets at FVTOCI	2,000,000	18,860	10.0	18,860
	Guangxin Venture Capital Co., Ltd.	The Corporation is a director	Financial assets at FVTOCI	15,000,000	119,250	15.0	119,250
	Mutual funds						
	Sycamore Venture Capital, L.P.	-	Financial assets at FVTPL	1,000,000	-	-	-
	KGI EM Trend ETF Fund of Funds	-	Financial assets at FVTPL	1,500,000	10,860	-	10,860
	Pacific Royal Fund - Core Asia Region Fund	-	Financial assets at FVTPL	287,825	68,651	-	68,651
	Pacific Royal Fund - High Yield Capital Fund	-	Financial assets at FVTPL	295,000	75,536	-	75,536
	Global Alliance - Asia Keystone Fund	-	Financial assets at FVTPL	213,083	132,464	-	132,464
	Global Alliance - Ocean Elite Fund	-	Financial assets at FVTPL	213,145	132,506	-	132,506
	Global Alliance - Hidden Power Fund	-	Financial assets at FVTPL	213,128	132,495	-	132,495
	Global Alliance - Titan Investment Fund	-	Financial assets at FVTPL	45,320	24,004	-	24,004
Shihlin Electric & Engineering Corp. International Holdings Ltd.	Mutual funds						
	Pacific Royal Fund - Strategic Growth Income Fund	-	Financial assets at FVTPL	260,000	61,604	-	61,604
	Pacific Royal Fund - Aslan Eagle Opportunity Fund	-	Financial assets at FVTPL	260,000	67,054	-	67,054

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Hsin Lin Electric Machinery Co., Ltd.	<u>Shares</u> Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,735	$ 1,689	2.7	$ 1,689
Rueylin Electric & Engineering Corp.	<u>Shares</u> Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,734	1,689	2.7	1,689
Chuan Lin Technology Corporation	<u>Shares</u> Mirle Automation Corporation	-	Financial assets at FVTOCI	83,737	3,169	-	3,169
Ji Lin Investment, Co., Ltd.	<u>Shares</u> Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430
Cheng Lin Investments Co., Ltd.	<u>Shares</u> Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
Shihlin Electric & Engineering Corp.	Hsin Lin Electric Machinery Co., Ltd.	Subsidiary	Purchase	$ 1,862,425	10.1	Payment in 60 days after acceptance	$ -	-	$ (288,857)	(5.8)
	Mitsubishi Electric Corporation	Director of the Corporation	Purchase	531,513	2.9	Documents against payment	-	-	-	-
	Xiamen Shihlin Electric & Engineering Corp.	Sub-subsidiary	Purchase	151,292	0.8	Payment in 75 days after confirming	-	-	(4,932)	(0.1)
	Chuan Lin Technology Corporation	Subsidiary	Purchase	276,885	1.5	Payment in 90 days after acceptance	-	-	(54,858)	(1.1)
	Rueylin Electric & Engineering Corp.	Subsidiary	Purchase	219,060	1.2	Payment in 30 days after acceptance	-	-	(38,674)	(0.8)
	Suzhou Shihlin Electric & Engineering Corp.	Sub-subsidiary	Purchase	229,859	1.2	Payment in 105 days after confirming	-	-	(7,779)	(0.2)
	Shihlin Electric Engineering Equipment Vietnam Company Limited	Subsidiary	Purchase	350,093	1.9	Payment in 90 days after confirming	-	-	(65,349)	(1.3)
	Xiamen Shihlin Electric & Engineering Corp.	Sub-subsidiary	Sale	(114,574)	(0.6)	Collect receivables in 90 days after confirming	-	-	21,136	0.3
Changzhou Shihlin Auto Parts Co., Ltd.	Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Subsidiary of the Company's directors	Sale	(319,473)	(50.9)	Collect receivables in 60 days after confirming	-	-	41,597	38.2
	Mitsubishi Electric Automotive (China) Ltd.	Subsidiary of the Company's directors	Sale	(193,509)	(30.8)	Collect receivables in 60 days after confirming	-	-	39,475	36.3
Wuxi Shihlin Electric & Engineering Co., Ltd.	Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Subsidiary of the Company's directors	Sale	(265,522)	(64.7)	Collect receivables in 90 days after confirming	-	-	33,835	47.2
Hsin Lin Electric Machinery Co., Ltd.	Shihlin Electric & Engineering Co.	Parent company	Sale	(1,862,425)	(100.0)	Collect receivables in 60 days after confirming	-	-	288,857	100.0
Xiamen Shihlin Electric & Engineering Corp.	Shihlin Electric & Engineering Co	Ultimate parent company	Sale	(151,292)	(10.5)	Collect receivables in 75 days after confirming	-	-	4,932	1.6
Chuan Lin Technology Corporation	Shihlin Electric & Engineering Co.	Parent company	Sale	(276,885)	(94.6)	Collect receivables in 90 days after confirming	-	-	54,858	98.8
Rueylin Electric & Engineering Corp.	Shihlin Electric & Engineering Co.	Parent company	Sale	(219,060)	(70.4)	Collect receivables in 30 days after confirming	-	-	38,674	68.4
Suzhou Shihlin Electric & Engineering Corp.	Shihlin Electric & Engineering Co.	Ultimate parent company	Sale	(229,859)	(27.1)	Collect receivables in 105 days after confirming	-	-	7,779	2.6
Xiamen Shihlin Electric & Engineering Corp.	Shihlin Electric & Engineering Co.	Ultimate parent company	Purchase	114,574	14.0	Payment in 90 days after acceptance	-	-	(21,136)	(10.3)
Shihlin Electric Engineering Equipment Vietnam Company Limited	Shihlin Electric & Engineering Co.	Parent company	Sale	(350,093)	(46.6)	Collect receivables in 90 days after confirming	-	-	65,349	73.3

TABLE 5

SHIHLIN ELECTRIC & ENGINEERING CORP.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss
						Amount	Actions Taken		
Hsin Lin Electric Machinery Co., Ltd.	Shihlin Electric & Engineering Corp.	Parent company	Accounts receivable	$ 288,857	4.2 times for a year	$ -	-	$ 288,857 (Note 1)	$ -

Note: The amount received before March 9, 2023.

TABLE 6

SHIHLIN ELECTRIC & ENGINEERING CORP.

INFORMATION ON INVESTEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Shihlin Electric & Engineering Corp.	SEEC International Holdings Ltd. of the British Virgin Islands	British Virgin Islands	Investment and trade business	$ 1,583,877	$ 1,583,877	48,828,287	100.0	$ 5,066,222	$ 472,022	$ 479,102 (Note 1)	Subsidiary
	SEEC International Trading Ltd. of the British Virgin Islands	British Virgin Islands	Investment	-	124,447	(Note 6)	-	-	-	-	Subsidiary
	Shihlin Electrical Engineering Ltd. of Vietnam	Vietnam DongNai	Electrical goods production	57,521	57,521	(Note 5)	100.0	506,055	47,551	48,984 (Note 1)	Subsidiary
	Shihlin Electric USA Company Limited	California	The heavy electrical equipment product marketing promotion services	79,879	79,879	2,500,000	100.0	30,783	(207)	(207)	Subsidiary
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	429,896	429,896	42,990,000	94.3	640,842	4,795	4,521	Subsidiary
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	499,885	499,885	49,990,000	94.8	569,800	5,989	5,678	Subsidiary
	Ji Lin Investment, Co., Ltd.	Taipei	Investment	299,882	299,882	29,990,000	99.9	319,899	4,093	4,089	Subsidiary
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	229,896	229,896	22,990,000	89.4	354,804	2,436	2,178	Subsidiary
	Cheng Lin Investments Co., Ltd.	Taipei	Investment	458,038	378,038	45,807,000	99.5	461,473	7,092	7,055	Subsidiary
	Shang Lin Investment Co., Ltd.	Taipei	Investment	598,032	598,032	59,807,000	99.6	594,467	4,232	4,215	Subsidiary
	Hsin Lin Electric Machinery Co., Ltd.	Taipei	A variety of power transmission and distribution, data storage and processing equipment, machinery and communications equipment, electronic components and telecommunications equipment manufacturing, electronic materials and retail business	24,000	24,000	2,880,000	60.0	250,234	61,142	36,625	Subsidiary
	Rueylin Electric & Engineering Corp.	Hsinchu County	Mechanical appliances and electrical manufacturing various components of the processing of trading business	163,487	163,487	10,274,053	90.0	397,264	65,780	60,737 (Note 2)	Subsidiary
	Jeen-Lin Industrial Co., Ltd.	Hsinchu County	Manufacture of various metal machinery, purchase and sale of various metal materials, manufacture, purchase, sale, import and export of the products from aforementioned activities of which the first mold is managed by the Corporation	47,978	47,978	5,346,364	78.4	113,778	13,700	10,752 (Note 3)	Subsidiary
	Chuan Lin Technology Corporation	Hsinchu County	Operating a variety of vending machines and the sale of the maintenance service, vending machines set of management consultancy services, mechanical refrigeration and air conditioning equipment and affairs of the sale and installation of mechanical equipment business, the sale of a variety of heavy electrical machinery and mechanical appliances of automation equipment maintenance holds business, import and export business before the products, trading and export business of the switch	4,100	4,100	410,000	31.5	27,470	10,046	3,166	Subsidiary
	Ting Lin Enterprise Co., Ltd.	Taipei	Mechanical parking equipment manufacture of lifting equipment and toll system sale maintenance and automated warehousing equipment manufacturing business maintenance and agents at home and abroad before the manufacturers product pricing and distribution operations as well as the import and export business	123,760	123,760	12,188,000	96.7	175,189	839	811	Subsidiary
	Chan Der Investment Corp.	Taipei	Investment	51,030	51,030	2,438,783	8.1	54,939	9,515	774	Associate
	Cheng Der Investment Corp.	Taipei	Investment	18,950	18,950	1,149,177	3.6	20,174	(515)	(18)	Associate
	Yu Der Investment Corp.	Taipei	Investment	26,180	26,180	2,618,000	4.8	28,577	8,140	391	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2022	Original Investment Amount December 31, 2021	As of December 31, 2022 Shares	As of December 31, 2022 %	As of December 31, 2022 Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
	Chailease Shihlin Energy Co., Ltd.	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission, and distribution machinery manufacturing, self-use renewable energy power generation equipment, energy technology service	$ 60,274	$ -	6,027,375	20.0	$ 60,266	$ 81	$ 16	Associate
	Shihlin Electric Green Power Co.	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission, and distribution machinery manufacturing, self-use renewable energy power generation equipment, energy technology service and general investment	300,000	-	30,000,000	100.0	300,117	117	117	Subsidiary (Note 7)
	968 Digital Information Co., Ltd.	Taipei	Information software services, data processing services, electronic information supply services, information software wholesale, information software retail, wholesale of computer and business machinery equipment, retailing of computer and business machinery equipment, international trade, temporary labor services, management consulting, Investment consulting, general investment and leasing	10,000	-	1,000,000	33.3	9,983	(52)	(17)	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	1,912,495	1,912,495	66,918,617	18.2	3,726,535	1,088,040	75,681	Associate
Rueylin Electric & Engineering Corp.	Shihlin Electric Engineering Vietnam Equipment Company Limited	Vietnam DongNai	Manufacture of mechanical equipment, mechanical appliances and their components; transmission and distribution and sales; and installation engineering; wired and wireless telecommunications wiring project; and related products import and export trade business	83,770	83,770	(Note 5)	100.0	293,875	50,962		Sub-subsidiary
	Wuling Electric Co., Ltd.	New Taipei City	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	32,344	8,535		Sub-subsidiary
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	60,837	18,459		Associate
Ji Lin Investment, Co., Ltd.	Chang Hong Investment Corp.	Taipei	Investment	50,017	50,017	5,002,000	8.8	67,362	3,506		Associate
	Yu Hong Investment Corp.	Taipei	Investment	50,000	50,000	5,000,000	2.6	67,517	10,828		Associate
	Yu Der Investment Corp.	Taipei	Investment	60,017	60,017	6,002,000	11.1	66,323	8,140		Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	15,000	15,000	1,500,000	37.5	11,163	268		Sub-subsidiary
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	52,160	52,160	1,631,000	0.4	90,827	1,088,040		Associate
Shang Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	16,680	16,680	1,668,000	5.6	37,847	9,515		Associate
	Cheng Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	6.4	36,033	(515)		Associate
	Yu Hong Investment Corp.	Taipei	Investment	120,000	120,000	12,000,000	6.3	161,787	10,828		Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.5	26,929	3,506		Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	54,799	54,799	1,506,000	0.4	83,866	1,088,040		Associate
	Xin He Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	4.4	49,595	(3,354)		Associate
	De Hong Investment Corp.	Taipei	Investment	130,000	130,000	13,000,000	8.3	197,958	18,459		Associate
Jeng Lin Investment Co., Ltd.	Cheng Der Investment Corp.	Taipei	Investment	77,012	77,012	5,733,342	18.4	103,334	(515)		Associate
	Xin He Investment Corp.	Taipei	Investment	59,970	59,970	5,997,000	6.6	74,336	(3,354)		Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	67,855	67,855	2,421,000	0.7	134,820	1,088,040		Associate
	De Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	4.5	106,703	18,459		Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Hwo Lin Investment Co., Ltd.	Xin He Investment Corp.	Taipei	Investment	$ 30,000	$ 30,000	3,000,000	3.3	$ 37,168	$ (3,354)		Associate
	Yu Hong Investment Corp.	Taipei	Investment	100,019	100,019	10,002,000	5.3	134,781	10,828		Associate
	Chan Der Investment Corp.	Taipei	Investment	49,011	49,011	4,700,956	15.7	106,622	9,515		Associate
	De Hong Investment Corp.	Taipei	Investment	86,019	86,019	8,002,000	5.1	121,912	18,459		Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.5	26,929	3,506		Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	25,000	25,000	2,500,000	62.5	18,604	268		Sub-subsidiary
	The Ambassador Hotel, Ltd.	Taipei	International Hotels business, with a restaurant, coffee shop, bar and club business	85,585	85,585	2,633,000	0.7	146,626	1,088,040		Associate
Yuh Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	40,000	40,000	1,389,558	4.6	31,539	9,515		Associate
	Chang Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	12.3	94,215	3,506		Associate
	Xin He Investment Corp.	Taipei	Investment	140,009	140,009	14,001,000	15.4	173,414	(3,354)		Associate
	De Hong Investment Corp.	Taipei	Investment	90,000	90,000	9,000,000	5.8	137,121	18,459		Associate
	Yu Der Investment Corp.	Taipei	Investment	26,000	26,000	2,600,000	4.8	28,696	8,140		Associate
	The Ambassador Hotel, Ltd.	Taipei	International Hotels business, with a restaurant, coffee shop, bar and club business	83,369	83,369	2,640,000	0.7	147,015	1,088,040		Associate
	Yu Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	3.7	94,270	10,828		Associate
Cheng Lin Investments Co., Ltd.	Chuan Lin Technology Corporation	Hsinchu County	Various sale and service maintenance of vending machines, vending machine business management consultant business, refrigerated air conditioning machinery and mechanical appliances of installation and other businesses, a variety of electro-mechanical equipment sale for automated machinery and equipment repair and installation services, import and export of various products, the switch before sale and import and export business	9,747	9,747	540,000	41.5	36,225	10,046		Subsidiary
	Rueylin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	1,000	1,000	100,000	0.9	3,892	65,780		Subsidiary
	Xin He Investment Corp.	Taipei	Investment	100,000	20,000	10,000,000	11.0	123,819	(3,354)		Associate
	Yu Hong Investment Corp.	Taipei	Investment	120,000	120,000	12,000,000	6.3	161,787	10,828		Associate
	Yu Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.7	22,088	8,140		Associate
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	60,837	18,459		Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	19,337	19,337	558,000	0.2	31,074	1,088,040		Associate
Chuan Lin Technology Corporation	Rueylin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	687	687	42,626	0.4	1,299	65,780		Subsidiary
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	61,245	18,459		Associate
Ting Lin Enterprise Co., Ltd.	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	61,170	18,459		Associate
	Yu Hong Investment Corp.	Taipei	Investment	80,000	80,000	8,000,000	4.2	108,114	10,828		Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	266	266	10,000	-	557	1,088,040		Associate
Hsin Lin Electric Machinery Co., Ltd.	Hsinlin International Investment Corp. of Samoa	Samoa	Investment	57,693	57,693	1,130,000	100.0	49,261	6,000		Sub-subsidiary
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	26,000	26,000	2,600,000	5.7	38,736	4,795		Subsidiary
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	5.1	30,654	5,989		Subsidiary
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	10.5	41,672	2,436		Subsidiary
	Wuling Electric Co., Ltd.	New Taipei City	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	32,344	8,535		Sub-subsidiary
Jee-Lin Industrial Co., Ltd.	Yu Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.1	54,014	10,828		Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Shihlin Electric Green Power Co	Rui Young Optronics Corp.	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission, and distribution Machinery manufacturing, self-use renewable energy power generation equipment, energy technology service, general investment, specialized area development	$ 280,000	$ -	28,000,000	100.0	$ 280,088	$ 88		Sub-subsidiary (Note 8)

Note 1: The adjusted unrealized gross profit and realized gross profit consist of upstream, downstream and sidestream transactions.

Note 2: The adjusted unrealized gross profit and realized gross profit consist of upstream transactions.

Note 3: The adjusted unrealized gross profit and realized gross profit consist of downstream transactions.

Note 4: The adjusted unrealized gross profit of sidestream transactions

Note 5: The limited companies do not have shares.

Note 6: SEEC International Trading Ltd. of the British Virgin Islands had been liquidated in March 2022.

Note 7: It was approved and established on August 24, 2022.

Note 8: It was approved and established on September 1, 2022.

(Concluded)

TABLE 7

SHIHLIN ELECTRIC & ENGINEERING CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business	$ 192,835	b (Note 3)	$ 41,316 (Note 5)	$ -	$ -	$ 41,316 (Note 5)	$ 124,233	55.0	$ 70,419 (Note 6)	$ 315,278	$ 258,978
Xiamen Shihlin Electric & Engineering Corp.	All kinds of switches, relays, circuit breakers and other products and components of the production, trafficking, technical advice and after sales service	391,115	b (Note 3)	325,403	-	-	325,403	48,497	100.0	48,327 (Note 6)	907,653	566,725
Suzhou Shihlin Electric & Engineering Corp.	Capacitors, transformers, electric motors and other electronic components manufacturing and sales business	401,584	b (Note 3)	247,193	-	-	247,193	140,513	100.0	144,503 (Note 6)	842,973	172,906
Wuxi Shihlin Electric & Engineering Co., Ltd.	Magneto and starter motor in locomotive transmission facilities, mobile and starter motors, power generators, and DC motor manufacturing and sales business	312,552	b (Note 3)	283,033	-	-	283,033	17,122	100.0	18,224 (Note 6)	337,784	12,134
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Motorcycle starter motors, magneto, ignition coils and other control or distribution equipment manufacturing and sales business	167,512	b (Note 3)	37,021	-	-	37,021	179,724	49.0	88,065 (Note 6)	1,376,661	389,817
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High and low pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business	174,614	b (Note 3)	56,439	-	-	56,439	29,985	50.5	15,142 (Note 6)	123,201	154,334
Mitsuba Shihlin Electric (Wuhan) Co., Ltd.	Automotive cooling fans, wiper systems, starter, fuel pump, electronic control systems and other automotive electrical parts and accessory collar manufacturing sales and service business	230,811	b (Note 3)	103,865	-	-	103,865	157,789	45.0	71,005 (Note 6)	359,342	389,557
Shihlin Technology (Shenzhen) Co., Ltd.	Electronic products, machinery, mechanical and electrical equipment, industrial electric equipment, plastic products technology development, design, technical advice, technology transfers, wholesale, commission agent, import/export and related business	32,000	b (Note 3)	32,000	-	-	32,000	(388)	100.0	(394) (Note 6)	38,432	15,191
Xiamen Chen-Ieu Transportation Implements Co., Ltd.	Manufacturing and motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, machine tools, etc.	72,679	b (Note 3)	- (Note 7)	-	-	- (Note 7)	5,296	100.0	4,730 (Note 6)	74,358	-
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd.	Low-voltage circuit breakers, magnetic switches of low voltage electrical apparatus and its components, such as research and development, manufacturing and after-sales service and technical advisory services	194,805	b (Note 3)	58,441	-	-	58,441	8,959	30.0	2,688 (Note 6)	76,729	-
Changzhou Shihlin Auto Parts Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business	303,173	b (Note 3)	183,948 (Note 8)	-	-	183,948 (Note 8)	31,554	100.0	31,626 (Note 6)	416,245	205,420
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High and low pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business	174,614	b (Note 4)	22,173 (Note 9)	-	-	22,173 (Note 9)	29,985	20.0 (Note 9)	5,997 (Note 6)	48,792	55,509

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,368,659 (Note 10)	$1,368,659 (Note 10)	No upper limit on the amount of investment (Note 11)

Note 1: The methods of making investments in mainland China include the following:

a. Direct investment in mainland China.
b. Investment made in mainland China through companies registered in a third region.
c. Other methods.

Note 2: Recognized gain or loss in investment:

a. If it is in preparation and there is no investment gain (loss), it should be indicated.

b. The recognition of investment gain (loss) is divided into the following three types, it should be indicated.

1) The financial statement is audited and attested by certified public accounting firm with all cooperative relations with the Republic of China Accounting Firm.
2) The financial statement is audited and attested by certified public accountants of Taiwan.
3) Others.

Note 3: SEEC International Holdings Ltd. of the British Virgin Islands is the investor in third area.

Note 4: Hsinlin International Investment Corp. of Samoa, is the investor in third area.

Note 5: It has been deducted that the accumulated outward remittances for investment from Taiwan in the amount of $38,567 thousand for establishment of Changzhou Shihlin Auto Parts Co., Ltd. since spin-off in May 2013.

Note 6 Recognized gain and loss are based on Note 2. b. 2.

Note 7: The accumulated outward remittance for investment from Taiwan at the beginning and end of the year did not include $86,768 thousand of dividends received from investee company in mainland China.

Note 8: Changzhou Shihlin Mitsuba Electric has spun-off to Changzhou Shihlin Auto Parts Co., Ltd. in May 2013, which has accumulated outward remittance for investment from Taiwan in the amount of $38,567 thousand.

Note 9: The accumulated outward remittance for investment from Taiwan and the ownership of investment are the investment of Hsin Lin Electric Machinery Co., Ltd. through Hsinlin International Investment Corp. of Samoa.

Note 10. It excludes the investment of Hsin Lin Electric Machinery Co., Ltd. in mainland China.

Note 11: According to an issued operational headquarters' document from the Industrial Development Bureau, MOEA, which is still valid within the period, there is no upper limit on the Corporation’s amount of investment.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

1. Purchases

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details		Purchases		Notes/Accounts Payable	
			Price	Payment Term	Amount	%	Ending Balance	%
Shihlin Electric & Engineering Corp.	Xiamen Shihlin Electric & Engineering Corp.	-	Trading fairly general	Paid in 75 days	$ 151,292	0.8	$ 4,932	0.1
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Paid in 105 days	229,859	1.2	7,779	0.2
	Wuxi Shihlin Electric & Engineering Co., Ltd.	-	Trading fairly general	Paid in 30 days	53,282	0.3	8,713	0.2
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	-	Trading fairly general	Paid in 75 days	7,608	-	773	-
	Suzhou Power Equipment	-	Trading fairly general	Paid in 90 days	3,408	-	1,877	-

2. Sales

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details		Sales		Gross Profit	Unrealized Gross Profit	Notes/Accounts Receivable	
			Price	Payment Term	Amount	%			Ending Balance	%
Shihlin Electric & Engineering Corp.	Xiamen Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 90 days	$ 114,574	0.6	$ 3,449	$ 1,921 (Note)	$ 21,136	0.3
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	-	Trading fairly general	Received in 90 days	63,561	0.3	16,752	-	6,799	0.1
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 90 days	40,356	0.2	4,113	656 (Note)	24,170	0.4
	Suzhou Power Equipment	-	Trading fairly general	Received in 90 days	9,097	-	2,003	-	1,327	-
	Wuxi Shihlin Electric & Engineering Co., Ltd.	-	Trading fairly general	Received in 90 days	8,127	-	(398)	76 (Note)	1,976	-

3. Management service revenue

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details			Management Service Revenue	
			Price	Payment Term	Comparison with Normal Transaction	Amount	%
Shihlin Electric & Engineering Corp.	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 30 days	In general	$ 11,881	35.82

4. Endorsements/guarantees provided are reported in Table 2.

Note: As of December 31, 2022, unrealized gains or losses were presented as above.

TABLE 9

SHIHLIN ELECTRIC & ENGINEERING CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Mitsubishi Electric	110,242,966	21.16
Ambassador Hotel	59,785,175	11.47
CTBC Trust Property Account	36,190,122	6.94
Citibank (Taiwan) Entrusted with the Custody of the First Gold Hesheng Securities Co., Ltd. Investment Account	32,084,000	6.15
Taipei Fubon Commercial Bank Trust Property Account	28,655,556	5.50
Yangde Investment Co., Ltd.	27,556,494	5.28

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

SHIHLIN ELECTRIC & ENGINEERING CORP.

THE CONTENTS OF STATEMENTS FOR MAJOR ACCOUNTING ITEMS

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand		$ 1,122
Cash in banks		
Checking accounts and demand deposits		173,220
Foreign currency deposits	Including US$23,950 thousand @30.71, JPY1,231,956 thousand @0.2324, PHP31 thousand @0.5443, EUR603 thousand @32.72, CAD410 thousand @22.67, RMB57,650 thousand @4.408 and CHF69 thousand @33.205	1,307,247
		1,480,467
		$ 1,481,589

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Client Name	Amount
Non-related party	
Taiwan Semiconductor Manufacturing Company Limited	$ 368,338
Dynaichi Technology Co., Ltd.	366,259
Likees Tech-Service Co., Ltd.	341,845
Others (Note)	3,798,441
	4,874,883
Less: Allowance for impairment loss	(73,562)
	$ 4,801,321
Related party	
Suzhou Shihlin Electric & Engineering Corp.	$ 24,170
Xiamen Shihlin Electrical & Engineering Corp.	21,136
Shihlin Electric Engineering Equipment Vietnam Company Limited	19,334
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	6,799
Mitsubishi Electric Group of Japan	6,330
Others (Note)	9,645
	$ 87,414

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF CHANGES IN CONTRACT ASSETS AND CONTRACT LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits					Accumulated Amount of Progress Billings				Contract	Contract
Name of Construction	Balance, January 1, 2022	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance, December 31, 2022	Balance, January 1, 2022	Increase in Progress Billings	Contractual Completion	Balance, December 31, 2022	Assets, Net, December 31, 2022	Liabilities, Net, December 31, 2022
SE10003	$ 4,599,613	$ -	$ -	$ -	$ 4,599,613	$ 4,010,253	$ 31,501	$ -	$ 4,041,754	$ 557,859	$ -
SE10004	2,039,184	790,850	24,334	-	2,854,368	2,010,857	592,875	-	2,603,732	250,636	-
SE10005	775,907	7,863	779	(784,549)	-	731,587	-	(731,587)	-	-	-
SE10006	699,837	506,556	28,350	-	1,234,743	933,253	118,362	-	1,051,615	183,128	-
SE10007	-	1,377,145	72,481	-	1,449,626	-	1,387,173	-	1,387,173	62,453	-
IL5104151	29,755	-	-	-	29,755	28,698	-	-	28,698	1,057	-
IL5104153	72,626	-	-	-	72,626	69,091	-	-	69,091	3,535	-
IL5105004	17,233	-	-	(17,233)	-	17,198	-	(17,198)	-	-	-
IL5105169	63,939	-	-	-	63,939	59,789	-	-	59,789	4,150	-
IL5106152	67,957	-	157	(68,114)	-	67,925	-	(67,925)	-	-	-
IL5106156	45,061	-	-	-	45,061	38,703	4,194	-	42,897	2,164	-
IL5106003	33,943	-	40	(33,983)	-	33,673	-	(33,673)	-	-	-
IL5106105	178,691	-	-	-	178,691	128,716	-	-	128,716	49,975	-
IL5106153	337,593	2,702	739	-	341,034	280,912	52,671	-	333,583	7,451	-
IL5107002	461,568	3,732	384	-	465,684	424,872	8,833	-	433,705	31,979	-
IL5107202	39,804	-	36	(39,840)	-	25,896	13,944	(39,840)	-	-	-
IL5107001	796,685	3,471	398	-	800,554	740,503	-	-	740,503	60,051	-
IL5107151	179,918	(1,917)	(291)	-	177,710	164,751	-	-	164,751	12,959	-
IL5107011	13,922	200	28	-	14,150	9,965	-	-	9,965	4,185	-
IL5107103	5,580	(4,188)	(1,392)	-	-	-	-	-	-	-	-
IL5108053	14,126	190	44	-	14,360	11,760	-	-	11,760	2,600	-
IL5108203	13,234	160	46	(13,440)	-	8,736	4,704	(13,440)	-	-	-
IL5108001	335,412	-	-	-	335,412	293,548	-	-	293,548	41,864	-
IL5108004	94,624	-	-	-	94,624	83,394	-	-	83,394	11,230	-
IL5108101	110,319	-	-	-	110,319	80,114	-	-	80,114	30,205	-
IL5108204	13,353	-	87	(13,440)	-	8,736	4,704	(13,440)	-	-	-
IL5109101	13,142	-	-	-	13,142	9,447	-	-	9,447	3,695	-
IL5109205	21,580	-	-	-	21,580	648	20,932	-	21,580	-	-
IL5109206	31,586	273	61	(31,920)	-	6,403	25,517	(31,920)	-	-	-
IL5109276	16,627	1,008	(835)	-	16,800	-	16,800	-	16,800	-	-
IL5109151	232,465	5,558	-	-	238,023	226,184	-	-	226,184	11,839	-
IL5109152	171,225	-	-	-	171,225	147,180	-	-	147,180	24,045	-
IL5109153	15,999	-	-	-	15,999	13,687	-	-	13,687	2,312	-
IL5110101	19,659	-	-	-	19,659	18,758	-	-	18,758	901	-
IL5110201	12,530	3,968	1,027	-	17,525	-	9,694	-	9,694	7,831	-
IL5110301	35,663	8,940	2,003	-	46,606	9,436	17,960	-	27,396	19,210	-

(Continued)

Name of Construction	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits: Balance, January 1, 2022	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance, December 31, 2022	Accumulated Amount of Progress Billings: Balance, January 1, 2022	Increase in Progress Billings	Contractual Completion	Balance, December 31, 2022	Contract Assets, Net, December 31, 2022	Contract Liabilities, Net, December 31, 2022
IL5110302	$ 41,120	$ -	$ -	$ -	$ 41,120	$ 15,401	$ 25,719	$ -	$ 41,120	$ -	$ -
IL5110303	16,047	3,613	860	(20,520)	-	5,265	15,255	(20,520)	-	-	-
IL5110304	26,627	40,441	8,863	-	75,931	648	8,190	-	8,838	67,093	-
IL5110305	56,875	3,703	815	-	61,393	8,466	42,390	-	50,856	10,537	-
IL5110151	64,957	2,925	(2,758)	-	65,124	36,969	1,839	-	38,808	26,316	-
IL5110103	36,509	-	-	-	36,509	30,951	-	-	30,951	5,558	-
IL5110102	24,412	-	-	-	24,412	20,722	-	-	20,722	3,690	-
IL5110051	15,773	1,689	388	-	17,850	12,738	-	-	12,738	5,112	-
IL5110052	14,134	1,712	322	-	16,168	12,441	-	-	12,441	3,727	-
IL5110057	12,093	843	177	-	13,113	-	9,520	-	9,520	3,593	-
IL5110059	26,050	4,563	887	-	31,500	25,200	-	-	25,200	6,300	-
IL5110060	7,097	3,051	552	-	10,700	-	10,700	-	10,700	-	-
IL5110307	49,302	5,058	(360)	-	54,000	1,174	49,202	-	50,376	3,624	-
IL5110105	29,038	10,703	2,216	-	41,957	35,910	-	-	35,910	6,047	-
IL5110106	29,616	15,429	3,353	-	48,398	41,118	-	-	41,118	7,280	-
IL5110107	19,942	19,143	3,182	-	42,267	36,444	-	-	36,444	5,823	-
IL5110308	11,894	14,506	3,438	-	29,838	-	21,848	-	21,848	7,990	-
IL5110204	1,282	35,866	5,627	-	42,775	-	-	-	-	42,775	-
IL5110155	13	140,229	23,090	-	163,332	-	104,187	-	104,187	59,145	-
IL5111242	-	14,668	2,819	-	17,487	-	8,483	-	8,483	9,004	-
IL5111121	-	8,787	2,184	-	10,971	-	6,752	-	6,752	4,219	-
IL5111201	-	21,148	4,472	-	25,620	-	6,580	-	6,580	19,040	-
IL5111243	-	26,668	4,330	-	30,998	-	4,181	-	4,181	26,817	-
IL5111281	-	10,649	2,259	-	12,908	-	-	-	-	12,908	-
IL5111283	-	3,479	790	-	4,269	-	-	-	-	4,269	-
IL5111284	-	21,429	4,016	-	25,445	-	-	-	-	25,445	-
IL5111286	-	7,770	1,570	-	9,340	-	-	-	-	9,340	-
IL5111294	-	8,413	1,848	-	10,261	-	-	-	-	10,261	-
IL5111081	-	26,303	4,373	-	30,676	-	26,918	-	26,918	3,758	-
IL5111122	-	28,259	7,964	-	36,223	-	28,011	-	28,011	8,212	-
IL5111287	-	1,111	236	-	1,347	-	-	-	-	1,347	-
IL5111245	-	22,138	4,146	-	26,284	-	899	-	899	25,385	-
IL5111247	-	10,087	2,342	-	12,429	-	1,122	-	1,122	11,307	-
IL5111248	-	7,341	1,309	-	8,650	-	-	-	-	8,650	-
IL5111249	-	8,773	1,543	-	10,316	-	-	-	-	10,316	-
IL5111252	-	1,411	327	-	1,738	-	-	-	-	1,738	-
IL5111290	-	1,707	370	-	2,077	-	-	-	-	2,077	-
IL5111481	-	1,592	953	-	2,545	-	2,441	-	2,441	104	-
	$ 12,093,141	$ 3,241,718	$ 226,979	$ (1,023,039)	$ 14,538,799	$ 10,978,120	$ 2,684,101	$ (969,543)	$ 12,692,678	1,846,121	$ -
Contract assets - product sales										505,133	
										$ 2,351,254	
SE10008	$ -	$ 35,735	$ 1,881	$ -	$ 37,616	$ -	$ 738,604	$ -	$ 738,604	$ -	$ 700,988
IL5105151	82,609	7,130	269	(90,008)	-	90,627	-	(90,627)	-	-	-
IL5106051	29,469	-	31	(29,500)	-	29,500	-	(29,500)	-	-	-
IL5106257	30,421	-	179	(30,600)	-	30,600	-	(30,600)	-	-	-
IL5106254	11,463	-	87	(11,550)	-	11,551	-	(11,551)	-	-	-

(Continued)

Name of Construction	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits					Accumulated Amount of Progress Billings				Contract Assets, Net, December 31, 2022	Contract Liabilities, Net, December 31, 2022
	Balance, January 1, 2022	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance, December 31, 2022	Balance, January 1, 2022	Increase in Progress Billings	Contractual Completion	Balance, December 31, 2022		
IL5106206	$ 18,185	$ 385	$ 30	$ (18,600)	$ -	$ 18,600	$ -	$ (18,600)	$ -	$ -	$ -
IL5107055	76,300	-	700	(77,000)	-	77,000	-	(77,000)	-	-	-
IL5106159	15,866	-	-	-	15,866	14,312	1,650	-	15,962	-	96
IL5107110	40,942	12,609	8,218	(61,769)	-	62,048	-	(62,048)	-	-	-
IL5107010	72,290	-	-	-	72,290	54,467	23,343	-	77,810	-	5,520
IL5107059	19,269	-	231	(19,500)	-	19,500	-	(19,500)	-	-	-
IL5107069	13,903	2,159	538	(16,600)	-	16,600	-	(16,600)	-	-	-
IL5107152	33,059	2,342	599	(36,000)	-	36,000	-	(36,000)	-	-	-
IL5108202	39,362	-	-	-	39,362	25,675	13,825	-	39,500	-	138
IL5108055	23,000	-	-	(23,000)	-	23,000	-	(23,000)	-	-	-
IL5108056	29,111	490	115	-	29,716	-	30,000	-	30,000	-	284
IL5108059	11,289	584	127	(12,000)	-	12,000	-	(12,000)	-	-	-
IL5108064	16,639	-	-	-	16,639	10,256	6,649	-	16,905	-	266
IL5109201	47,335	118	26	-	47,479	1,168	46,922	-	48,090	-	611
IL5109202	10,529	-	151	(10,680)	-	10,680	-	(10,680)	-	-	-
IL5109203	11,730	-	6	(11,736)	-	11,736	-	(11,736)	-	-	-
IL5109204	47,959	-	-	-	47,959	8,759	39,332	-	48,091	-	132
IL5109209	29,608	513	108	-	30,229	27,285	3,115	-	30,400	-	171
IL5109351	9,293	1,355	352	(11,000)	-	11,000	-	(11,000)	-	-	-
IL5109212	103,424	-	-	-	103,424	105,500	480	-	105,980	-	2,556
IL5109208	23,134	-	-	-	23,134	14,136	9,264	-	23,400	-	266
IL5109154	12,740	1,188	375	-	14,303	20,467	-	-	20,467	-	6,164
IL5110202	9,033	534	151	-	9,718	-	10,400	-	10,400	-	682
IL5110108	-	-	-	-	-	-	-	-	-	-	-
IL5110208	41	10,860	1,748	-	12,649	2,545	10,110	-	12,655	-	6
IL5110309	3,148	9,061	2,154	-	14,363	-	19,250	-	19,250	-	4,887
IL5110361	132	11,583	2,581	-	14,296	12,800	3,200	-	16,000	-	1,704
IL5110053	-	7,656	1,613	-	9,269	-	10,000	-	10,000	-	731
IL5110311	9,780	9,239	1,510	-	20,529	-	21,331	-	21,331	-	802
IL5111241	-	60,065	10,684	-	70,749	-	72,720	-	72,720	-	1,971
	$ 881,063	$ 173,606	$ 34,464	$ (459,543)	$ 629,590	$ 757,812	$ 1,060,195	$ (460,442)	$ 1,357,565	$ -	727,975
Contract liabilities - product sales											3,502,133
											$ 4,230,108

(Concluded)

STATEMENT 4

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF INVENTORY
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Finished goods	$ 2,048,841	$ 1,942,408
Work in progress	3,342,679	5,226,297
Raw materials	978,230	3,233,413
	$ 6,369,750	$ 10,402,118

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2022		Additions		Decrease		Unrealized Gain (Loss) on Fair Value Change of FVTOCI	Balance, December 31, 2022			
Name	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount		Shares/Units	Fair Value	Collateral	Note
Unlisted shares											
Innocom Telecom Corp.	250,000	$ -	-	$ -	-	$ -	$ -	250,000	$ -	None	
Formosa Capital Holdings Corporation	363,636	-	-	-	-	-	-	363,636	-	None	
Windance Co., Ltd.	6,500,000	-	-	-	-	-	-	6,500,000	-	None	
Asia Technology 3 Limited	636,500	-	-	-	-	-	-	636,500	-	None	
Power World Capital Management Inc.	697,819	10,251	-	-	-	-	(1,438)	697,819	8,813	None	
		10,251		-		-	(1,438)		8,813		
Funds and securities											
Sycamore Venture Capital, L.P.	1,000,000	-	-	-	-	-	-	1,000,000	-	None	
KGI EM Trend EFT Fund of Funds	1,500,000	12,570	-	-	-	-	(1,710)	1,500,000	10,860	None	
Pacific Royal Fund - Core Asia Region Fund	287,825	66,610	-	-	-	-	2,041	287,825	68,651	None	
Pacific Royal Fund - High Yield Capital Fund	295,000	72,972	-	-	-	-	2,564	295,000	75,536	None	
Global Alliance - Asia Keystone Fund	213,083	132,228	-	-	-	-	236	213,083	132,464	None	
Global Alliance - Ocean Elite Fund	213,145	132,266	-	-	-	-	240	213,145	132,506	None	
Global Alliance - Hidden Power Fund	213,128	132,256	-	-	-	-	239	213,128	132,495	None	
Global Alliance - Titan Investment Fund	45,320	24,375	-	-	-	-	(371)	45,320	24,004	None	
		573,277		-		-	3,239		576,516		
		$ 583,528		$ -		$ -	$ 1,801		$ 585,329		

STATEMENT 6

SHIHLIN ELECTRIC & ENGINEERING CORP.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2022		Additions		Decrease		Unrealized Gain (Loss) on Fair Value Change of	Balance, December 31, 2022			
Name	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	FVTPL	Shares/Units	Fair Value	Collateral	Note
Unlisted shares											
Union storage energy system Ltd.	409,087	$ 4,079	-	$ -	-	$ -	$ 2,729	409,087	$ 6,808	None	
Jine De Sheng Co., Ltd	3,333,333	136,433	1,998,667	-	-	-	33,124	5,332,000	169,557	None	
HCT Logistics Co., Ltd.	4,757,721	403,312	-	-	-	-	(23,836)	4,757,721	379,476	None	
Charter Leisure Co., Ltd.	950,000	8,711	-	-	-	-	(29)	950,000	8,682	None	
Norm pacific Automation Corp.	672,188	11,837	-	-	-	-	3,253	672,188	15,090	None	
Arch Meter Corp.	5,636,050	88,430	-	-	-	-	99,476	5,636,050	187,906	None	
Chinese Products Promotion Center	500	46	-	-	-	-	(1)	500	45	None	
AmTrust Capital I Corp.	7,500,000	74,850	-	-	-	-	(9,300)	7,500,000	65,550	None	
Hsin Chu Golf Country Club Co., Ltd.	24	112,050	-	-	-	-	(1,538)	24	110,512	None	
The Orient Linko Golf & Country Club Co., Ltd.	10	95,800	-	-	-	-	9,725	10	105,525	None	
Taichung International Entertainment Corporation	1	3,050	-	-	-	-	618	1	3,668	None	
ETreego Co., Ltd.	8,571,420	41,314	-	-	-	-	(514)	8,571,420	40,800	None	
Star Energy Storage Solutions Co., Ltd.	-	-	2,000,000	20,000	-	-	(1,140)	2,000,000	18,860		
Guangxin Venture Capital Co., Ltd.	-	-	15,000,000	150,000	-	-	(30,750)	15,000,000	119,250		
		979,912		170,000		-	81,817		1,231,729		
Listed shares and emerging market shares											
The Great Taipei Corporation	691,901	22,971	-	-	-	-	(1,418)	691,901	21,553	None	
Taiwan Cogeneration Corporation	151,844	5,755	-	-	-	-	(828)	151,844	4,927	None	
O-Bank Co., Ltd.	8,655,769	69,246	-	-	2,498,000	26,874	9,292	6,157,769	51,664	None	
HD Renewable Energy Co., Ltd.	-	-	3,000,000	255,145	-	-	(7,615)	3,000,000	247,530		
		97,972		255,145		26,874	(569)		325,674		
		$ 1,077,884		$ 425,145		$ 26,874	$ 81,248		$ 1,557,403		

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2022		Additions in Investment		Decrease in Investment		Balance, December 31, 2022			Market Value or Net Assets Value		Collateral	Note
	Shares	Amount	Acquired Shares	Amount	Shares	Amount	Shares	Percentage of Ownership (%)	Amount	Unit Price	Total Amount		
Unlisted shares													
SEEC International Holdings Ltd. of the British Virgin Islands	48,828,287	$ 4,844,427	-	$ 566,284	-	$ 344,489	48,828,287	100.0	$ 5,066,222	103.92	$ 5,074,469	None	Note 1
SEEC International Trading Ltd. of the British Virgin Islands	4,000,000	114,971	-	572	4,000,000	115,543	-	-	-	-	-	None	Note 2
Shihlin Electrical Engineering Ltd. of Vietnam	-	423,901	-	82,154	-	-	-	100.0	506,055	-	506,312	None	Notes 3 and 23
Shihlin Electric USA Company Limited	2,500,000	27,938	-	3,052	-	207	2,500,000	100.0	30,783	12.31	30,783	None	Note 4
Hwo Lin Investment Co., Ltd.	49,990,000	537,786	-	33,344	-	1,330	49,990,000	94.8	569,800	11.40	569,800	None	Note 5
Ji Lin Investment, Co., Ltd.	29,990,000	305,028	-	14,889	-	18	29,990,000	99.9	319,899	10.67	319,899	None	Note 6
Jeng Lin Investment Co., Ltd.	22,990,000	335,719	-	22,476	-	3,391	22,990,000	89.4	354,804	15.43	354,804	None	Note 7
Cheng Lin Investments Co., Ltd.	37,807,000	340,835	8,000,000	120,638	-	-	45,807,000	99.5	461,473	10.07	461,473	None	Note 8
Shang Lin Investment Co., Ltd.	59,807,000	560,409	-	36,606	-	2,548	59,807,000	99.6	594,467	9.94	594,467	None	Note 9
Yuh Lin Investment Co., Ltd.	42,990,000	611,675	-	39,249	-	10,082	42,990,000	94.3	640,842	14.91	640,842	None	Note 10
Hsin Lin Electric Machinery Co., Ltd.	2,880,000	229,847	-	45,159	-	24,772	2,880,000	60.0	250,234	86.97	250,485	None	Note 11
Rueylin Electric & Engineering Corp.	10,274,053	352,637	-	80,586	-	35,959	10,274,053	90.0	397,264	38.76	398,193	None	Note 12
Jeen-Lin Industrial Co., Ltd.	5,346,364	110,267	-	13,134	-	9,623	5,346,364	78.4	113,778	21.28	113,778	None	Note 13
Chuan Lin Technology Corporation	410,000	24,594	-	4,108	-	1,232	410,000	31.5	27,470	67.00	27,470	None	Note 14
Ting Lin Enterprise Co., Ltd.	12,188,000	165,347	-	9,842	-	-	12,188,000	96.7	175,189	14.37	175,189	None	Note 15
Chan Der Investment Corp.	2,438,783	49,598	-	5,341	-	-	2,438,783	8.1	54,939	22.53	54,939	None	Note 16
Cheng Der Investment Corp.	1,149,177	18,324	-	5,026	-	3,176	1,149,177	3.6	20,174	17.56	20,174	None	Note 17
Yu Der Investment Corp.	2,618,000	27,064	-	1,683	-	170	2,618,000	4.8	28,577	10.92	28,577	None	Note 18
Chailease Shihlin Energy Co., Ltd.	-	-	6,027,375	60,290	-	24	6,027,375	20.0	60,266	10.00	60,266	None	Note 19
Shihlin Electric Green Power Co.	-	-	30,000,000	300,117	-	-	30,000,000	100.0	300,117	10.00	300,117	None	Note 20
968 Digital Information Co., Ltd.	-	-	1,000,000	10,000	-	17	1,000,000	33.3	9,983	9.98	9,983	None	Note 21
		9,080,367		1,454,550		552,581	377,234,039		9,982,336		9,992,020		
Listed shares													
The Ambassador Hotel, Ltd.	66,918,617	3,578,880	-	147,921	-	266	66,918,617	18.2	3,726,535	32.60	2,181,547	None	Note 22
		$ 12,659,247		$ 1,602,471		$ 552,847	377,234,039		$ 13,708,871		$ 12,173,567		

Note 1: Increase in amount resulted from share of profit accounted for using the equity method was $479,102 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $87,182 thousand. Decrease in amount resulted from prepaid income tax was $34,310 thousand and cash dividend received was $310,179 thousand.

Note 2: Increase in amount resulted from adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $572 thousand. Decrease in amount resulted from liquidated decrease in investment was $115,543 thousand.

Note 3: Increase in amount resulted from share of profit accounted for using the equity method was $48,984 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $33,170 thousand.

Note 4: Increase in amount resulted from adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $3,052 thousand. Decrease in amount resulted from share of loss accounted for using the equity method was $207 thousand.

Note 5: Increase in amount resulted from gain of share accounted for using the equity method was $5,678 thousand and other comprehensive income accounted for using the equity method was $27,666 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $1,078 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $252 thousand.

Note 6: Increase in amount resulted from share of profit accounted for using the equity method was $4,089 thousand, adjustment relating to changes in capital surplus accounted for using the equity method was $190 thousand and other comprehensive income accounted for using the equity method was $10,610 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $18 thousand.

Note 7: Increase in amount resulted from share of profit accounted for using the equity method was $2,178 thousand and other comprehensive income accounted for using the equity method was $20,298 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $2,023 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $1,368 thousand.

(Continued)

Note 8: Increase in amount resulted from increasing investment was $80,000 thousand, share of profit accounted for using the equity method was $7,055 thousand, adjustment relating to changes in capital surplus accounted for using the equity method was $15,799 thousand, adjustment relating to changes in retained earnings accounted for using the equity method was $65 thousand, adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $168 thousand and other comprehensive income accounted for using the equity method was $17,551 thousand.

Note 9: Increase in amount resulted from share of profit accounted for using the equity method was $4,215 thousand and other comprehensive income accounted for using the equity method was $32,391 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $6 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $2,542 thousand.

Note 10: Increase in amount resulted from share of profit accounted for using the equity method was $4,521 thousands and other comprehensive income accounted for using the equity method was $34,728 thousand. Decrease in the amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $4,977 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $5,105 thousand.

Note 11: Increase in amount resulted from share of profit accounted for using the equity method was $36,625 thousand, other comprehensive income accounted for using the equity method was $8,170 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $364 thousand. Decrease in amount resulted from cash dividend received was $20,160 thousand, adjustment relating to changes in capital surplus accounted for using the equity method was $358 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $4,254 thousand.

Note 12: Increase in amount resulted from share of profit accounted for using the equity method was $60,737 thousand, other comprehensive income accounted for using the equity method was $4,936 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $14,913 thousand. Decrease in amount resulted from cash dividend received was $35,959 thousand.

Note 13: Increase in amount resulted from share of profit accounted for using the equity method was $10,752 thousand, and other comprehensive income accounted for using the equity method was $2,382 thousand. Decrease in amount resulted from cash dividend received was $9,623 thousand.

Note 14: Increase in amount resulted from share of profit accounted for using the equity method was $3,166 thousand, other comprehensive income accounted for using the equity method was $924 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities was $18 thousand. Decrease in amount resulted from cash dividend received was $1,230 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $2 thousand.

Note 15: Increase in amount resulted from share of profit accounted for using the equity method was $811 thousand, other comprehensive income accounted for using the equity method was $9,028 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $3 thousand.

Note 16: Increase in amount resulted from share of profit accounted for using the equity method was $774 thousand and other comprehensive income accounted for using the equity method was $4,567 thousand.

Note 17: Increase in amount resulted from other comprehensive income accounted for using the equity method was $5,026 thousand. Decrease in amount resulted from share of loss accounted for using the equity method was $18 thousand and other comprehensive income accounted for using the equity method was $3,158 thousand.

Note 18: Increase in amount resulted from share of profit accounted for using the equity method was $391 thousand and other comprehensive income accounted for using the equity method was $1,292 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $5 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $165 thousand.

Note 19: Increase in amount resulted from increasing investment was $60,274 thousand and share of profit accounted for using the equity method was $16 thousand. Decrease in amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method was $24 thousand.

Note 20: Increase in amount resulted from increasing investment was $300,000 thousand and share of profit accounted for using the equity method was $117 thousand.

Note 21: Increase in amount resulted from increasing investment was $10,000. Decrease in amount resulted from share of loss accounted for using the equity method was $17 thousand.

Note 22: Increase in amount resulted from share of profit accounted for using the equity method was $75,681 thousand, other comprehensive income accounted for using the equity method was $48,721 thousand and adjustment relating to changes in retained earnings accounted for using the equity method was $23,519 thousand. Decrease in amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method was $266 thousand.

Note 23: The company is limited companies, so it does not need to issue shares.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF SHORT-TERM BORROWING
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Type	Balance, End of Year	Contract Period	Range of Interest Rates (%)	Loan Commitments (Note 1)	Collateral	Note
Unsecured borrowings						
The Export-Import Bank of Roc	$ 700,000	2022.6.30-2023.11.30	1.31	$ 700,000	None	Note 2
HSBC Bank Ltd.	160,000	2022.12.15-2023.4.14	1.77	2,100,000	None	Note 3
Mizuho Bank Ltd.	940,000	2022.12.2-2023.1.13	1.48	1,150,000	None	Note 4
Standard Chartered Bank (Taiwan)	600,000	2022.9.15-2023.3.15	1.17	600,000	None	Note 5
Citibank	400,000	2022.11.11-2023.2.9	1.43	600,000	None	Note 6
	$ 2,800,000			$ 5,150,000		

Note 1: The exchange rate of US denominated loan commitments was 1:30.71 on December 31, 2022. The loan commitments excluded the utilization of available short-term bank borrowings of $6,670,000 thousand.

Note 2: The loan commitment of $700,000 thousand was shareable.

Note 3: The loan commitment of $2,100,000 thousand was shareable.

Note 4: The loan commitment of $1,150,000 thousand was shareable.

Note 5: The loan commitment of $600,000 thousand was shareable.

Note 6: The loan commitment of $600,000 thousand was shareable.

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Non-related party	
Taiwan Electric Contacts Corp.	$ 19,243
Hsin Yang Industry Co., Ltd.	18,362
Shun Xie Industry Co., Ltd.	18,018
Hung Jian Precious Metal Industrial Co., Ltd.	15,958
Shen Kung Precision Co., Ltd.	9,103
Others	2,344
	$ 83,028

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Non-related party	
Setsuyo Enterprise Co., Ltd.	$ 275,802
Others (Note)	4,093,287
	$ 4,369,089
Related party	
Hsin Lin Electric Machinery Co., Ltd.	$ 288,857
Shihlin Electric Engineering Vietnam Equipment Company Limited	65,349
Chuan Lin Technology Corporation	54,858
Rueylin Electric & Engineering Corp.	38,674
Others (Note)	61,681
	$ 509,419

Note: The amount of individual client included in other does not exceed 5% of the account balance.

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Quantities	Amount
Sale of goods		
Heavy electric products	202,909	$ 10,763,632
Electromechanical products	29,786,072	8,916,409
		19,680,041
Rental revenue		464,035
Construction revenue		3,676,767
Total operating revenue		$ 23,820,843

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Raw materials, beginning of year	$ 1,088,340
Purchases in the period	11,553,395
Transferred to property, plant and equipment	(783)
Transferred to expenses and others	(39,762)
Raw materials, end of year	(978,230)
Raw materials used	11,622,960
Direct labor	756,036
Manufacturing expenses	1,758,065
Manufacturing costs	14,137,061
Work in process, beginning of year	1,828,515
Work in process purchased	365,091
Transferred to expenses and others	(136,595)
Work in process, end of year	(3,342,679)
Cost of finished goods	12,851,393
Finished goods, beginning of year	1,496,293
Finished goods purchased	4,042,650
Transferred to property, plant and equipment	(23,622)
Transferred to expenses and others	(6,111)
Finished goods, end of year	(2,048,841)
Cost of goods excluded other adjustment	16,311,762
Warranty cost	297,234
Repair cost	5,000
Revenues from sale of scraps	(10,610)
Total cost of goods sold	16,603,386
Rental cost	196,954
Construction cost	3,415,324
Total operating costs	$ 20,215,664

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	$ 335,485	$ 479,491	$ 245,962	$ 1,060,938
Freight expense	108,678	43	1,016	109,737
Research expense	-	-	96,986	96,986
Traveling expense	38,884	6,422	2,684	47,990
Advertisement expense	43,364	2,046	-	45,410
Post-employment benefits	15,988	14,640	10,020	40,648
Depreciation expense	6,532	30,101	34,226	70,859
Insurance expense	36,199	25,896	18,866	80,961
Entertainment expense	28,168	66,420	1,382	95,970
Repairs and maintenance expense	1,923	11,870	5,649	19,442
Consumable expense	1,605	419	251	2,275
Training expense	-	-	10,745	10,745
Building related expense	2,033	15,348	-	17,381
Utilities expense	3,449	7,781	3,046	14,276
Postage and phone expense	5,544	7,880	245	13,669
Commission	18,779	-	-	18,779
Employee welfare	7,449	6,820	4,666	18,935
Miscellaneous expense	121,876	150,100	59,940	331,916
	$ 775,956	$ 825,277	$ 495,684	2,096,917
Expected credit loss reversed on trade receivables				(50,203)
				$ 2,046,714

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2022			2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	$ 1,227,181	$ 997,033	$ 2,224,214	$ 1,108,736	$ 970,335	$ 2,079,071
Labor and health insurance	95,599	67,802	163,401	90,673	64,656	155,329
Post-employment benefits	37,982	40,648	78,630	35,864	36,498	72,362
Remuneration of directors	-	63,905	63,905	-	58,270	58,270
Others	29,539	23,012	52,551	26,359	20,198	46,557
	$ 1,390,301	$ 1,192,400	$ 2,582,701	$ 1,261,632	$ 1,149,957	$ 2,411,589
Depreciation	$ 418,987	$ 70,859	$ 489,846	$ 431,268	$ 71,416	$ 502,684

Note 1: As of December 31, 2022 and 2021, the Corporation had 2,079 and 1,964 employees, respectively. Among them 9 directors did not serve concurrently as employees in 2022 and 2021, respectively.

Note 2: The average amount of employee benefits was $1,217 thousand and the prior year’s average amount of employee benefit was $1,204 thousand.

Note 3: The average amount of employee salaries was $1,074 thousand and the prior year’s average amount of employee salaries was $1,063 thousand. The average adjustment of employee salaries was (1%).

Note 4: The salary and compensation of the Corporation’s employees include salary and bonus. Salary is determined by position and contribution. Bonus is based on performance evaluation and company profitability evaluation.

Note 5: The salary and remuneration of the Corporation’s directors and managers are the reasonableness of the personal performance, the Corporation’s operating performance and future risks.