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2022 Annual Report

Shihlin Electric

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Spokesperson

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Acting Spokesperson

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Auditors

Deloitte & Touche (Taiwan)
Auditors / Chen, Chih-Yuan、Yang, Ching-Cheng
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Corporate Website

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Overseas Securities Exchange Corporation Listing: N/A

Headquarter

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Breaker & Switchgear/Automation Factory

Address /No.234, Zhonglun Village, Xinfeng Township, Hsinchu County, Taiwan (R.O.C)
Tel / (03) 599-5111 Fax/ (03) 599-5259

Heavy Electric Factory

Address / No.23, Zhonghua Road, Hukou Township, Hsinchu County, Taiwan (R.O.C)
Tel / (03) 598-1921 Fax/ (03) 598-1480

Automobile Equipment Factory

Address / No. 17, Zhonghua Road, Fengshan Village, Hukou Township, Hsinchu County, Taiwan (R.O.C)
Tel / (03) 598-6951 Fax/ (03) 598-6950

Taiwan Branch Office

Taipei Branch Office

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Tainan Branch Office

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I. Letter to Shareholders

Dear Shareholders,

In the fiscal year 2022, countries worldwide gradually recovered from the impact of the COVID-19 pandemic, with global economic growth reaching 3.4%. In our country, with the collective efforts of the government and the entire population, various industries have also shown signs of recovery, with an economic growth rate of 2.43%. The management team and all employees of the Company have delivered outstanding results during this fiscal year. The consolidated revenue for the year 2022 reached NT$30.758 billion, marking an 11.08% growth, while the consolidated pre-tax profit amounted to NT$2.76 billion, reflecting an 11.41% increase. We sincerely appreciate the support of all directors and shareholders.

Looking forward to the year 2023, countries are expected to emerge from the pandemic. However, we are still facing many challenges in our operations due to the significant global inflation, the withdrawal of quantitative easing (QE), the pressure of interest rate hikes, ongoing geopolitical conflicts, financial system turbulence, and other risk factors.

In line with the international trend of achieving net-zero carbon emissions and government energy policies, the company is actively developing green energy-related products ("Shihlin Electric Green Power Co., Ltd."). The Company is investing in the new energy market, rail infrastructure construction, and system integration engineering to pursue steady growth. The Company is also focusing on promoting smart production and quality control to strengthen the core technological capabilities. In terms of organizational development, the Company is actively recruiting and cultivating talent, accelerating the development of managers, and promoting a younger workforce to drive organizational and talent growth. In terms of corporate governance, the Company is committed to implementing ethical standards, strengthening risk management, fulfilling corporate social responsibility, and creating sustainable business operations to maximize shareholder interests and meet shareholders' expectations. We greatly value your input and guidance. Wish all the shareholders will not hesitate to give advice.

1. Business Report

(1) Implementation Results of Previous Year's Business Plan:

Due to effective control of the domestic COVID-19 situation and the gradual lifting of restrictions worldwide, the economic conditions have gradually improved. In the face of domestic and international economic challenges, the Company remained committed to investing in new products and markets to achieve revenue growth. The following is an overview of the operational performance of each department:

A. Power Distribution Department

Despite intense competition in the domestic and international power distribution markets, the department achieved remarkable revenue performance in the fiscal year 2022. In addition to meeting the needs of domestic power market replacement and upgrades, the department continued to focus on Taiwan Railway Track Projects, investments from Taiwan Power Company, private power plants, and expanded the system engineering business. The department actively entered the solar and wind power systems in accordance with the government's green energy policies. Moreover, the department actively expanded the presence in overseas markets, such as North America and Southeast Asia. In the distribution market, the domestic construction market performed well in the fiscal year 2022 due to the return of Taiwanese businesses and renovation projects for aged buildings. By actively promoting market replacement and conducting research and development on products like waterproof switches for streetlights and power transformation projects for schools, the domestic revenue continued to grow, maintaining the position as the market leader. In the overseas distribution market, the department made significant progress in serving public and private clients in China, Southeast Asia, Saudi Arabia, Bangladesh, and other regions, achieving robust export performance. Furthermore, by investing in green energy, smart production, and miniaturized products, and obtaining international certifications for the products, the department remains highly competitive in the face of market challenges.

B. Automobile Parts Department:

In the fiscal year 2022, the domestic automobile market declined by 4.5%. As the main customers are domestic automobile manufacturers, the department focused on maintaining the market share while actively launching electric vehicle and charging-related products. The domestic motorcycle market also declined by 9.3% in the fiscal year 2022, with a 9.6% decline in gasoline-powered motorcycles and a 6.1% decline in electric motorcycles. Nevertheless, the department continued to invest in research and development to seize future opportunities. In terms of components, the department focused on energy-efficient products such as Integrated Starter Generators (ISG) and enhanced product competitiveness through cross-strait collaboration. The department actively expanded the presence in the European and American export markets, while continuously establishing a presence in mainland China and Vietnam, aiming to become an important member of the supply chain for major international automotive manufacturers.

C. Automation Equipment and Components Departments and Others

Affected by the recovery of the domestic semiconductor and machine tool industries and the company's long-term active investment in research and development of new-generation products, such as servo motors and inverters, it has continued to achieve results. And benefiting from the expansion of semiconductor and PCBs factories in Taiwan and mainland China, the production and sales of automation products and equipment have achieved great success. In terms of other departments, revenue mainly comes from sales of digital products and rental income.

Overall, the Company has maintained steady profits and growth in a global economy with constant changes, regardless of operating revenue or profit before tax, under the overall flexibility of company strategies and proper response. In view of the 2022 operation outcome, the profit before tax for the whole year has reached NT$2.76 billion.

(2) Budget implementation:

Not applicable since the Company does not disclose the consolidated financial forecast.

(3) Analysis to Consolidated Financial Balance and Profitability

Unit: NT$ Millions
except additionally specified

Analytical Items \ Years		2022	2021
Financial Balance	Net Operating Revenue	30,758	27,690
	Gross Profit	5,241	4,988
	Profit after Tax	2,122	1,909
Profitability	ROA (%)	4.6	4.4
	ROE (%)	7.6	7.2
	Profit Before Tax to paid-in Capital (%)	52.9	47.5
	Profit Margin (%)	6.9	6.9
	EPS (NT$)	3.86	3.46

(4) Consolidated Progress of R&D of the Company:

Details of R&D Expenses for the Most Recent Two Years

Unit: NT$ Millions

Items	2022	2021
R&D Expense	574	567
Revenue	30,758	27,690
Share (%)	1.87	2.05

2. Summary for Business Operation Plans for Current Fiscal Year

(1) Guidelines for Business Operation

1. Development of Green Energy / Smart Products

   Charging stations and piles / Electric Vehicle (EV) related products / Integrated Starter Generators (ISG) / High-efficiency transformers (TR) / Next-generation transformers (TR) /Wind power Converter Generator and Inverter System (CGIS) / Intelligent energy-saving switches / Power Conversion Systems (PCS)
2. Expansion of System Engineering Integration

   Integration of solar, charging, and energy storage systems / Solar energy, energy storage, power, transportation (T3), and rail track Engineering, Procurement, and Construction (EPC) projects
3. Strengthening Organizational Capabilities
   - Promotion of smart manufacturing initiatives
   - Establishment of quality knowledge management systems
   - Enhancement of supply chain management
4. Optimization of Organizational Efficiency, Talent Acquisition, and Development
5. Commitment to Sustainable Development, Environmental Sustainability, Strong Corporate Governance, and Risk Management.

(2) Expected Sales Volume and Basis

Unit: Million sets

Products \ Year	2023 (Note 1)	2022 (Note 2)	Descriptions
Electric Distribution Products	9.28	8.59	In terms of the international economic situation in 2022, although the COVID-19 pandemic is expected to be gradually brought under control and the economy is poised for recovery, the world is still enveloped in risks such as inflation, interest rate hikes, and geopolitical conflicts. Factors such as unresolved supply chain issues and soaring raw material prices contribute to a period of adjustment in the global economy. On the domestic sector, the semiconductor and electronics industries are expected to rebound from the bottom as inventory levels gradually deplete. The government's continued efforts in promoting resilient power grids, green energy-related initiatives, and railway construction contribute to a positive overall economic environment. In general, with the implementation of various business strategies, the company will strive to achieve the sales targets set for year 2023. Overall, driven by the implementation of various business strategies, the Company should strive to achieve the expected sales target in 2023.
Automobile Parts	19.58	18.13	
Automation Equipment and Parts	0.93	0.89	
Others	0.05	0.05	
Total	29.84	27.66	

Note 1: It is the estimated value. Note 2: It is the actual value.

(3) Major production and marketing policies:

A. Sales Aspects:

(a) Accelerate the development of private branded brands to meet market demand.

(b) Establish long-term relations with customers and expand the scale and scope of cooperation.

(c) Integrate domestic and overseas resources to consolidate the domestics market and expand the overseas market.

(d) Enhance the operation department with comprehensive and professional knowledge and commit to integrated marketing.

(e) Expand the investment in the electric automobile market and grasp the business opportunities of the market.

(f) Cooperate with government policies and actively invest in rail construction and green energy products.

(g) Expand in a diversity of export markets to grasp the growing opportunities and diversify risks.

B. Production Aspects:

(a) Continue to green, smart, high-efficiency, and safe electric products.

(b) Upgrade R&D capacity and increase the complexity and the coverage of product lines.

(c) Improve production efficiency and strengthen the competitiveness in product costs.

(d) Optimize manufacturing technology, invest in smart production and quality control, and upgrade efficiency and quality standards.

(e) Complete international certification and achieve international-grade product standards.

(f) Optimize investment in productivity and equipment to cope with expanded demand in sales.

(g) Establish a diversity of supplier sources, lower costs and diversify risks.

Steady operation, active innovation, continuous pursuit of excellence and growth constitute our business philosophy. Shihlin Electric not only strives for annual steady growth in sales revenue and profits but also invests more in product innovation and talent cultivation. In addition to emphasizing R&D and human capital performance, we also value ESG (Environment, Social, and Governance), CSR (Corporate Social Responsibility), and employee learning and growth, so that the Company will constantly pursue excellence and maintain competitiveness over the long run.

Employees are the company's valuable assets! Customers are the driving force behind the company's progress! Shareholders are the company's greatest support! The company sincerely appreciate the efforts and contributions of all the colleagues over the years. The company also extend the gratitude to our customers, suppliers, and shareholders for their recognition and support. In the future, we will be more motivated and continue to grow robustly and build on a solid foundation. We will strive to generate higher revenue and grow in profits, thereby maximizing shareholders' benefits while remaining committed to fulfilling corporate social responsibility. We will take initiative to give feedback on the Company's hard work and results to society, in addition to turning Shihlin Electric into the leading benchmark enterprise of the industry. Finally, we wish all shareholders:

Health, Peace, and Prosperity.

Chairman: **Emmet Hsu**

II. Company Profile

1. **Date of Incorporation and Registration**: November 3, 1955.
2. **License Number:** Bei-Shi-Jiang-Yi-Gong-Si (44)-Zi No.000068
3. **Date of Registration Change:** April 17, 2023
4. **License Number of Registration Change:** Company GUI Number: NO. 11039306.
5. **Address and Telephone Numbers of Headquarter, Factory and Branch Offices:**
   Please refer to the back of the cover.
6. **Brief History of Company**

Major chronicles in recent years:

2011
- February / Signed 345KV core-type oil-immersed transformer technological cooperation contract with Mitsubishi Electric.
- May / Responded to 311 Earthquake Disaster Relief Campaign for Japan by initiating donations and the one-day-pay donation from employees to assist the victims of the disaster.
- August / Awarded with Enterprise Citizen Award (Large Enterprise) from CommonWealth Magazine.
- October / Heavy electric products passed rigorous assessment; Shihlin Electric was the first company among listed and OTC companies in Taiwan to receive the certificate of approval registration for “High-voltage power equipment original maker” from the Ministry of Economic Affairs.
- December / Signed cooperation with Mitsubishi Electric to establish Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd.

2012
- January / Signed contract with Diamond Electric for the OEM production of automobile pen-shaped coil.
- June / Passed review from the Ministry of Economic Affairs and acquired the new standards of accreditation qualification for the manufacturing and presentation of a new transformer, high-voltage power distribution board, GIS, and other products.
- September / Awarded with “Enterprise of Happiness” Award from Department of Labor, Taipei City Government
- September / Awarded with the “Taiwan TrainQuali System TTQS Silver Medal” from the Bureau of Employment and Vocational Training, Council of Labor Affairs, Executive Yuan
- November / Wangsong Hydropower project of the Company was awarded the 2012 “Public Construction Excellence Award”: from the Ministry of Economic Affairs.

2013
- May / Presented with the 15th Large Enterprises “Distinguished Enterprise” and “Distinguished Product” Golden Award; the only enterprises of electric and mechanical industries in Taiwan to receive this award.
- May / Established Changzhou Shihlin Auto Parts Co., Ltd.
- June / Certified supplier for “Industrial Development Bureau of Ministry of Economic Affairs AU Automatic Service Institute Technology Service Registration.”
  Won the second "National Training Quality Award"
- September / Yangder Group and Shihlin Electric awarded by the Sports Administration, Ministry of Education with 2013 Sports Pushing Hands Award

2014
- February / Shihlin Automobile Equipment Business Group was awarded by famous locomotive plant – Polaris in North America for “Delivery Award” of suppliers.
- June / Opening of Employee Fitness Center.

- June / Wuxi Shihlin Electric & Engineering Co., Ltd. signed an “auto-electric items investment cooperation memorandum” with Wuxi New District Administration Committee in China to expansion of the Shihlin brand market.
- October / Shihlin Electric participated in First Mitsubishi Electric Taiwan VE Presentation with the Automobile Equipment Business Group representing the team to receive an award of excellence.
- October / Shihlin Electric was awarded by the Bureau of Standards Metrology and Inspection for authentic 50 years of contribution excellence and honor award.

2015
- 60th anniversary of establishment.
- May / Suzhou Shihlin Electric &Engineering Corp. new plant completion.
- June / Product acquired KEMA qualification certificate.
- June / Shihlin Electric was included in the composition share of the “Taiwan High Compensation 100 Index.”
- August / Shihlin Electric participated in Second Mitsubishi Electric Taiwan VE Presentation with the Heavy Electric Business Group representing the team to receive an award of excellence.

2016
- October Suzhou Shihlin Electric &Engineering Corp. awarded with Jiangsu Provincial “Jifong Award” – Growing Enterprise.
- November / Shihlin Electric was presented by the Ministry of Economic Affairs with a letter of gratitude for over 40 years of business foundation with the promotion of industrial and commercial development and merits in employment contribution.

2017
- October / Completion of new Changzhou Shihlin Auto Parts Co., Ltd. Factory
- November / The upgrade of Mingtan Ju-Gong Power Plant Switch Site of the Company was awarded by the Ministry of Economic Affairs for the 2017 “Public Construction Excellence Award” and “Public Construction Committee Golden Quality Award.”

2018
- August / Shihlin Electric participated in the 5th Mitsubishi Electric Taiwan VE Presentation with the Automobile Equipment Business Group representing the team to receive an award of excellence.
- December / Mitsuba Shihlin Electric (Wuhan) Co., Ltd new plant completion.

2019
- March / Shihlin Automobile Equipment Business Group was awarded the Annual Outstanding Manufacturer of CMC.
- October/ Completed the new plant of Shihlin Electric & Engineering Co., Ltd. in North Vietnam.
- November / Won the 2019 Happy Enterprise Award (Manufacturing-Precision Machinery)

2020
- February / Shihlin Automobile Equipment Business Group was awarded the Sanyang Motor Value Engineering Excellence Award.
- December/ Opening ceremony of "Taiwan Railway South Loop Railway Electrification Project " contracted by Shihlin Electric & Engineering Co., Ltd.

2021
- January / Won the 2020 KWANG YANG MOTOR CO., LTD. (KYMCO) Best Contribution Award.
- December / Obtained the "Gold Award of 21st Public Constructions Category” (Special Award for Facilities Engineering Category) by Public Construction Commission (PCC) of Executive Yuan for electrification engineering construction design and drawing system electromechanical turnkey project of Taitung- Chaozhou section of Taitung Southern Link Railway.

2022
- October / Received the Outstanding Business Award for issuing unified invoices in the 2022.
- October / The company's Taiwan Railways Power Automation Enhancement Project (Taipei Power Section Tunnel Conductive Rail Installation Turnkey Project) achieved "Excellent" ratings in both "Construction" and "Design".

- November / Received the Silver Award in the 15th TCSA Sustainability Report Awards.
- November / Awarded the 31st Taiwan Excellence Awards for "Miniature Circuit Breaker" and "Air Circuit Breaker".
- December / The company's Taipei Power Section Tunnel Conductive Rail Installation Turnkey Project (Taiwan Railways Power Automation Enhancement Project) received the "22nd Public Construction Golden Quality Award" from the Public Construction Commission of the Executive Yuan, recognized as "Excellent" in both "Construction" and "Design".

7. Merger and Acquisition Activities with Respect to the Most Recent Fiscal Year and Current Fiscal Year up to the Date of Publication of the Annual Report: None

8. Corporate Reorganization with Respect to the Most Recent Fiscal Year and Current Fiscal Year up to the Date of Publication of the Annual Report: None

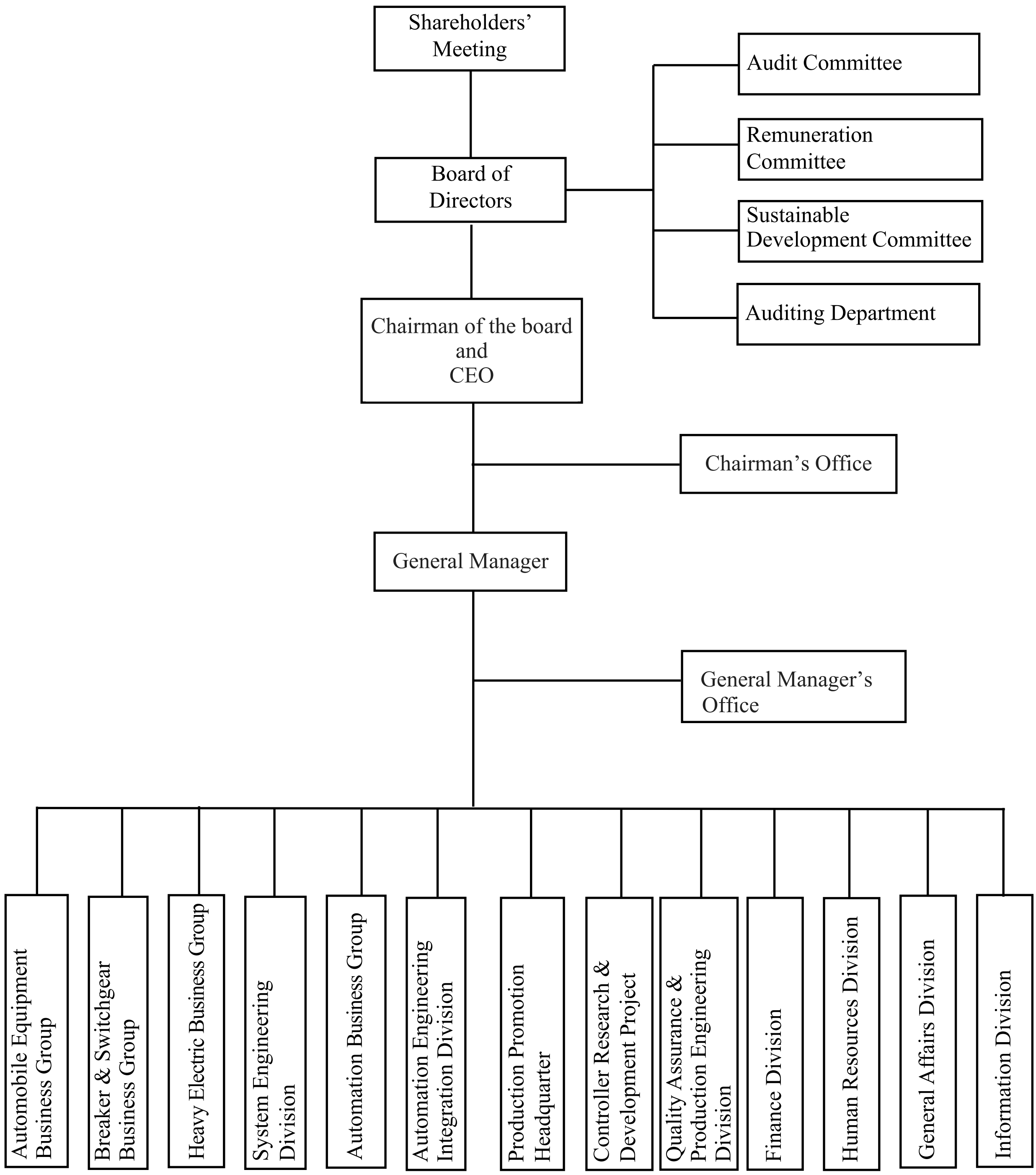
9. Transfer or Change of Shareholding of Directors and Shareholders Holding More Than 10% of the Shares From the Most Recent Fiscal Year and Current Fiscal Year up to the Date of Publication of the Annual Report: None

10. Any Change in Managerial Control, any Material Change in Operating Methods or Type of Business, and any Other Matters of Material Significance that Could Affect Shareholders' Equity with Respect to the Most Recent Fiscal Year and Current Fiscal Year up to the Date of Publication of the Annual Report: None

III. Corporate Governance Report

1. Organization System

(1) Organization Structure Chart



(2) Department Operations

Department		Primary Responsibilities
1	Chairman’s Office	Assist the Chairman to supervise/control the operation and management of the entire company.
2	General Manager’s Office	1. Coordinate the strategic planning and operation management as well as other matters of the entire company. 2. Coordinate the investment matters of the enter company.
3	Human Resources Division	Coordinate the HR resource planning of the Company, HR management, HR development, educational training, employee welfare, labor affairs system, and assisting overseas HR.
4	General Affairs Division	Coordinate the general affairs of the entire company, factory affairs, general affairs, safety and health, environmental protection, and the operation and management of Yangder Building.
5	Finance Division	Coordinate the cost management of the entire company, fund transfer, accounting affairs, taxation processing, shares affairs, and assisting overseas financial management and operations.
6	Information Division	Coordinate the information development of the entire company, information security, strategic formulation and execution of information use and order, and assisting the Company with information system establishment.
7	Quality Assurance & Production Engineering Division	Coordinate the quality and production technology of the entire company to upgrade and improve, and promote equipment utilization, labor hour management, and quality assurance system improvement.
8	Controller Research & Development Project	In response to the development of EV and multi-axis servo control, the Company integrates the business groups of both electrical parts for vehicle and automation to accelerate the development schedule for responding to future development on markets and organizations.
9	Production Promotion Headquarters	To manage all the Company’s smart manufacturing and core technology, promote the lean production and accelerate the improvement.
10	Heavy Electric Business Group	1. Coordinate the R&D, production and manufacturing of power transformation, power distribution device, and capacitor products. 2. Coordinate the sales of power transformation, power distribution device, and capacitor products. 3. Coordinate power transportation turnkey, system product operations.
11	System Engineering Division	Comprehensively organize information resources and business opportunities in electromechanical public engineering cases, and cooperate with domestic engineering consulting companies in business cooperation and business supervision matters.
12	Automobile Equipment Business Group	Coordinate the R&D, production and sales of overseas and domestic auto-electric and special motor product.
13	Breaker & Switchgear Business Group	1. Coordinate the R&D, production and manufacturing of no fuse circuit breaker and electromagnetic switch. 2. Coordinate the sales of no fuse circuit breaker and electromagnetic switch products. 3. Coordinate digital and safety industry product sales.
14	Automation Business Group	Coordinate programmable controller (PLC), touch panel, variable-frequency drive, server motor, sensor product and other product R&D, production and sales.
15	System Engineering Integration Division	Coordinate CIM connection integration project, production machinery and power control system project, monitoring system project, and other device and product as well as project installation and construction.

2. Information on the Company directors, supervisors, president, vice presidents, assistant vice presidents, and heads of all company divisions and branch units:

A. Board Members

1. Information Regarding Board Members

April 23, 2023

Job Title (note.1)	Nationality or Record of Birth	Name	Gender \ Age	Date of Assignment	Term of office	Date of First Assignment (note.1)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (note 3)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Emmet Hsu**	Male \ 51-60	June 19, 2020	3	April 17, 1987	25,556,494 732,735	4.91 0.14	27,556,494 732,735	5.29 0.14	- 0	- 0.00	- 0	- 0.00	Chairman of Shihlin Electric & Engineering Corp.	Chairman of the Board & CEO of Shihlin Electric & Engineering Corp.\ Chairman of the Ambassador Hotel Co., Ltd. \ Chairman of HCT Logistics \ Chairman of Yeangder Security Management Consultant Co., Ltd.\ Chairman of Sankyo Transportation Co., Ltd.\ Chairman of SEEC International Holdings Co., Ltd.\ Chairman of Yeangder Entertainment Co., Ltd.\ Chairman of Chiastar Co., Ltd.	Director	Bryant Hsu (Note 11)	father-son relationship	(Note 5)
Managing Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Hanaoka Hisao** (Note 6)	Male \ 61-70	June 19, 2020	3	April 01, 2018	110,242,966 0	21.16 0.00	110,242,966 0	21.16 0.00	- 0	- 0.00	- 0	- 0.00	Mitsubishi Electric Corporation (Japan)	None	N/A	N/A	N/A	
Managing Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Kawai Toshio** (Note 7)	Male \ 51-60	June 19, 2020	3	April 01, 2022	110,242,966 0	21.16 0.00	110,242,966 0	21.16 0.00	- 0	- 0.00	- 0	- 0.00	Mitsubishi Electric Corporation (Japan)	Chairman & General Manager of Taiwan Mitsubishi Electric Corporation \ Director of Taiwan Mitsubishi Elevators Corp.\ Director of Shin Wu Co., Ltd.	N/A	N/A	N/A	
Managing & Independent Director	R.O.C.	**Lin, Hsin-I**	Male \ 71-80	June 19, 2020	3	June 15, 2017	0	0.00	0	0.00	0	0.00	0	0.00	Managing & Independent Director of Shihlin Electric & Engineering Corp.	Convener of the Audit Committee and Member of the Remuneration Committee of the Shihlin Electric & Engineering Corp. / Director of China Motor Company, Ltd. / Director of Yulon Motor Company Ltd.	N/A	N/A	N/A	

Job Title (note.1)	Nationality or Record of Birth	Name	Gender \ Age	Date of Assignment	Term of office	Date of First Assignment (note.1)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (note 3)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Managing Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Hsieh, Han-Chang**	Male \ 61-70	June 19, 2020	3	January 03, 2005	25,556,494	4.91	27,556,494	5.29	-	-	-	-	General Manager / Shihlin Electric & Engineering Corp.	General Manager of the Shihlin Electric & Engineering Corp. / General Manage & Director of the Ambassador Hotel Co., Ltd. / Supervisor of Yeang Der Investment Co., Ltd. / Director of HCT Logistics / Supervisor of Yeang Der Security Management Consultant Co., Ltd./ Director of Sankyo Transportation Co., Ltd./Chairman of Hsin Lin Electric Machinery Co., Ltd. / Director of Rueylin Electric & Engineering Corp. / Director of Chuan Lin Technology Corporation / Director of Xiamen Shihlin Electric & Engineering Co., Ltd./ Director of Shihlin Electric (Suzhou)Power Equipment Co., Ltd. / Director of SEEC International Holdings Ltd. / Director of Yeang Der Entertainment Co., Ltd. /Independent Director of Flytech Technology Co., Ltd./ Director of ACES Electronics Co., Ltd./ Director of MEC IMEX INC.	N/A	N/A	N/A	
							45,443	0.01	45,443	0.01	0	0.00	0	0.00						
Managing Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Yang, Tsun-Ching**	Male \ 61-70	June 19, 2020	3	May 27, 2011	25,556,494	4.91	27,556,494	5.29	-	-	-	-	COO of / Shihlin Electric & Engineering Corp.	COO of the Shihlin Electric & Engineering Corp. Director of Hsin Lin Electric Machinery Co., Ltd. / Xiamen Shihlin Electric &Engineering Corp./ Suzhou Shihlin Electric & Engineering Corp. / Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	N/A	N/A	N/A	
							3,092	0.00	3,092	0.00	64,905	0.01	0	0.00						
Director	R.O.C.	Chanching Co., Ltd. Representative / **Kan, Chin-Yu**	Male \ 61-70	June 19, 2020	3	June 15, 2017	904,000	0.17	1,021,000	0.20	-	-	-	-	Director of Dongguang Steel Co., Ltd.	Managing Director of Ve Wong Corporation / Director of Dongguang Steel Co., Ltd. / Supervisor of Changqing Co., Ltd.	N/A	N/A	N/A	
							8,281,169	1.59	8,281,169	1.59	416	0.00	0	0.00						
Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Ito Toshimitsu** (Note 8)	Male \ 51-60	June 19, 2020	3	April 01, 2020	110,242,966	21.16	110,242,966	21.16	-	-	-	-	Mitsubishi Electric Corporation (Japan)	None	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Sugiyama Shinya**	Male \ 51-60	June 19, 2020	3	April 01, 2019	110,242,966	21.16	110,242,966	21.16	-	-	-	-	Mitsubishi Electric Corporation (Japan)	Vice Minister of the Business of Transportation Implements of Mitsubishi Electric Corporation (Japan)	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Nakanishi Kyori** (Note 9)	Male \ 51-60	June 19, 2020	3	April 01, 2020	110,242,966	21.16	110,242,966	21.16	-	-	-	-	Mitsubishi Electric Corporation (Japan)	None	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						

Job Title (note.1)	Nationality or Record of Birth	Name	Gender \ Age	Date of Assignment	Term of office	Date of First Assignment (note.1)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (note 3)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Komura Hideaki** (Note 9)	Male \ 51-60	June 19, 2020	3	April 01, 2023	110,242,966	21.16	110,242,966	21.16	-	-	-	-	Mitsubishi Electric Corporation (Japan)	Minister of the Business of Power Circulation System of Mitsubishi Electric Corporation (Japan)	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	Japan	Mitsubishi Electric Corporation (Japan) Representative / **Kunieda Masayuki** (Note 9)	Male \ 51-60	June 19, 2020	3	April 01, 2023	110,242,966	21.16	110,242,966	21.16	-	-	-	-	Mitsubishi Electric Corporation (Japan)	Minister of Relationship Department of Mitsubishi Electric Corporation (Japan)	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Bryant Hsu** (Note13)	Male \ 31-40	June 19, 2020	3	September 01, 2016	25,556,494	4.91	25,556,494	5.29	-	-	-	-	Deputy General Manager / Shihlin Electric & Engineering Corp.	Deputy General Manager / Shihlin Electric & Engineering Corp. Director of. of the Ambassador Hotel Co., Ltd. / HCT Logistics / Yeangder Entertainment Co., Ltd.	Chairman & C.E.O.	Emmet Hsu	father-son relationship	(Note 5)
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Cheng, Hsiang-Chih** (Note10)	Male \ 51-60	June 19, 2020	3	September 01, 2021	25,556,494	4.91	25,556,494	5.29	-	-	-	-	GM of Business Groups / Shihlin Electric & Engineering Corp.	GM of Business Groups of Shihlin Electric & Engineering Corp./ Chairman of Xiamen Shihlin Electric & Engineering Co., Ltd. /. Xiamen Chengyu Traffic Equipment Co., Ltd. Vice Chairman of Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd. Director of SEEC International Holdings Ltd.	N/A	N/A	N/A	
							78,000	0.01	78,000	0.01	0	0.00	0	0.00						
Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Yang, Tsung-Hsien** (Note11)	Male \ 61-70	June 19, 2020	3	November 08, 2018	25,556,494	4.91	25,556,494	5.29	-	-	-	-	GM of Business Groups / Shihlin Electric & Engineering Corp.	GM of Business Groups / Shihlin Electric & Engineering Corp. Director of. / Suzhou Shihlin Electric &Engineering Corp. / Shihlin Technology (Shenzhen) Co., Ltd.	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						
Director	R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Tung, Chi-Jen** (Note12)	Male \ 51-60	June 19, 2020	3	September 01, 2021	25,556,494	4.91	25,556,494	5.29	-	-	-	-	GM of Business Groups / Shihlin Electric & Engineering Corp.	GM of Business Groups / Shihlin Electric & Engineering Corp. Chairman of Vietnam Shihlin Electrical Engineering Ltd. / SEEC International Holdings Ltd. / Vice Chairman of ChangZhou Mitsubishi Electric Shihlin Automotive Co., Ltd. / Mitsuba Shihlin Electric (Wuhan) Co., Ltd. Director of / Jeen-Lin Industrial Co., Ltd. / Changzhou Shihlin Mitsuba Electric &Engineering Co., Ltd./ Gochabar System Integrator Co., Ltd.	N/A	N/A	N/A	
							0	0.00	0	0.00	0	0.00	0	0.00						

Job Title (note.1)	Nationality or Record of Birth	Name	Gender \ Age	Date of Assignment	Term of office	Date of First Assignment (note.1)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (note 3)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	R.O.C.	Shin-Po Investment Co., Ltd.	Male \ 61-70	June 19, 2020	3	December 11, 2018	131,000	0.03	131,000	0.03	-	-	-	-	Chairman of Taiwan Security Co., Ltd.	-Chairman of Taiwan Security Co., Ltd. / Yi-Kong Security Co., Ltd. / Shin Yi International Co., Ltd. / Yi Kong Building Management Service Co., Ltd. / Northeast Corner Recreation Development Co., Ltd. -Director of The Ambassador Hotel Co., Ltd./ Taiwan Shin Kong Security Co., Ltd. / Jasper Hotel Co., Ltd. / The Great Taipei Gas Co., Ltd., / Great Taipei Broadband Co., Ltd. / Shin Hsin Healthcare Management Co., Ltd. / Shin-Kong Life Real Estate Service Co., Ltd. / Shin Kong Medical Group / Shin Natural Gas Co., Ltd. / Shin Kong Optical Networking Co., Ltd. -Supervisor of Taiwan Shin Kong Healthcare Management Co., Ltd. -Independent Director of AEWIN Technologies Co., Ltd.	N/A	N/A	N/A	
		Representative / **Lin, Po-Fong**					0	0.00	0	0.00	0	0.00	0	0.00						
Independent Director	R.O.C.	**Yan, Cherng Jau**	Male \ 71-80	June 19, 2020	3	June 15, 2017	0	0.00	0	0.00	0	0.00	0	0.00	Independent Director / Shihlin Electric & Engineering Corp.	Convener of the Remuneration Committee and Member of the Audit Committee of the Shihlin Electric & Engineering Corp.	N/A	N/A	N/A	
Independent Director	R.O.C.	**Hu, Chao Fong**	Male \ 71-80	June 19, 2020	3	June 15, 2017	110,006	0.02	110,006	0.02	8,740	0.00	0	0.00	Independent Director / Shihlin Electric & Engineering Corp.	Member of the Remuneration Committee and Audit Committee of the Shihlin Electric & Engineering Corp	N/A	N/A	N/A	

Note 1: Institutional shareholders are to have the name of institutional shareholders and representatives presented separately (for the representative of institutional shareholders, the name of the institutional shareholders should be indicated) and fill in the Table below.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the date of being elected as the director or supervisor for the first time and with the discontinuity stated, if any.

Note 4: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 5: The chairman of the Company and the general manager or equivalent (the top manager) are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors and should More than half of the directors have not served as employees or managers, etc.) related information: N/A

Note 6: April 01, 2022 resigned

Note 7: April 01, 2022 took over the Director \ May 11, 2022 took over the Managing Director

Note 8: April 01, 2023 resigned

Note 9: April 01, 2023 newly appointed

Note 10: March 01, 2022 resigned

Note 11: March 01, 2022 newly appointed

2. Major Shareholders of Institutional Shareholders

On the Book closure date: April 23, 2023

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)
Yeang Der Investment Co., Ltd.	Kuo, Tun-Yu 53.79%、Memorial Foundation of Mr. Ching-Teh Hsu 29.88%、Zhenjie Investment Co., Ltd. 11.34%、Hsu, Shu-Wan 4.27%、Lin, Hsin-Yi 0.72%
Mitsubishi Electric Corporation (Japan)	Note 4
Chanching Co., Ltd.	Kan, Ming-Hung 29.20%、Kan, Ming-Sheng 29.15%、Kan, Ming-Cheng 29.15%、Kan Wang, Mei-Ling 7.50%、Kan, Chin-Yu 5.00%
Shin-Po Investment Co., Ltd.	Taiwan Shin Kong Security Co., Ltd. 84.22%、Yi Kong Security Co., Ltd. 15.77%、Taiwan Shin Kong Security Foundation for Arts and Culture 0.01%

Note 1: If the director or supervisor is the representative of the institutional shareholders, the name of the institutional shareholders should be indicated.
Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table below.
Note 3: If a legal person shareholder is not a company organizer, the name and shareholding ratio of the shareholder that should be disclosed beforehand is the name of the funder or donor (Please refer to the announcement of the Judicial Yuan for inquiries) and its contribution or contribution ratio. Donor deceased, with the note "deceased".
Note 4: Foreign company.

3. Major shareholder of the major institutional shareholders

On the Book closure date: April 23, 2023

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
Memorial Foundation of Mr. Ching-Teh Hsu	Hsu, Ching-Teh (deceased) 2.34%、Hsu, Shu-Chen (deceased) 97.66%
Zhenjie Investment Co., Ltd.	(Samoa) Broad Choice Limited (99%)、Kao, Mei-Feng (1%)
Taiwan Shin Kong Security Co., Ltd.	Sohgo Security Service Co., Ltd (9.23%), Chunghwa Post Co., Ltd (4.60%), Tung-Chin Wu (4.50%), Shin Kong Medical Foundation (4.21%), Bo Ruei Co., Ltd. (3.85%), Fubon Life Insurance Co., Ltd (3.80%), Shin Kong Life Insurance Co., Ltd. (2.81%), Shin Kong Life Insurance Employee Pension Fund Management Committee (1.99%), , Tung Ying Investment Co., Ltd (1.75%), iShare Emerging Markets ETF under the custody of Standard Chartered Bank (Taiwan) Ltd. (1.64%)
Yi Kong Security Co., Ltd.	Taiwan Shin Kong Security Co., Ltd. (69.00%)、Shin-Kong Life Real Estate Service Co., Ltd.(15.50%)、Shin Kong Construction and Development Co., Ltd.(15.00%)、Shin Kong Wu Ho-Su Culture and Education Foundation (0.50%)
Taiwan Shin Kong Security Culture and Art foundation	Taiwan Shin Kong Security Co., Ltd. (100.00%)

Note 1: If the major shareholders in Table 2 are institutional shareholders, please state the name of the institutional shareholders.
Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.
Note 3: If a legal person shareholder is not a company organizer, the name and shareholding ratio of the shareholder that should be disclosed beforehand is the name of the funder or donor (Please refer to the announcement of the Judicial Yuan for inquiries) and its contribution or contribution ratio. Donor deceased, with the note "deceased".

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 23, 2023

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Emmet Hsu	Chairman of Shihlin Electric & Engineering Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Chairman	0
Kawai Toshio	Chairman & General Manager of Taiwan Mitsubishi Electric Corporation / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Hsieh, Han-Chang	General Manager of Shihlin Electric & Engineering Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	1
Yang, Tsun-Ching	COO of Shihlin Electric & Engineering Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Kan, Chin-Yu	Director of Dongguang Steel Machinery Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Komura Hideaki	Minister of the Business of Power Circulation System of Mitsubishi Electric Corporation (Japan). / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Sugiyama Shinya	Vice Minister of the Business of Transportation Implements of Mitsubishi Electric Corporation (Japan) / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Kunieda Masayuki	Minister of Relationship Department of Mitsubishi Electric Corporation (Japan) / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Bryant Hsu	Deputy General Manager of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Yang, Tsung-Hsien	GM of Business Groups of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Tung, Chi-Jen	GM of Business Groups of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	0
Lin, Po-Fong	Chairman of Taiwan Security Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Director	1
Lin, Hsin-I	Minister of Economic Affairs / Vice President of the Executive Yuan / Chairman of the Economic Construction Association There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 0 shares/ 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. None remuneration for providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the last two years	0

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Yan, Cherng Jau	Director of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 0 shares/ 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. None remuneration for providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the last two years	0
Hu, Chao Fong	Deputy General Manager of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 118,746 shares/ 0.02% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. No remuneration for providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the last two years	0

5. Diversity and Independence of the Board of Directors

A. Diversity of the Board:

In line with the policy of membership diversification for the board of directors, except the directors who also serve as managers of the company should not exceed one-third of the number of directors. An appropriate diversity policy should be formulated according to their own operation, operation type and development needs. Include but not restrict the following two standards:

(1)Basic condition: age, nationality and culture, etc.

(2)Professional knowledge and skill: professional background, professional skill and industrial experience.

The members of the board of directors are all outstanding figures in the knowledge, skill and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors all should have the following capabilities:

1.Operational judgment ability. 2. Accounting and financial analysis skills. 3. Management ability. 4. Ability of crisis handling. 5. Industry knowledge. 6. View of international market. 7. Leadership. 8. Decision-making ability.

Implement the policy of diversification in the current board member is as follows:

Name	Nationality	Employee of the company	Age				Seniority of tenure / Independent Directors		Management Ability	Cross-Cultural Leadership	Industry knowledge and experience		Professional background/Experience			
			31~40	51~60	61~70	71~80	Over 3 years	3~9 years			Electric Motor	Others	Accounting	Legal	Information Technology	Risk Management
Emmet Hsu	R.O.C.	V		V					V	V	V	V	V	V	V	V
Kawai Toshio	Japan			V					V	V	V			V		V
Lin, Hsin-I	R.O.C					V		V	V	V	V	V	V	V	V	V
Hsieh, Han-Chang	R.O.C	V			V				V	V	V	V	V	V	V	V
Yang, Tsun-Ching	R.O.C	V			V				V	V	V	V	V	V	V	V
Kan, Chin-Yu	R.O.C				V				V			V				V
Komura Hideaki	Japan			V					V	V	V			V		V
Sugiyama Shinya	Japan			V					V	V	V			V		V
Kunieda Masayuki	Japan			V					V	V	V			V		V
Yang, Tsung-Hsien	R.O.C	V			V				V	V	V	V			V	V
Tung, Chi-Jen	R.O.C	V		V					V	V	V	V				V
Bryant Hsu	R.O.C	V	V						V	V	V	V	V	V	V	V
Lin, Po-Fong	R.O.C				V				V			V	V	V	V	V
Yan, Cherng Jau	R.O.C					V		V	V		V					V
Hu, Chao Fong	R.O.C					V		V	V		V					V

(1) Reviewing the list of the 15 directors of the 20th BOD of the company (including 3 independent directors), the proportion of directors with employee status is 40%, independent directors account for 20%, foreign directors account for 27%.

(2) The tenure of those 3 independent directors is 4 to 6 years. 7 directors are under 60 years old, 5 directors are between 61 to 70 years old, and 3 directors are over 71 years old.

(3) Taking into the needs of business development and diversified operations, the Company pay attention to the professional experience, knowledge and skills of the board members, and aim to increase the number of directors with professional knowledge and experience in the electrical machinery industry by more than 10%. At present, there are 9 directors with backgrounds outside the electrical machinery industry, with a ratio of 60%.

B. Independence of the board

There are 3 independent directors in the company, accounting for one-fifth of the seats on the board. There are 2 directors with spouses or relatives within the second degree of kinship (Chairman Emmet Hsu and Director Bryant Hsu are father-son relationship), no more than half of the seats are in line with securities Items 3 and 4 of Article 26-3 of the Exchange Act.

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and P. 4 of 91 work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

B. Information on General Manager, Chief of Operation, Associate Manager, and heads of all the Company divisions

Unit: shares；% April 23 ,2023

Job title (Note.1)	Nationality or Record of Birth	Name	Gender	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Work experience (academic degree) (Note 2)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
C.E.O.	R.O.C.	Emmet Hsu	male	April 17, 1987	732,735	0.1406	0	0.00	0	0.00	Chairman of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	Deputy General Manager	Bryant Hsu	father-son relationship	(Note 3)
General Manager	R.O.C.	Hsieh, Han-Chang	male	January 03, 2005	45,443	0.0087	0	0.00	0	0.00	General Manager & Chief of Operation of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	N/A	N/A	N/A	
Chief of Operation	R.O.C.	Yang, Tsun-Ching	male	October 01, 2006	3,092	0.0006	64,905	0.0125	0	0.00	Chief of Operation Shihlin Electric & Engineering Corp.	Please review the information on the company directors	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Yang, Tsung-Hsien	male	January 01, 2011	0	0.00	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Cheng, Hsiang-Chih	male	September 01, 2011	78,000	0.0150	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Tung, Chi-Jen	male	March 15, 2017	0	0.0000	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	N/A	N/A	N/A	
GM of Business Groups (Note 4)	R.O.C.	Ko, Ching-Li	male	September 05, 2012	686,073	0.1317	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	None	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Chang, Chin-Wen	male	September 01, 2012	0	0.00	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp	Chairman & G.M. of Rueylin Electric & Engineering Corp. Chairman of Shihlin Electric & Engineering Equipment Vietnam Co., Ltd./ Director of Hsin Lin Electric Machinery Co., Ltd. / Chuan Lin Technology Corporation. / Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Fang, Yu-Jung	male	February 16, 2014	448	0.0001	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Vice Chairman of Xiamen Shihlin Electric & Engineering Co., Ltd. / G.M. & Director of Xiamen Chen-Ieu Transportation Implements Co., Ltd./ Director of Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Kuo, Yueh-She	male	September 01, 2011	4,479	0.0009	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Director of Hsin Lin Electric Machinery Co., Ltd. / Rueylin Electric & Engineering Corp./ Chairman of Chuan Lin Technology Corporation / Vice-Chairman of Suzhou Shihlin Electric & Engineering Co., Ltd. / Director of Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	N/A	N/A	N/A	
GM of Business Groups	R.O.C.	Wang, Pai-Sung	male	April 01, 2016	0	0.0000	0	0.00	0	0.00	GM of Business Groups of Shihlin Electric & Engineering Corp.	Chairman of Suzhou Shihlin Electric & Engineering Co., Ltd.	N/A	N/A	N/A	
Deputy General Manager	R.O.C..	Bryant Hsu	male	July 01, 2018	0	0.0000	0	0.00	0	0.00	Deputy General Manager of Shihlin Electric & Engineering Corp.	Please review the information on the company directors	C.E.O.	Emmet Hsu	father-son relationship	(Note 3)
Deputy General Manager	R.O.C.	Wu, Tsung-Ming	male	March 15, 2017	1,488	0.0002	0	0.00	0	0.00	Deputy General Manager of Shihlin Electric & Engineering Corp.	Chairman & G.M. of Ting Lin Enterprise Co.	N/A	N/A	N/A	

Job title (Note.1)	Nationality or Record of Birth	Name	Gender	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Work experience (academic degree) (Note 2)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Deputy General Manager	R.O.C.	Lin, Yu-Liang	male	March 15, 2017	2,799	0.0005	0	0.00	0	0.00	Deputy General Manager of Shihlin Electric & Engineering Corp.	Director of Rueylin Electric & Engineering Corp. / Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	N/A	N/A	N/A	
Senior Associate Manager	R.O.C.	Shih, Chin-Yi	male	July 01, 2018	110	0.0000	0	0.00	0	0.00	Senior Associate Manager of Shihlin Electric & Engineering Corp.	Director of Ting Lin Enterprise Co. / Supervisor of Yeangder Entertainment Co., Ltd. / Chairman of Hwo Lin Investment Co., Ltd. / Chairman of Jeng Lin Investment Co., Ltd. / Supervisor of Gochabar System Integrator Co., Ltd.	N/A	N/A	N/A	
Senior Associate Manager	R.O.C.	Lee, Shui-Yuan	male	July 01, 2018	699	0.0001	913	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Director of Rueylin Electric&Engineering Corp. / Chairman of Jeen-Lin Industrial Co., Ltd. / Chairman of Wuxi Shihlin Electric & Engineering Co., Ltd. / Chairman of Vietnam Shihlin Electrical Engineering Ltd. / Director of Changzhou Shihlin Mitsuba Electric &Engineering Co., Ltd. / Chairman of Changzhou Shihlin Auto Parts Co., Ltd.	N/A	N/A	N/A	
Senior Associate Manager	R.O.C.	Tien, Chia-Wen	male	July 01, 2018	2,799	0.0005	0	0.00	0	0.00	Senior Associate Manager of Shihlin Electric & Engineering Corp.	Chairman of Shih Lin Technology Corporation	N/A	N/A	N/A	
Associate Manage (Note 6)	R.O.C.	Hung, Chiu-Lieh	male	March 16, 2014	4,759	0.0009	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Director of Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	N/A	N/A	N/A	
Associate Manager	R.O.C.	Liu, Zhun-Zhong	male	March 01, 2019	1,958	0.0004	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Chairman & GM of Changzhou Shihlin Mitsuba Electric &Engineering Co., Ltd.	N/A	N/A	N/A	
Associate Manage	R.O.C.	Liu, Ta-Wei	male	August 06, 2021	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	G.M. & Director of Vietnam Shihlin Electrical Engineering Ltd.	N/A	N/A	N/A	
Associate Manage	R.O.C.	Yeh, Sung-Yuan	male	August 12, 2020	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Director of Chuan Lin Technology Corporation /	N/A	N/A	N/A	
Associate Manage (Note 5)	R.O.C.	Chen, I-Hung	male	August 06, 2021	870	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	None	N/A	N/A	N/A	
Associate Manage	R.O.C.	Lin, Teng-Fu	male	August 06, 2021	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	None	N/A	N/A	N/A	
Associate Manage	R.O.C.	Wu, Chia-Hsin	male	May 11, 2022	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Director of Xiamen Shihlin Electric &Engineering Corp. / Chairman of Shang Lin Investment Co., Ltd. / Director of Ji Lin Investment Co., Ltd. / Director of Cheng Lin Investment Co., Ltd. / Director of Hwo Lin Investment Co., Ltd. / Director of Yuh Lin Investment Co., Ltd. / Director of Jeng Lin Investment Co., Ltd.	N/A	N/A	N/A	
Associate Manage	R.O.C.	Lee, Ying-Chu	male	August 05, 2022	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Chairman of De Hong Investmet Corp. / Chairman of Yu Hong Investment Corp. / Chairman of Yu Der Investment Corp. / Chairman of Chan Der Investment Corp. / Chairman of Xin He Investment Corp. / Director of Ji Lin Investment Co., Ltd. / Director of Cheng Lin Investment Co., Ltd. / Director of Hwo Lin Investment Co., Ltd. / Director of Yuh Lin Investment Co., Ltd. / Director of Jeng Lin Investment Co., Ltd. /	N/A	N/A	N/A	

Job title (Note.1)	Nationality or Record of Birth	Name	Gender	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Work experience (academic degree) (Note 2)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
												Director of Shang Lin Investment Co., Ltd. / Director of Chang Hong Investment Corp. / Director of HCT Logistics / Director of Taicon Corporation / Director of Sankyo Transportation Co., Ltd. / Director of Kerry TJ Logistics Co., Ltd.				
Associate Manage	R.O.C.	Wu, Chao-Tse	male	March 09, 2023	0	0.0000	0	0.00	0	0.00	Associate Manager of Shihlin Electric & Engineering Corp.	Director of Jeen-Lin Industrial Co., Ltd. / Director of ChangZhou Mitsubishi Electric Shihlin Automotive Co., Ltd. / Director of Mitsuba Shihlin Electric (Wuhan) Co., Ltd. / Director of Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	N/A	N/A	N/A	

Note 1: It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to General Manager, Deputy General Manager, or Associate Manager.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor’s firm or its affiliated companies throughout the time period referred to the above, please state the job title and the job responsibilities.

Note 3: The general manager or equivalent (the top manager) and the chairman of the company are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and should More than half of the directors have not served as employees or managers, etc.) related information: N/A

Note 4: December 31, 2022 resigned

Note 5: April 01, 2022 resigned

Note 6: March 31, 2023 resigned

C. Remuneration paid to Directors (Independent Director included), General Manager, Deputy General Manager in the most recent year

1.Remuneration of Directors (Independent Directors included)

(The name of directors should be disclosed in accordance with the respective remuneration bracket)

Unit：NTD thousands / Dec.31,2022

Job title	Name	Remuneration of Director: Remuneration (A) (Note 2): the Company	Remuneration (A) (Note 2): Companies included in the financial statement(Note 7)	Pension (B): the Company	Pension (B): Companies included in the financial statement(Note 7)	Retained Earnings Distribution (C) (Note 3): the Company	Retained Earnings Distribution (C) (Note 3): Companies included in the financial statement(Note 7)	Professional practice (D) (Note 4): the Company	Professional practice (D) (Note 4): Companies included in the financial statement(Note 7)	The sum of A, B, C and D in proportion to Earnings (Note 10): the Company	The sum of A, B, C and D in proportion to Earnings (Note 10): Companies included in the financial statement(Note 7)	Remuneration in the capacity as employee: Salaries, bonus and special subsidies (E) (Note 5): the Company	Salaries, bonus and special subsidies (E) (Note 5): Companies included in the financial statement(Note 7)	Pension (F): the Company	Pension (F): Companies included in the financial statement(Note 7)	Employee bonus from earnings (G) (Note 6): the Company: Cash dividend	Employee bonus from earnings (G) (Note 6): the Company: Stock dividend	Employee bonus from earnings (G) (Note 6): Companies included in the financial statement (Note 7): Cash dividend	Employee bonus from earnings (G) (Note 6): Companies included in the financial statement (Note 7): Stock dividend	The sum of A, B, C, D, E, F and G to Earnings (Note 10): the Company	The sum of A, B, C, D, E, F and G to Earnings (Note 10): Companies included in the financial statement (Note 7)	Whether remuneration from any reinvested other than subsidiaries is received? (J) (Note 11)
Chairman	Yeang Der Investment Co., Ltd. Representative / Emmet Hsu	0	0	0	0	55,000 (Note 12)	55,000 (Note 12)	9,457	9,786	3.21%	3.22%	36,473 (Note13)	36,473 (Note13)	819	819	8,473 (Note14)	0	8,473 (Note 14)	0	5.48%	5.50%	None
Managing Director	Mitsubishi Electric Corporation (Japan) Representative / Hanaoka Hisao (Note 15)																					
Managing Director	Mitsubishi Electric Corporation (Japan) Representative / Kawai Toshio (Note 16)																					
Managing & Independent Director	Lin, Hsin-I																					
Managing Director	Yeang Der Investment Co., Ltd. Representative / Hsieh, Han-Chang																					
Managing Director	Yeang Der Investment Co., Ltd. Representative / Yang, Tsun-Ching																					
Director	Chanching Co., Ltd. Representative / Kan, Chin-Yu																					
Director	Mitsubishi Electric Corporation (Japan) Representative / Ito Toshimitsu																					
Director	Mitsubishi Electric Corporation (Japan) Representative / Sugiyama Shinya																					
Director	Mitsubishi Electric Corporation (Japan) Representative / Nakanishi Kyori																					

Job title	Name	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 10)		Remuneration in the capacity of employee								The sum of A, B, C, D, E, F, and G to Earnings (Note 10)		Whether remuneration from any reinvested other than subsidiaries is received? (J) (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonuses, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 6)						
		the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company		Companies included in the financial statement (Note 7)		the Company	Companies included in the financial statement (Note 7)	
																Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Director	Yeang Der Investment Co., Ltd. Representative / Bryant Hsu																					
Director	Yeang Der Investment Co., Ltd. Representative / Yang, Tsung-Hsien (Note 17)																					
Director	Yeang Der Investment Co., Ltd. Representative / Cheng, Hsiang-Chih (Note 18)																					
Director	Yeang Der Investment Co., Ltd. Representative / Tung, Chi-Jen																					
Director	Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong																					
Independent Director	Yan, Cherng Jau																					
Independent Director	Hu, Chao Fong																					

Information same as the previous page.

1. Please describe the policy, system, standards, and structure of independent directors' compensation and the correlation with the amount of compensation paid based on the responsibilities, risks, and time commitment.
 (1) Various salary and remuneration systems do not guide directors and managers to pursue behaviors that exceed company risk appetite in pursuit of remuneration.
 (2) After evaluating and measuring the current company's operating scale, performance, and distribution over the years, various salary and compensation projects are planned to be handled in accordance with the current system.
 (3) The company does not issue fixed salary to the directors, only the carriage fee (30,000 to 150,000/person)
 (4) The remuneration of directors is stipulated in Article 24 of the company’s articles of association, “If the company makes a profit in the current year, it should be allocated: 1. When the director’s remuneration is 4% but the company still has accumulated losses, the amount of compensation should be reserved in advance. The so-called profit refers to the pre-tax interest minus the benefits before directors’ compensation and employees’ compensation. In addition, according to Article 196 of the Company Law and its letter, the directors are elected by Article 27 of the Company Law. All directors of the company are legal representatives. They are selected by the second paragraph of Article 27 of the Company Law. Therefore, all-natural persons represented by legal persons do not receive surplus distribution remuneration.
 (5) Independent directors of the company do not participate in the distribution of remuneration.
2. Besides the above disclosure, if any of the Director provided service (as non-employee sort of consultant and the like) with rewarded remuneration to all the listed companies in the financial statement in the last year: None

Breakdown of remuneration

Breakdown of remuneration of Directors	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	the Company (Note 8)	Companies included in the financial statement H (Note 9)	the Company (Note 8)	All investees I (Note 9)
Less than NT$1,000,000	1. Representative of Yeang Der Investment Co., Ltd. / Cheng, Hsiang-Chih 2. Independent Director / Yan, Cherng Jau 3. Independent Director / Hu, Chao Fong	1. Representative of Yeang Der Investment Co., Ltd. / Cheng, Hsiang-Chih 2. Independent Director / Yan, Cherng Jau 3. Independent Director / Hu, Chao Fong	1. Independent Director / Yan, Cherng Jau 2. Independent Director / Hu, Chao Fong	1. Independent Director / Yan, Cherng Jau 2. Independent Director / Hu, Chao Fong
NT$1,000,000 (inclusive)~NT$2,000,000	1. Managing & Independent Director / Lin, Hsin-I	1. Managing & Independent Director / Lin, Hsin-I	1. Managing & Independent Director / Lin, Hsin-I 2. Representative of Yeang Der Investment Co., Ltd. / Cheng, Hsiang-Chih	1. Managing & Independent Director / Lin, Hsin-I 2. Representative of Yeang Der Investment Co., Ltd. / Cheng, Hsiang-Chih
NT$2,000,000 (inclusive)~NT$3,500,000	1. Representative of Chanching Co., Ltd. / Kan Chin Yu 2. Representative of Mitsubishi Electric Corporation (Japan) / Ito Toshimitsu 3. Representative of Mitsubishi Electric Corporation (Japan) / Sugiyama Shinya 4. Representative of Mitsubishi Electric Corporation (Japan) / Nakanishi Kyori 5. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsung-Hsien 6. Representative of Yeang Der Investment Co., Ltd. / Tung, Chi-Jen 7. Representative of Shin-Po Investment Co., Ltd. / Lin, Po-Fong 8. Representative of Yeang Der Investment Co., Ltd. / Bryant Hsu	1. Representative of Chanching Co., Ltd. / Kan Chin Yu 2. Representative of Mitsubishi Electric Corporation (Japan) / Ito Toshimitsu 3. Representative of Mitsubishi Electric Corporation (Japan) / Sugiyama Shinya 4. Representative of Mitsubishi Electric Corporation (Japan) / Nakanishi Kyori 5. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsung-Hsien 6. Representative of Shin-Po Investment Co., Ltd. / Lin, Po-Fong 7. Representative of Yeang Der Investment Co., Ltd. / Bryant Hsu	1 Representative of Chanching Co., Ltd. / Kan Chin Yu 2. Representative of Mitsubishi Electric Corporation (Japan) / Ito Toshimitsu 3. Representative of Mitsubishi Electric Corporation (Japan) / Sugiyama Shinya 4. Representative of Mitsubishi Electric Corporation (Japan) / Nakanishi Kyori 5. Representative of Shin-Po Investment Co., Ltd. / Lin, Po-Fong	1 Representative of Chanching Co., Ltd. / Kan Chin Yu 2. Representative of Mitsubishi Electric Corporation (Japan) / Ito Toshimitsu 3. Representative of Mitsubishi Electric Corporation (Japan) / Sugiyama Shinya 4. Representative of Mitsubishi Electric Corporation (Japan) / Nakanishi Kyori 5. Representative of Shin-Po Investment Co., Ltd. / Lin, Po-Fong
NT$3,500,000 (inclusive)~NT$5,000,000		1. Representative of Yeang Der Investment Co., Ltd. / Tung, Chi-Jen		
NT$5,000,000 (inclusive)~NT$10,000,000	1. Representative of Mitsubishi Electric Corporation (Japan) / Kawai Toshio 2. Representative of Yeang Der Investment Co., Ltd. / Hsieh, Han-Chang 3. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsun-Ching	1. Representative of Mitsubishi Electric Corporation (Japan) / Kawai Toshio 2. Representative of Yeang Der Investment Co., Ltd. / Hsieh, Han-Chang 3. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsun-Ching	1. Representative of Mitsubishi Electric Corporation (Japan) / Kawai Toshio 2. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsung-Hsien 3. Representative of Yeang Der Investment Co., Ltd. / Tung, Chi-Jen 4. Representative of Yeang Der Investment Co., Ltd. / Bryant Hsu	1. Representative of Mitsubishi Electric Corporation (Japan) / Kawai Toshio 2. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsung-Hsien 3. Representative of Yeang Der Investment Co., Ltd. / Tung, Chi-Jen 4. Representative of Yeang Der Investment Co., Ltd. / Bryant Hsu
NT$10,000,000 (inclusive) ~NT$15,000,000	1. Representative of Yeang Der Investment Co., Ltd. / Emmet Hsu	1. Representative of Yeang Der Investment Co., Ltd. / Emmet Hsu	1. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsun-Ching	1. Representative of Yeang Der Investment Co., Ltd. / Yang, Tsun-Ching
NT$15,000,000 (inclusive) ~NT$30,000,000			1. Representative of Yeang Der Investment Co., Ltd. / Emmet Hsu / NT$ 27,789,496 2. Representative of Yeang Der Investment Co., Ltd. / Hsieh, Han-Chang / NT$ 17,642,712	1. Representative of Yeang Der Investment Co., Ltd. / Emmet Hsu / NT$ 27,789,496 2. Representative of Yeang Der Investment Co., Ltd. / Hsieh, Han-Chang / NT$ 17,642,712
NT$30,000,000 (inclusive) ~NT$50,000,000				
NT$50,000,000 (inclusive) ~NT$100,000,000				
NT$100,000,000 above				
Total	16 persons	16 persons	16 persons	16 persons

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form and Form (3-1) or (3-2-1) and (3-2-2)must be filled out.
Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).
Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not yet been submitted to the Shareholders' Meeting for approval.
Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.).When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 “Share-based payment” includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year’s earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders’ Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 8: Disclose the name of the directors in the respective range of total remuneration received from the Company.

Note 9: Disclose the name of the directors in the respective range of total remuneration received from all the companies included in the consolidated financial statements (including the Company).

Note 10: It refers to the net income of the recent year. After the adoption of IFRS.

Note 11: a. It is required to specify in this column the relevant remuneration amount the directors of the Company received from the reinvested companies other than the subsidiaries.

b. If the Company’s director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column J. In addition, the column title shall be revised as “All reinvested companies.”

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to the Company’s director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

Note 12: The Directors’ Remuneration of 2022 has been approved at the Board of Directors and shall report at the Annual General Shareholders’ Meeting.

Note 13: The amount of imputed rent is NT$ 5,201 thousand to provide the rental car for the Directors being also the employees.

Note 14: The 2022 distribution of employees’ compensation has been approved at the Board of Directors and shall report at the Annual General Shareholders’ Meeting.

Note 15: April 01, 2022 resigned.

Note 16: April 01, 2022 took over.

Note 17: March 01, 2022 took over.

Note 18: March 01, 2022 resigned.

* The concept of the “compensation” disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

2. Remuneration of General Manager, Deputy General Manager

Unit: NTD thousands
December 31, 2022

Job title	Name	Salary (A) (Note 2)		Pension (B)		Salaries, bonus and special subsidies (C) （Note 3）		Employee bonus allocated from earnings (D) （Note 4）				The sum of A, B, C and D in proportion to Earnings（Note 8）		Whether remuneration from any reinvested other than subsidiaries is received? (Note9)
		the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company		Companies included in the financial statement		the Company	Companies included in the financial statement (Note 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
C.E.O.	Emmet Hsu	60,441	60,441	1,568	1,568	8,149 (Note10)	9,077 (Note10)	13,840 (Note11)	0	13,840 (Note11)	0	4.18%	4.23%	N/A
General Manager & Chief of Operation	Hsieh, Han-Chang													
Chief of Operation	Yang, Tsun-Ching													
General Manager of Business Groups	Yang, Tsung-Hsien													
General Manager of Business Groups	Cheng, Hsiang-Chih													
General Manager of Business Groups	Tung, Chi-Jen													
General Manager of Business Groups	Ko, Ching-Li													
General Manager of Business Groups	Chang, Chin-Wen													
General Manager of Business Groups	Fang, Yu-Jung													
General Manager of Business Groups	Kuo, Yueh-She													
General Manager of Business Groups	Wang, Pai-Sung													
Deputy General Manager	Bryant Hsu													
Deputy General Manager	Wu, Tsung-Ming													
Deputy General Manager	Lin, Yu-Liang													

* It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to General Manager, Deputy General Manager, or Associate Manager.

Breakdown of remuneration

Breakdown of remuneration of General Manager & Deputy General Manager	Name of General Manage, Deputy General Manager	
	the Company (Note 6)	Companies included in the financial statement (Note 7) E
Less than NT$1,000,000		
NT$1,000,000 (inclusive)~NT$2,000,000		
NT$2,000,000 (inclusive)~NT$3,500,000	1.Deputy General Manager / Bryant Hsu	1.Deputy General Manager / Bryant Hsu
NT$3,500,000 (inclusive)~NT$5,000,000	1. General Manager of Business Groups / Ko, Ching-Li 2. General Manager of Business Groups / Kuo, Yueh-She 3. Deputy General Manager / Wu, Tsung-Ming 4. Deputy General Manager / Lin, Yu-Liang	1. General Manager of Business Groups / Ko, Ching-Li 2. Deputy General Manager / Wu, Tsung-Ming 3. Deputy General Manager / Lin, Yu-Liang
NT$5,000,000 (inclusive)~NT$10,000,000	1. Chief of Operation / Yang, Tsun-Ching 2. General Manager of Business Groups / Yang, Tsung-Hsien 3. General Manager of Business Groups / Cheng, Hsiang-Chih 4. General Manager of Business Groups / Tung, Chi-Jen 5. General Manager of Business Groups / Chang, Chin-Wen 6. General Manager of Business Groups / Fang, Yu-Jun 7. General Manager of Business Groups / Wang, Pai-Sung	1. Chief of Operation / Yang, Tsun-Ching 2. General Manager of Business Groups / Yang, Tsung-Hsien 3. General Manager of Business Groups / Cheng, Hsiang-Chih 4. General Manager of Business Groups / Tung, Chi-Jen 5. General Manager of Business Groups / Kuo, Yueh-She 6. General Manager of Business Groups / Chang, Chin-Wen 7. General Manager of Business Groups / Fang, Yu-Jun 8. General Manager of Business Groups / Wang, Pai-Sung
NT$10,000,000 (inclusive)~NT$15,000,000	1. C.E.O. / Emmet Hsu 2. General Manager / Hsieh, Han-Chang	1. C.E.O. / Emmet Hsu 2. General Manager / Hsieh, Han-Chang
NT$15,000,000 (inclusive)~NT$30,000,000		
NT$30,000,000 (inclusive)~NT$50,000,000		
NT$50,000,000 (inclusive)~NT$100,000,000		
NT$100,000,000 above		
Total	14 persons	14 persons

Note 1: Names of General Manager and Deputy General Manager should be separately disclosed. The amount of remunerations should be disclosed in summary. If a director concurrently serves as the General Manager or Deputy General Manager, this Form and Form (1-1) or (1-2) must be filled out.

Note 2: It refers to the General Manager and Deputy General Manager's salary, special responsibility allowance, and severance pay.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, the provision of dormitory and vehicle, and other compensations received by the General Manager and Deputy General Manager in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 4: It refers to the employee remuneration (including stock and cash) received by the General Manager and Deputy General Manager that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such an amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 5: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements.

Note 6: Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received from all the Company.

Note 7: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements. Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received.

Note 8: It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 9: a. It is required to specify in this column the relevant remuneration amount the General Manager and Deputy General Manager of the Company received from the reinvested companies other than the subsidiaries.
b. If the General Manager and Deputy General Manager have received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column E. In addition, the column title shall be revised as "All reinvested companies."
c. Remuneration shall mean the compensation, reward, employee bonus, and expense for business operation paid to the Company's the General Manager and Deputy General Manager by the reinvested companies other than the subsidiaries, and such the General Manager and Deputy General Manager concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

Note 10: The amount of imputed rent is NT$ 8,149 thousand to provide the rental car.

Note 11: The 2022 distribution of employees' compensation has been approved by the Board of Directors and shall report at the Annual Shareholders' Meeting.

* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

3. Employee bonus amount paid to managerial officers

December 31, 2021
Unit: NT$ thousands

	Job title (Note 1)	Name (Note 1)	Stock	Cash	Total	Proportion to Earnings After Tax (%)
Managerial officer	C.E.O.	Emmet Hsu	0	16,955 (Note5)	16,955	0.87%
	General Manager	Hsieh, Han-Chang				
	Chief of Operation	Yang, Tsun-Ching				
	General Manager of Business Groups	Yang, Tsung-Hsien				
	General Manager of Business Groups	Cheng, Hsiang-Chih				
	General Manager of Business Groups	Tung, Chi-Jen				
	General Manager of Business Groups	Ko, Ching-Li				
	General Manager of Business Groups	Chang, Chin-Wen				
	General Manager of Business Groups	Fang, Yu-Jung				
	General Manager of Business Groups	Kuo, Yueh-She				
	General Manager of Business Groups	Wang, Pai-Sung				
	Deputy General Manager	Bryant Hsu				
	Deputy General Manager	Wu, Tsung-Ming				
	Deputy General Manager	Lin, Yu-Liang				
	Senior Associate Manager	Tien, Chia-Wen				
	Senior Associate Manager	Lee, Shui-Yuan				
	Associate Manager	Hung, Chiu-Lieh				
	Associate Manager	Liu, Chun-Chung				
	Associate Manager	Yeh, Sung-Yuan				
	Associate Manager	Liu, Ta-Wei				
	Associate Manager	Lin, Teng-Fu				
	Associate Manager	Wu, Chia-Hsin				
	Associate Manager	Lee, Ying-Chu				
	Senior Associate Manager	Shih, Chin-Yi				
	Financial Officer					
	Chief Accountant					
	Chief of Corporate Governance					

Note 1: Names and job title of each person should be separately disclosed. The amount of remunerations can be disclosed in summary.
Note 2: It refers to the employee remuneration (including stock and cash) received by the managerial officers that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.
Note 3: The scope of application for managers is defined in accordance with the Tai.Chai.Cheng (III) No. 0920001301 Letter dated March 27, 2003 by the SEC as follows:
(1) General Manager and the equals (2) Deputy General Manager and the equals
(3) Associate Manager and the equals (4) General Manager of Finance Department
(5) General Manager of Accounting Department (6) Managerial officers and the individuals authorized to sign
Note 4: If Directors, General Manager and Deputy General Manager` have collected employee remuneration (including stock and cash), in addition to filling out Form 1-2, please fill out this Form too.
Note 5: The 2022distribution of employees' compensation has been approved at the Board of Directors and shall report at the Annual Shareholders' Meeting.

D. Specify and compare the remuneration of Directors, Manager and Deputy General Manager of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements over the last two years, and specify the policies, standards, combinations, and procedures of decision-making for remuneration and their correlation with business performance and future risk:

1.The ratio of total remuneration paid by the Company to Directors, General Manager, and Deputy General Manager / Net income (%):

Unit: NT$ thousand

Title	2022 (Note 1)				2021 (Note 1)			
	Total remuneration		Remuneration / standalone net income ratio (%)		Total remuneration		Remuneration / standalone net income ratio (%)	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	64,457	64,786	3.21	3.22	58,822	59,712	3.26	3.31
General Manager Deputy General Manager	83,997	84,925	4.18	4.23	87,269	88,105	4.84	4.88
Total	148,454	149,711	7.39	7.45	146,091	147,817	8.09	8.19

Note 1 Analysis of the ratio of total remuneration paid by the Company and by all companies included in consolidated financial repport to Directors, Supervisors, General Manager, and Deputy General Manager / Net income (%) for the most recent two years.

The total amount of remuneration paid by the company to directors, general managers and deputy general managers in 2022, decreased as a percentage of net profit after tax, which was mainly due to the increase in net profit before tax in 2022. The remuneration paid by the Company to Directors and Managers is pursuant to the Company Law and the Articles of Incorporation.

2.The policies, standards, combinations, procedures of decision-making of remunerations and their correlation with business performance and future risk:

(1) Policies, standard and combinations of compensation

(a) In accordance with Article 20 of the Articles of Association of the Company, the compensation of directors (including independent directors) shall be put into consideration of the operation performance as well as the recommendations of the industry reference and shall be submitted to the board of directors for review and approval.

(b) According to Article 5 of the Guide to Regulations Governing Independent Directors, the compensation of independent directors may also be determined as a fixed monthly payment through relevant legal procedures, without participating in the disposition of net earnings.

(c) The compensation, including salaries and various bonuses of the General Manager and Deputy General Manager shall refer to the salary level of external similar enterprises.

(2) Procedure for setting compensation

(a) In accordance with the current policies and procedures, the salary and compensation items of the General Manager and Deputy General Managers shall be proposed based on their participation in the company's operation and the value of their contribution and with reference to the salary level of external similar enterprises. After being approved by the Chairman, it will be submitted to the compensation committee for deliberation and implemented after the approval of the board of directors.

(b) To fully demonstrate the achievement of operational performance indicators, the performance measurement standards for the chairman of the board are based on the results of the company's annual operational indicators related to operations, governance, and financial results. The assessment scope includes two indicators: pre-tax net profit and corporate governance evaluation. The performance measurement and assessment scope for the general manager includes various performance targets related to key job responsibilities such as operational safety management, supervision of financial plan execution, revenue management, strengthening internal controls, and implementing quality assurance and management.

(3) Relevance to business performance and risks
 (a) All compensation policies and procedures do not guide Directors and Managers to engage in behavior that exceeds the company's risk appetite in pursuit of individual benefits.
 (b)After evaluating and measuring the current company's business scale, performance and the situation of payment over the years, various salary and remuneration items are planned to be handled in accordance with the current system.
(4) For the payment procedure of employee and director compensation, please refer to Article (8) of the employee and director compensation on page 84.

3. The state of Implementation of Corporate Governance

A. Operations of Board of Directors

The Board held **4 (A)** meetings in 2022. The attendance record of the Directors is listed below:

Job title	Name (Note 1)	Actual attendance B	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Chairman	Yeang Der Investment Co., Ltd. Emmet Hsu	0	4	0%	Reelected on 2020/06/19
Managing Director	Mitsubishi Electric Corporation (Japan) Hanaoka Hisao	1	0	100%	April 01, 2022 resigned. The Board held meetings 1 times during the terms of office.
Managing Director	Mitsubishi Electric Corporation (Japan) Kawai Toshio	3	0	100%	April 01, 2022 took over. The Board held meetings 3 times during the terms of office.
Managing & Independent Director	Lin, Hsin-I	4	0	100%	Reelected on 2020/06/19
Managing Director	Yeang Der Investment Co., Ltd. Hsieh, Han-Chang	4	0	100%	Reelected on 2020/06/19
Managing Director	Yeang Der Investment Co., Ltd. Yang, Tsun-Ching	4	0	100%	Reelected on 2020/06/19
Director	Chanching Co., Ltd. Kan, Chin-Yu	2	2	50%	Reelected on 2020/06/19
Director	Mitsubishi Electric Corporation (Japan) Sugiyama Shinya	4	0	100%	Reelected on 2020/06/19
Director	Mitsubishi Electric Corporation (Japan) Ito Toshimitsu	4	0	100%	Reelected on 2020/06/19
Director	Mitsubishi Electric Corporation (Japan) Nakanishi Kyori	4	0	100%	Reelected on 2020/06/19
Director	Yeang Der Investment Co., Ltd. Bryant Hsu	2	2	50%	January 16, 2022 took over. The Board held meetings 4 times during the terms of office.
Director	Yeang Der Investment Co., Ltd. Cheng, Hsiang-Chih	0	0	0%	March 01, 2022 resigned. The Board held meetings 0 times during the terms of office.
Director	Yeang Der Investment Co., Ltd. Yang, Tsung-Hsien	4	0	100%	March 01, 2022 took over. The Board held meetings 4 times during the terms of office.
Director	Yeang Der Investment Co., Ltd. Tung, Chi-Jen	4	0	100%	September 01, 2021 took over.
Director	Shin-Po Investment Co., Ltd. Lin, Po-Fong	4	0	100%	Reelected on 2020/06/19
Independent Director	Yan, Cherng-Jau	4	0	100%	Reelected on 2020/06/19
Independent Director	Hu, Chao-Fong	3	1	75%	Reelected on 2020/06/19

Job title	Name (Note 1)	Actual attendance B	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark

Other items to be specified:

1. Should one of the following occur, the meeting date, period, content of the resolution, opinions of all Independent Directors, and the Company's handling of the opinions of the Independent Directors shall be clearly stated:
   (1) All the listed items in Article 14-3 of the Securities and Exchange Act: Please refer to p72-p73.
   (2) In addition to the afore mentioned, the items in board resolutions regarding which Independent Directors have voiced opposing or qualified opinions on the record or in writing: None.
2. In instances where a Director's circumvention due to the conflict of interest, the minutes shall clearly state the Director's name, contents of the motion and resolution thereof, reason for such circumvention and the voting status:
   (1) It is planned to donate to Memorial Foundation of Mr. Ching-Teh Hsu. Chairman / Emmet Hsu, Managing Director / Hsieh, Han-Chang and Director / Bryant Hsu and Yang, Tsung-Hsien did not participate in the discussion and vote because of the interest avoidance.
3. TWSE/GTSM-Listed Companies shall disclose the information of Self-Evaluation (or Peer) Evaluation of the Board of Directors, including general evaluation cycle, evaluation period, scope and method of evaluation and content of evaluation. Fill in sequence the assessment of implementation status in the Attachment (2).
4. Measures undertaken during the current year and past year (including the establishment of the Audit Committee, improvement of info transparency, etc.) in order to strengthen the functions of the Board of Directors and assessment of such implementation: Please refer to p29-p48.

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and Independent Director are corporate organizations.

Note 2: (1) In case any director or supervisor resigns before the end of the year, mark the date of resignation on the remarks and the actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.
(2) In case of any director and supervisor reelection before the end of the year, fill in the new and former directors and supervisors in addition to marking the director and supervisor as new or former term, and the date of reelection. The actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

B. Assessment of the implementation of the Board of Directors

Assessment Circle	Assessment Period	Assessment Scope	Assessment Measure	Assessment Content	Scoring Results (Note1)
Execute once a year	January 01,2022 ~ December 31, 2022	Overall Board of Director	Director's self-appraisal	➢ Involvement in the Company's operation ➢ Quality improvement of the Board's decision-making ➢ The composition and structure of the Board ➢ The assignment and continual education of Directors ➢ Internal control	1. Evaluation metrics:43 items ➢ Scoring result: 4.70 Between 5 "strongly agree" and 4 "agree"
Execute once a year	January 01,2022 ~ December 31, 2022	Individual Director	Director's self-appraisal	➢ Control of the corporate goal and mission ➢ Cognition of Director's duty ➢ Involvement in the Company's operation ➢ Internal relation management and communication ➢ The assignment and continual education of Directors ➢ Internal control	1. Evaluation Metrics:21 items ➢ Scoring result: 4.81 Between 5 "strongly agree" and 4 "agree"
Execute once a year	January 01,2022 ~ December 31, 2022	Audit Committee	Member's self-appraisal	➢ Involvement in the Company's operation ➢ Cognition of functional committee's duty ➢ Quality improvement of the Board's decision-making ➢ The composition and assignment of the functional committee ➢ Internal control	1. Evaluation Metrics:23 items ➢ Scoring result: 4.95 Between 5 "strongly agree" and 4 "agree"
Execute once a year	January 01,2022 ~ December 31, 2022	Remuneration Committee	Member's self-appraisal	➢ Involvement in the Company's operation ➢ Cognition of functional committee's duty ➢ Quality improvement of the Board's decision-making ➢ The composition and assignment of the functional committee ➢ Internal control	1. Evaluation Metrics:23 items ➢ Scoring results: 5 5 "strongly agree"

Note 1: The evaluation results are presented in 5 grades. The principles of evaluation grades are explained as follows:
Number 1: very poor (strongly disagree); number 2: poor (disagree); number 3: moderate (average);
Number 4: Excellent (agree); Number 5: Excellent (strongly agree).

Note 2: The Company completed the performance evaluation of the Board of Directors and functional Committees in January of 2023. The Board of Directors reported the results of the 2022 performance evaluation of the Board of Directors on March 09, 2023. The overall performance evaluation results of the Board of Directors in 2022 ranged from 5 points of "strongly agree" to 4 points of "agree". Most of the Directors strongly agreed with the operation of various evaluation indicators. Governance requirements, and effectively strengthen the functions of the Board of Directors and safeguard the rights and interests of shareholders.

C. Operations of Audit Committee

1. Assist the Board of Directors fulfilling its quality and integrity in supervising the Company's accounting, auditing, financial reporting processes and financial controls. The powers of the Audit Committee are as follows:
   - Formulate or amend the internal control system based on Article 14-1 of the Securities and Exchange Act.
   - Review and audit the effectiveness of the internal control system.
   - Formulate or amend the regulations governing acquisition and disposal of assets, derivatives transactions, loaning of funds and making of endorsements/guarantees based on Article 36-1 of the Securities and Exchange Act.
   - Review matters involving the Director's own interests.
   - Review major assets or derivatives transactions.
   - Review major fund loaning, endorsements or guarantees made.
   - Review the raise, issuance or private placement of securities with equity.
   - Review the appointment, dismissal or remuneration of CPAs.
   - Review the appointment of Chief of financial, accounting or internal audit.
   - Review the financial report required to be approved by the Board of Directors based on regulations by the competent authority.
   - Review other major issues regulated by the Company or the competent authorities.
2. The audit committee of the company is composed of 3 independent directors. The audit committee aims to assist the board of directors in supervising the quality and integrity of the company's implementation of accounting, auditing, financial reporting procedures and financial control.

   The Audit Committee held 4 meetings in 2022, and the main items considered include:
   - Formulate or amend the internal control system based on Article 14-1 of the Securities and Exchange Act.
   - Review and audit the effectiveness of the internal control system.
   - Formulate or amend the regulations governing acquisition and disposal of assets, derivatives transactions, loaning of funds and making of endorsements/guarantees based on Article 36-1 of the Securities and Exchange Act.
   - Matters involving the director's own interests
   - Major assets or derivatives transactions
   - Major fund loaning, endorsements or guarantees made
   - The raise, issuance or private placement of securities with equity.
   - The appointment, dismissal or remuneration of CPAs.
   - The appointment of Chief of financial, accounting or internal audit.
   - The financial report required to be approved by the Board of Directors based on regulations by the competent authority.
   - Other major issues regulated by the Company or the competent authorities.

➢ Review the financial reports

The Board of Directors has prepared and submitted the Company's 2022 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Chen, Zhi-yuan and Yang, Qing-zhen CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements (including consolidated financial statements) and the profit distribution proposal have been reviewed by the Audit Committee to be without any discrepancies.

➢ Assess the effectiveness of the internal control system

The audit committee evaluates the effectiveness of the company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, legal compliance and other control measures), and reviews the company's audit department, certified accountants, and management's regular reports, including risk management and compliance with laws and regulations. The audit committee believes that the company's risk management and internal control systems are effective, and the company has adopted necessary control mechanisms to monitor and correct violations.

➢ Appointment of the certified accountant

The audit committee is given the responsibility of supervising the independence of the certified public accountant firm to ensure the fairness of the financial statements. Generally speaking, except for tax-related services or specially approved items, visa accounting firms are not allowed to provide other services of the company. All services provided by the Certified Public Accountants must be approved by the Audit Committee. In order to ensure the independence of the certified public accountant firm, the audit committee developed an independence evaluation form in accordance with Article 47 of the Accountants Act and the Bulletin of the Professional Ethics of Accountants No. 10 "Integrity, impartiality, objectivity, and independence" to assess the independence of accountants. , Professional and competency assessment, assess whether the company is a related party, mutual business or financial interests and other projects. On August 05, 2022, the 9^{th} audit committee of the 2_{nd} term and on August 05, 2022, the 10^{th} meeting of the 20^{th} term of the Board of Directors has reviewed and passed the criteria of independence assessment of Deloitte & Touche CPAs Chen, Chih-Yuan and Yang, Ching-Cheng accountants. It is sufficient to serve as the company’s financial and tax accountant.

3. The Member Information of Audit Committee

separate (Note1) / Name / Qualification		Professional Qualifications and Experience (Note 2)	Independence (Note3)	Number of Concurrently Serving as an Audit Committee of Another Listed Company
Independent-Director Convener	Lin, Hsin-I	• Management ability • Cross-cultural leadership • Motor industry knowledge and experience • Risk Management • Minister of Economic Affairs, Vice President of the Executive Yuan and Chairman of the Economic Construction Association • Please refer to pages 10~13 for director information	1. The self, spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the company or its affiliated companies. 2. The number and proportion of the company's shares held by the person, spouse, relatives within the second degree (or in the name of others): 0 shares/0%. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Audit Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. No amount of remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	No concurrently serving on the audit committee of other public offering companies.
Independent-Director	Yan, Cherng-Jau	• Management ability • Motor industry knowledge and experience • Legal and Risk Management • Director of Shilin Electric Machinery Co., Ltd. • Please refer to pages 10~13 for director information	1. The self, spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the company or its affiliated companies. 2. The number and proportion of the company's shares held by the person, spouse, relatives within the second degree (or in the name of others): 0 shares/0%. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Audit Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. No amount of remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	No concurrently serving on the audit committee of other public offering companies.
Independent-Director	Hu, Chao-Fong	• Management ability • Motor industry knowledge and experience • Information Technology and Risk Management • vice president of Shilin Electric Machinery Co., Ltd. • Please refer to pages 10~13 for director information	1. The self, spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the company or its affiliated companies. 2. The number and proportion of the company's shares held by the person, spouse, relatives within the second degree (or in the name of others): 118,746 shares/0.02%. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Audit Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. No amount of remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	No concurrently serving on the audit committee of other public offering companies.

Note1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of each audit committee. If they are independent directors, please refer to Appendix 1 on page 00 for information on directors and supervisors (1) related information. Please fill in the series as independent directors or others respectively (if it is the convener, please add a Note).

Note 2: Professional Qualifications and Experience: Describe the professional qualifications and experience of individual audit committee members.

Note 3:Condition of independence: state that the members of the audit committee meet the conditions of independence, including but not limited to whether I, my spouse, or relatives within the second degree of The number and proportion of shares held by relatives within the kinship (or in the name of others); whether they act as a company that has a specific relationship with the company (refer to the establishment of the audit committee and the exercise of functions and powers of the company listed on the stock market or the business office of the securities firm) Article 6 Paragraph 1 Items 5 to 8) of the director, supervisor or employee; the amount of remuneration received for providing the company or its affiliates with business, legal, financial, accounting and other services in the last two years.

4. The Audit Committee held **four (A)** meetings in 2022. The attendance record of Independent Directors is listed below:

Job Title	Name	Actual attendance B	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Managing & Independent Director	Lin, Hsin-I	4	0	100%	
Independent Director	Yan, Cherng-Jau	4	0	100%	
Independent Director	Hu, Chao-Fong	3	1	75%	

Other items to be recorded:

1. The Audit Committee shall record the convene date, the term, the content of the proposal the Audit Committee Meeting, and the resolution of Audit Committee and the Company's treatment to the resolution of the Audit Committee if any of the following circumstances occurs.
   (1) Items listed in Article 14-5 of the Securities and Exchange Act: Please refer to p32-p37.
   (2) In addition to the preceding matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all Directors: None.
2. The names of Independent Directors, the contents of the proposals, the reasons for avoidance of conflicts of interest and the participation of voting shall be clearly recorded if there is any implementation of avoidance of conflicts of interest to any Independent Director: None.
3. Communication between the Independent Directors and the internal audit directors and CPAs (please record the covered major issues, methods and results of the communication for the Company's financial and business conditions):
   (1) The Company regularly calls meetings of the Audit Committee and invites CPAs, audit directors and relevant supervisors to attend if necessary.
   (2) The internal audit directors regularly submit the audit summary report according to the annual audit plan. The Audit Committee also regularly makes assessment to the Company's internal control system, the internal auditors and their work performance.
   (3) The Audit Committee regularly communicates with the Company's CPAs on the quarterly financial statements for review or examines the results and other related laws and regulations and reviews the independence of the CPAs.

Note 1: Where an Independent Directors may be relieved from duties before the end of the fiscal year, please specify their date of discharge in the 'Remarks" Section. Their actual attendance rate (%) to the Audit Committee session shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

Note 2: Where an election may be held for filling the vacancies of Independent Directors before the end of the fiscal year, please list out both the new and the discharged Independent Directors and specify the new, the discharged and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate(%) of the Audit Committee meetings shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

5. Operation of Such Year

Audit Committee Meeting	Discussions and Resolutions	Matters Specified in Article 14-5 of Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors
8th Meeting of 20th Board Mar. 10, 2022	1. Proposal of distribution of 2021 employee remuneration and Director compensation.		
	2. Proposal of 2021 business report and financial statement.	V	
	3. Proposal of distribution of 2021surplus.		
	4. Proposal of convene date, location, and agenda of 2022 Shareholders' Meeting, location for reception and acceptance of shareholders' proposals, periods of reception and acceptance and e-voting.		
	5. Provide financing endorsement guarantee to Vietnam Shihlin Electrical Engineering Ltd. for USD 5,000 thousand.	V	
	6. Consent to lift the restrictions on the prohibition of competition for managers of the company.		
	7. Proposed to the Shareholders' Meeting to lift the prohibition on non-compete of corporate directors and representatives.		

Audit Committee Meeting	Discussions and Resolutions	Matters Specified in Article 14-5 of Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors
	8. Proposed to Discuss the amendments to Articles of Incorporation.		
	9. Proposed to Discuss the amendments to Procedures for Acquisition or Disposal of Assets.		
	10. Revise the "Code of Corporate Governance Practice" and "Code of Ethical Conduct".		
	11. Based on the self-inspection results, issue the 2021 "Internal Control System Statement".	V	
	Resolutions: Approved by all members of the Audit Committee without any objection.		
	Treatment by the Company to the resolutions of the Audit Committee: All Directors had attended and approved without any objection.		
	Resolution: All the directors present had no objection, and the proposal was passed.		
9th Meeting of 20th Board May 11, 2022	1. Proposal of consolidated financial statement of January-March of 2022.	V	
	2. Provide financing endorsement guarantee to Changzhou Shihlin Auto Parts Co., Ltd. for USD 2,500 thousand.	V	
	3. Proposal of discussion the amendments to Rules of Procedures for the Shareholders’ Meeting.		
	4. Proposal for amendment to “Code of Practice on Corporate Social Responsibility”		
	5. Changes of the Company's managers.		
	6. Proposal of 2022 compensation to CPAs.	V	
	Resolutions: Approved by all members of the Audit Committee without any objection.		
	Treatment by the Company to the resolutions of the Audit Committee: All Directors had attended and approved without any objection.		
	Resolution: All the directors present had no objection, and the proposal was passed.		
10th Meeting of 20th Board Aug. 05, 2022	1. Proposal of consolidated financial statement of January-June of 2022.	V	
	2. Provide financing endorsement guarantee to Changzhou Shihlin Auto Parts Co., Ltd. for USD 6,000 thousand.	V	
	3. Proposal for amendment to “Regulations Governing of Implementation of Internal Control” and “Regulations Governing of Implementation of Internal Auditing”	V	
	4. The company's Audit Supervisor change case	V	
	5. Changes of the Company's managers.		
	6. Regular assessment of the independence of CPAs appointed by the Company.	V	
	Resolutions: Approved by all members of the Audit Committee without any objection.		
	Treatment by the Company to the resolutions of the Audit Committee: All Directors had attended and approved without any objection.		
	Resolution: All the directors present had no objection, and the proposal was passed.		
11th Meeting of 20th Board Nov. 09, 2022	1. Proposal of consolidated financial statement of January-September of 2022.	V	
	2. 2023 operating plan and profit and loss budget.		
	3. Proposal of 2023 audit plans.		
	4. 2023 financing credit line case.		

Audit Committee Meeting	Discussions and Resolutions	Matters Specified in Article 14-5 of Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors
	5. The company intends to appoint a professional stock affairs agency to handle the stock affairs.		
	6. Propose to invest in the establishment of "Shihlin Electric Green Power Co., Ltd."	V	
	7. Proposed investment in "HD Renewable Energy Co., Ltd."	V	
	8. Proposed to increase capital for "Ji Lin Investment Co., Ltd."	V	
	9. Proposed to donate to Memorial Foundation of Mr. Ching-Teh Hsu.		
	10. Provide financing endorsement guarantee to Wuxi Shihlin Electric & Engineering Co., Ltd. for USD 3,500 thousand.	V	
	11. Formulation of the "Risk Management Code of Practice".		
	12. Amendments to the "Internal Control Rules".	V	
	13. Revised " Handling Procedures of Internal Material Information".		
	14. Remuneration of directors and managers.	V	
	Resolutions: Approved by all members of the Audit Committee without any objection.		
	Treatment by the Company to the resolutions of the Audit Committee: All Directors had attended and approved without any objection.		
	Resolution: All the directors present had no objection, and the proposal was passed.		

D. The state of the company's implementation of corporate governance, any discrepancy of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such discrepancy:

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
1. Does the company comply disclose corporate governance practice principles in compliance with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The company has developed and disclosed its corporate governance practice principles on the company website in compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."	None
2. Shareholding Structure & Shareholders' Rights				
(1) Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues and practically implemented such procedures?	V		◆ The company offers spokesperson and proxy spokesperson to handle shareholders' suggestions or disputes. The consolidated individual companies also set up full-time management departments to process relevant matters.	None
(2) Has the Company kept the lists of its major shareholders and the ultimate owners of such major shareholders?	V		◆ The equity affairs specialist of the company is in charge of the actual control of the major shareholders of the company and the ultimate control list of major shareholders while consolidated individual companies also set up share affairs specialist in charge of processing the relevant matters.	None
(3) Has the Company established risks control and firewall mechanism with its affiliates?	V		◆ The competent management of HR, asset and finance, and sales between the Company and affiliated enterprises are independent with dedicated department in assessment of risks.	None
(4) Has the Company established the internal rules to prohibit its insiders from trading securities by using info not yet disclosed to the market?	V		◆ The company strictly prohibits insiders with the use of private information in securities trading to prevent insider trading.	None
3. Composition and Responsibilities of the Board of Directors				
(1)Have the Board members formulated diverse policies and implemented them accordingly?	V		◆ The Company's purpose is to make the structure of Board of Directors more diversified to effectively perform the function. During the selection processes, the Company shall further consider the professional backgrounds, experiences, skills of each candidate and much of diversified nationality, unless otherwise permitted by the Articles and the guidelines on nomination; the Company will periodically evaluate members' performance and eligibility. Each board member of the Company, the professional talent from each business group and different area of field, will have absolute assistance to the	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			Company's development and operations. Status on Fulfilling Diversified Board Members: ◆ For the implementation of diversity of board members, please refer to the disclosure of professional qualifications of directors and independence of independent directors on page 15~17. ◆ In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the company's revised "Corporate Governance Code of Practice" Article 20 board members generally possess the knowledge, skills and literacy necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall capabilities of the board of directors are as follows: 1. Operational judgment ability. 2. Accounting and financial analysis capabilities. 3. Operation and management capabilities. 4. Crisis handling capabilities. 5. Industry knowledge. Sixth, the international market outlook. 7. Leadership ability. 8. Decision-making ability. ◆ The list of 15 directors of the 20th session of the company, 40% of directors with employee status, 20% of independent directors, 27% of foreign directors, and 3 independent directors with a term of 4~6 years, 7 directors are under 60 years old, 5 directors are 61~70 years old, and 3 directors are over 71 years old. The company considers the needs of operational development and diversified operations, and focuses on the professional experience, knowledge and skills of the board of directors. The goal is to increase more than 10% of directors who have professional knowledge and experience in the electrical industry. Currently, there are 9 directors outside of the electrical industry background, with a ratio of 60%.	
(2) In addition to Remuneration Committee and Audit Committee, has the Company established any other types of functional committee?		V	◆ The Company currently only establishes Remuneration Committee and Audit Committee by law but has not voluntarily set up other types of functional committee.	The operation and management of the company have conducted relevant evaluation analysis and will cooperate with future law and regulations for revision and establishment.

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Has the Company established Board performance assessment method and has the performance evaluated annually?	V		◆ The Board performance assessment regulation has been approved by the Board member in May 2020. The company regularly evaluates the professionalism and relevant responsibility competence of all directors in pursuit of maximum interests of the company and shareholders.	None
(4) Has the Company evaluated the independence of CPAs on a regular basis?	V		◆ The corporate CPAs are CPA Chen, Chih-Yuan and CPA Yang, Ching-Cheng from Deloitte & Touche Taiwan. The company has evaluated the independence of CPA in terms of financial interests, financing and guarantee, commercial relations, family and personal relations, employment, gifts and presents, and special preference, and non-audit affairs. The company has also adopted the CPA independence evaluation at the Board of Director meeting held on August 5, 2022, with acquisition of the independence statement presented by the CPA.	None
4. Has the Company established a fully dedicated or concurrent unit or personnel in charge of the corporate governance related business, which includes but not limited to the provision of Directors and Supervisors' execution info, the proceeding of Board and Shareholders' meetings and the related pursuant to the regulation, corporate registry and change, the producing of the Board and Shareholders' meetings minutes, and so on?	V		◆ The company's corporate governance-related affairs are coordinated and handled by the general manager's office. In addition, the financial unit is also co-organized and responsible for the implementation, including the matters related to the Board of Director and Shareholders' Meetings by session by law, preparation of BOD and shareholders' meeting minutes, application of corporate change registration, regular examination and revision of the company's corporate governance best practice principles and relevant regulations, supply of information needed for the practice of affairs by directors, regular schedule of directors' advancement courses, and annual reporting to the Board of Directors for status of corporate governance operations. In order to strengthen corporate governance, on May 12, 2021, the Board of Directors of the Company has passed a resolution to appoint senior associate Shih, Chin-Yi as the director of corporate governance to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. The terms of reference of the Head of Corporate Governance are as follows:	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			1. Handle matters related to the meetings of the board of directors and shareholders' meeting in accordance with the law. 2. Prepare the minutes of the board of directors and shareholders' meetings. 3. Assist directors in their appointment and continuing education. 4. Provide the information required by the directors to carry out their business. 5. Assist directors in complying with laws and regulations. 6. Other matters stipulated in the company's articles of association or contracts, etc.	
5. Has the Company established a communication channel for the stakeholders (including but not limited to the shareholders, employees, clients and suppliers, etc.), a company website dedicated to stakeholders, and responded appropriately to the social responsibility issues which are critical to stakeholders?	V		◆ The company offers adequate financial information for determination on the company website for transaction with the banks and other creditors. ◆ The company offers the address, phone number and toll-free numbers of the service offices in Taiwan to consumers on the company website so the consumers can communicate with the company immediately. ◆ The company conducts regular customer and distributor satisfaction questionnaire with incorporation into the CRM system for continual improvement and follow-up. ◆ The company holds employee satisfaction questionnaire each year for the company and business division supervisors to implement execution and optimize suggestions from employees. ◆ The company offers peer opinion box on the internal website for employees to directly reflect problems and communicate with the management. ◆ The HR and administrative management hold regular seminars to comprehend the demand from employees. ◆ The service departments of the remaining consolidated individual companies also maintain unobstructed communication channel for the scope of responsibility and with stakeholders.	None
6. Has the Company commissioned a professional stock agent to handle shareholders affair?	V		◆ Since 2023, the company has appointed CTBC Bank Co., Ltd. (Transfer Agent) to handle shareholders affair.	None
7. Information Disclosure (1) Has the Company established a website for info disclosure on financial, business and corporate governance?	V		◆ Currently the company discloses financial statements, service information and resolutions reached by the Board of Directors in Chinese and English on the company website.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(2) Has the Company also adopted other disclosure measures such as English website, dedicated personnel for collecting & disclosing of company info, implemented spokesman system, and uploaded the institutional investor conference presentations on the Company's website?	V		◆ The company sets up full-time organization in charge of the corporate information collection and disclosure. The company develops the "Spokesperson and Proxy Spokesperson Procedures Regulations" to implement the spokesperson system.	None
(3) Has the Company announced and declared the annual financial report within two months after end of the fiscal year, and announced Q1, Q2, Q3 financial report and monthly operating performance within prescribed time limit?	V		◆ The Company announced and declared its annual financial report in advance, and announced the quarterly financial report and monthly operating performance pursuant to the law and regulation	None
8. Does the Company have other critical information which can help others to understand the implementation of corporate governance (including but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors)?	V		(1) Social Contribution: 1. Taking valuation of environmental protection as responsibility by not only fully complying with the environmental protection law of local operation office but also paying attention to the latest environmental issues worldwide to lead in taking environmental friendly practice. 2. Pollution prevention is one of the foremost important responsibilities of enterprises and thereby pollution prevention will be built on ISO 14001 environmental management system, to promote continual improvement on environmental management cases through P-D-C-A management model. This approach will reduce the production of pollutants and wastes, which will take consideration of production costs and environmental protection. 3. Optimize and implement all CSR indicators in corporate social responsibilities to meet the corporate vision for sustainable management. 4. Develop and upgrade product performance to provide customers with more advanced, energy-saving and green products. 5. Implement M&E talent cultivation, campus development, regular holding of on-campus speech, and scholarship without restriction and semester internship. 6. Hold industry-research cooperation projects with school professors over the long run to promote knowledge economics and social development.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			7. Consolidated individual companies also regularly cooperate with local government agencies or social organizations in holding charity events. (2) Community Involvement: 1. Regular endorsement of parties and community activities at Lanxing Village, Zhongzheng Village, and Dexing Village of Taipei City. 2. Long-term adoption and care for the street trees and pedestrian walk on section 6 of Zhongshan N. Road (between Derxing W. Road and Zhongzheng Road). 3. Long-term adoption of Derxing Park in Shilin District (green maintenance, trimming, cleaning, and maintenance). 4. Participated in the sponsorship of foster home center's children's dream plan. 5. Irregularly holding villager and employee ecology conservation activities. 6. Irregularly holding local cultural and art activities, supporting local culture education and cultivation in-depth. 7. Regular holding of simple CPR and AED user training to improve the emergency rescue skills of employees and tenants. 8. Irregularly holding health seminar with the building units to improve the friendly relation with units. (3) Employees' Rights and Interests and Care for Employees: 1. The company is committed in providing a work environment with fun and reasonable pay. To build such environment, employees in Taiwan and overseas are offered with competitive salary and benefits. The company also continues to launch diversity of work and life balance solutions to take care of the physical and mental health of the employees. In work, complete educational training system and employee development plan can help employees with upgrading professional competency and self-growth; the company has become the key pushing hands supporting the sustainable development of the company. 2. The company shall take consideration of the work competence of employees	

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
			during recruitment and shall treat persons with different sex, religion, race, nationality, or political party equality with fair treatment. All employees will be treated equality regardless of sex, religion, race, nationality, or political party to place right people on the right positions. The company also holds industry-academic cooperation with educational institutes in Taiwan or overseas from time to time. 3. The company values two-way communication and are committed to the strengthening of open and transparent communication channel between supervisor and employees, and between employees, thereby promoting labor-management harmony. We regularly hold senior supervisor communication meetings, cross-department meetings, and holding employee satisfaction survey to listen to the opinion of employees as processing the problems reflected by employees to implement the relevant investigation and seminar conclusion. 4. We provide diversity of training courses to enhance the workplace competence of employees at all levels (management, professionalism, and language). In addition to arranging external training courses, the company also designs a series of training courses by hierarchy inside by holding language classes (English and Japanese) for employees to have self-study and growth, thereby continuing to upgrade personnel quality. With regards to overseas subsidiary, seminars for management and operation officers are regularly held to enrich the quality and competence of overseas supervisors and employees. 5. To maintain the competitiveness of the overall corporate remuneration, we measure the market salary level and macroeconomic indicators each year through salary investigation in Taiwan or overseas, making proper adjustment to the base salary of all employees. 6. Conducting regular personnel assessment and assisting with career planning, providing management and	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			professional career dual-track system for employees to have unobstructed promotion channel with placement of right personnel on the right position. 7. Complete grievance channel can help employees solve work related personal rights and interests or unfair treatment by advocating for labor-management harmony and maintaining the rights and interests of labor. 8. The company provides employees with healthy, safe and comfortable work environment in addition to maintaining optimization and improvement. The foundation of productivity of the consolidated company values employee work and life balance, and the physical and mental health of employees. The company also continues to build healthy workplace environment through diverse health care solutions, holding health promotion related activities, and the optimization of employee fitness center. (4) Investor Relations: The company has long valued public information disclosure. The company website offers Chairman's words on shareholders' report, financial report, articles of corporate governance, stock price and dividend information, and the public financial service information conforming to the scope of law and regulation, apart from the description of corporate briefing. (5) Supplier Relations: The company has always treated the supplier as partners with commitment in guiding long-term cooperation with the supplier, in order to establish a sustainable supply chain with stable development. The company not only takes consideration of the quality, lead time and costs of products from suppliers but also advocate for protection of environment, improvement of safety and health, human right valuation in suppliers, thereby jointly fulfill the social responsibility of enterprises, in addition to conducting risk management and operation renewal plan. (6) Rights of Stakeholders: Established communication channel with stakeholders. (7) Advancement courses for directors:	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Please refer to page 63~69.
(8) Risk management policy and risk measurement standards execution: Please refer to page 291~292.
(9) Purchase of Liability Insurance for Directors by the Company:
The Company has purchased liability insurance for Directors on January 1, 2023.</td><td></td></tr>
<tr><td colspan="5">9. Please state the improvement status quo of the latest Corporate Governance Evaluation results announced by the Corporate Governance Center of TWSE, and the prioritized items and measures to be adopted:
1. According to the sustainable development road map of listed companies issued by the Financial Supervisory Commission, strengthen the sustainable report, entrust a third party to verify the 2022 sustainable report and guarantee the information disclosed in the report. For the verification report, please refer to the company's sustainability report.
2. The company has set up the Sustainable Development Committee and formulated its organizational regulations on May 11, 2023. The composition, responsibilities and operation status of the committee will be disclosed on the company website.</td></tr>
</table>

E. Establishment, functions, and operations of the Remuneration Committee:

1. Members of the Remuneration Committee

separate (Note1) \ Qualification / Name		Professional Qualifications and Experience (Note 2)	Independence (Note3)	Number of Concurrently Serving as a Remuneration Committee of Another Listed Company
Independent-Director Convener	Yan, Cherng-Jau	• Management ability • Motor industry knowledge and experience • Legal and Risk Management • Director of Shilin Electric Machinery Co., Ltd. • Please refer to pages 10~13 for director information	1. Pursuant to the requirements of the Listing Rules, the company has obtained a written statement from each independent non-executive director confirming the independence of himself and his immediate family relative to the company, and that he has not held an executive position in the relevant company, and that he and his spouse do not hold the company issue shares. 2. Having considered all the circumstances set out in this section, the Company considers that all independent non-executive directors are persons independent of the Company.	No concurrently serving on the remuneration committee of other public offering companies.
Independent-Director	Lin, Hsin-I	• Management ability • Cross-cultural leadership • Motor industry knowledge and experience • Risk Management • Minister of Economic Affairs, Vice President of the Executive Yuan and Chairman of the Economic Construction Association • Please refer to pages 10~13 for director information	1. Pursuant to the requirements of the Listing Rules, the company has obtained a written statement from each independent non-executive director confirming the independence of himself and his immediate family relative to the company, and that he has not held an executive position in the relevant company, and that he and his spouse do not hold the company issue shares. 2. Having considered all the circumstances set out in this section, the Company considers that all independent non-executive directors are persons independent of the Company.	No concurrently serving on the remuneration committee of other public offering companies.
Independent-Director	Hu, Chao-Fong	• Management ability • Motor industry knowledge and experience • Information Technology and Risk Management • vice president of Shilin Electric Machinery Co., Ltd. • Please refer to pages 10~13 for director information	1. Pursuant to the requirements of the Listing Rules, the company has obtained a written statement from each independent non-executive director confirming the independence of himself and his immediate family relative to the company, and that he has not held an executive position in the relevant company, and that he and his spouse hold the company issue shares less than 0.1%. 2. Having considered all the circumstances set out in this section, the Company considers that all independent non-executive directors are persons independent of the Company.	No concurrently serving on the remuneration committee of other public offering companies.

Note1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of each audit committee. If they are independent directors, please refer to Appendix 1 on page 00 for information on directors and supervisors (1) related information. Please fill in the series as independent directors or others respectively (if it is the convener, please add a Note).

Note 2: Professional Qualifications and Experience: Describe the professional qualifications and experience of individual audit committee members.

Note 3:Condition of independence: state that the members of the audit committee meet the conditions of independence, including but not limited to whether I, my spouse, or relatives within the second degree of The number and proportion of shares held by relatives within the kinship (or in the name of others); whether they act as a company that has a specific relationship with the company (refer to the establishment of the audit committee and the exercise of functions and powers of the company listed on the stock market or the business office of the securities firm) Article 6 Paragraph 1 Items 5 to 8) of the director, supervisor or employee; the amount of remuneration received for providing the company or its affiliates with business, legal, financial, accounting and other services in the last two years.

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Current term of office: June 19, 2020~June 18, 2023.

The Committee held **3** (**A**) meetings in the 2022 and the attendance of the Committee members is summarized as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Yan, Cherng-Jau	3	0	100%	
Member	Lin, Hsin-I	3	0	100%	
Member	Hu, Chao-Fong	3	0	100%	

Other notes:

1. If the Board of Directors does not adopt, or amends, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (If the remuneration ratified by the Board of Directors is superior than that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): N/A
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: N/A
3. Scope of responsibilities:
   a. Stipulate and regularly review the policies, systems, standards, and structure of performance assessment, salaries, and remunerations of directors and managerial officers.
   b. Regularly review and stipulate the salaries and remunerations of directors and managerial officers.

Note 1. Where an Remuneration committee's member may be relieved from duties before the end of the fiscal year, please specify their Resignation date in the 'Remarks" Section. Their actual attendance rate (%) to Remuneration committee session shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

2. Where an election may be held for filling the vacancies of Remuneration committee's member before the end of the fiscal year, please list out both the new and the discharged Remuneration committee's member and specify the new, the discharged and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate (%) of the Remuneration Committee's meetings shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

3. The proposals and resolutions of the Remuneration Committee meetings in 2022

Term of the Remuneration Committee Meeting	Discussions and Resolutions	Committee members' opinions	Remuneration Committee's resolution results and the Company's opinion on the follow-up
6th Meeting of 4th Term 2022/02/23	1. Proposal of distribution of 2021 employee remuneration and Director compensation.	All Committee's had attended and approved without any objection.	Reported to the Board of Directors and approved unanimously.
7th Meeting of 4th Term 2022/07/27	1. Proposal of changes of some managerial personnel and pay adjustment of the Company. 2. Proposal of the 2022 remuneration of managers for 2021 performance.	All Committee's had attended and approved without any objection.	Reported to the Board of Directors and approved unanimously.
8th Meeting of 4th Term 2022/10/26	1. Review the annual 2023 remuneration of Directors. 2. Review the annual 2023 remuneration of Managers. 3. Proposal of the 2023 Remuneration Committee meetings schedule.	All Committee's had attended and approved without any objection.	Reported to the Board of Directors and approved unanimously.

F. The implementation status and variance analysis of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>1. Whether the company has established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and the supervision of the Board of Directors.</td><td>V</td><td></td><td>1. The company promotes matters related to the corporate social responsibility through the collective processing of management and planning office. The company also implements the execution with all departments accordingly. The organization follows the concept of Plan, Do, Check, Action (P-D-C-A) for operation with regular evaluation and review on the relevant response actions for corporate social responsibility.
2. The significant achievements in implementing sustainability in the 2022 were reported to the Board of Directors on March 09, 2023. This includes the progress in controlling and verifying the greenhouse gas inventory and disclosure timeline. According to the plan outlined in the "Sustainability Development Roadmap for Listed Companies" by the Financial Supervisory Commission (FSC), progress will be reported to the Board of Directors on a quarterly basis.
3. The management team of the Company regularly proposes the Company strategy to the Board of Directors. The Board of Directors evaluates the success probability of the strategy and reviews the progress of the strategy and urges the management team to make adjustments when necessary.</td><td>None</td></tr>
<tr><td>2. Does the Company conduct the risk assessment on environmental, social and corporate governance issues related to corporate operation? And any establishment of relevant risk management policy or strategies? (Materiality principle means there will be material impact of the environmental, social and corporate governance issues as a whole on corporate investors and other stakeholders.)</td><td>V</td><td></td><td>Faced with materiality principle with regard to corporate social responsibility, the Company will conduct the related risk assessment on important issues, as well as establish relevant risk management policy or strategies based on risk after assessment as follows:
a. Environment: Environmental Protection and Ecological Preservation
The Company will comply with the government’s laws, International Convention and non-compliance with environmental laws and regulations. Meanwhile, regular inspection and continuous improvement will also be performed to periodically disclose the implementation status on corporate environmental management aimed at the public through Environmental Management System conform to nature and scale of the organization.
b. Social: Product Safety
For the requirements on passed product development and production, the Company will</td><td>None</td></tr>
</table>

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			continuously maintain the verification of international quality management system. Aside from the business group electrical parts for vehicle adopting the vehicle industry's latest IATF 16949:2016 for quality verification, all the remaining business units (production sites in Taiwan) have passed the transition verification of of the latest international quality management system (ISO9001:2015). c. Corporate Governance: Socioeconomy and Compliance The Company has reexamined and improved of practical experience in all areas of the organization based on the posting items stated in the "Corporate Governance Evaluation" in order to comprehensively optimize the quality of corporate governance. For the purposes of implementation on daily procedures with the latest trends of corporate governance, we will use the information provided by the competent authority and outside consultants to appropriately adjust the internal monitoring mechanisms of corporate governance.	
3. Environmental Issues (1) Does the Company establish a suitable environmental management system according to its industrial characteristics?	V		(1) The Company has created the dedicated development unit to aggressively develop high energy -efficient power consumption products of various transmission and distribution, enhance the power usage effectiveness of using energy resource by customers, as well as to lower the impact on environmental load. All factories and subsidiaries of the Company follow the government's policies of energy-saving and environmental protection, actively promote greening, environmental protection and carbon reduction in factories and offices, use energy-saving appliances, and use green environmental protection materials, and require third-party manufacturers to cooperate in implementation. The company has passed ISO14001, RoHS, IATF 16949, ISO9001 and other factory verification or product certification, and continues to effectively use resources, urge all employees, suppliers and customers, to jointly contribute to energy conservation and environmental protection.	None
(2) Does the Company dedicate to enhancing the use efficiency of various resources and use the recycled materials with low impact on environmental load?	V		(2) The Company has established the industrial safety and health center among each business group with respect to environmental management and industrial safety-related matters. As for the Company's Subsidiaries, such related matters are managed by the general	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			affairs unit. The company continue to strengthen the monitoring of pollution prevention management rules, focus on maintenance of environmental equipment, improve the processing performance of equipment compliant with law regulation and standards for environment protection. In addition, the company has passed the verification of environmental management system (ISO 14001). In terms of energy efficiency, the company has set a 2022 electricity saving target of 100 MWH/year, reduced water consumption by 500 tons, and maintained CO_2 emissions equivalent to 2021, continuing to strive for energy conservation and carbon reduction. In terms of recycled materials, the company proposed an improvement plan for the reduction of waste liquid. It is estimated that the water injection of washing equipment will consume 50 tons of tap water per month. Through the collection of paint residue and sewage filtration, the clean water will be recycled back to the process for continuous use, which can reduce 600 tons a year. Water consumption is equivalent to reducing CO_2 emissions by 97.2 kg. The energy-saving performance in 2022 is as follows: 1. Electricity-saving measures accounted for 1% of total electricity consumption, resulting in energy savings of 255,300 degrees. The energy saving plan includes: (1) improvement of factory lighting equipment (2) air compressor energy saving plan, the converted energy saving is about 919.08 GJ, and the converted carbon reduction is about It is 129.95 metric tons of CO_2e, and the target achievement rate is 255%. Note 1: Conversion of greenhouse gas emission reductions (metric tons CO_2e/year) = electricity saving (kWh/year) *0.509kgCO2e/kWh). Note 2: Electric energy conversion coefficient=3,600KJ/kWh. 2.Water consumption was reduced by a total of 610 metric tons, achieving a target attainment rate of 102%, resulting in a reduction of approximately 98.21 kilograms of CO_2. 3. In 2022, 640 energy-saving lighting fixtures were replaced, achieving a target attainment rate of 160% 4.Waste recycling reached 159 metric tons in 2022, achieving a target attainment rate of 103%.	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Does the Company evaluate the current and future potential risks and opportunities of the enterprises brought about by climate change and adopt relevant countermeasures?	V		(3) The Company will evaluate the current and future potential risks and opportunities brought about by climate change and call for promoting various carbon reduction measures to avoid the water, air and land pollution in the process of operation. We will annually purchase and renovate the environmental equipment, periodically inspect and report the stationary pollution source of air pollution as well as emission stacks. The Company's Subsidiaries engaging in manufacturing will also periodically stick to related matters. A detailed description of the Company's climate change risk and opportunity analysis has been disclosed in the Company's Sustainability Report.	None
(4) Does the Company tabulate the greenhouse gas emissions, water consumption and total weight of waste over the past two years and formulate policies regarding greenhouse gas reduction, less water consumption or other waste management?	V		(4) The company has implemented an environmental management system and obtained ISO 14001 certification for environmental management. Through this system, we promote various energy-saving improvement plans and conduct usage statistics for resources. The company thoroughly implement energy and resource conservation measures, as well as promote recycling to reduce resource waste. ● The promote various energy-saving improvement plans and propose energy-saving improvements for processes, aiming to continuously reduce CO_2 emissions. Year by year, the company strive for outstanding results in helping mitigate the burden of greenhouse gas effects on the planet. ● The company has developed lighting energy-saving schemes and implemented lighting energy-saving improvement projects in collaboration with the Energy Bureau of the Ministry of Economic Affairs, taking advantage of their demonstration and promotion subsidy program for energy-saving performance. ● With the progress of the times, frequent industrial activities have caused global warming, posing a threat to sustainable development. The company is committed to energy saving and carbon reduction. In addition to designing high-energy efficiency products, we also reduce carbon emissions during the production process. ● The company actively engage in product carbon footprint verification, optimizing designs and using high-quality materials to manufacture low-carbon products. We completed ISO 14067 carbon footprint	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			verification for oil-immersed amorphous and high-efficiency transformers in 2017 and plan to update the carbon footprint assessment by 2023. ● Following the "Taiwan 2050 Net-Zero Emissions Policy Pathway", in 2022, the company commissioned the Deloitte & Touche (Taiwan) to conduct ISO 14064-1 greenhouse gas inventory, fully grasp the direct and indirect emissions of greenhouse gases in the production plant, and actively respond to the expectations of shareholders. ● Detailed information on the greenhouse gas emissions, water consumption, and waste management is disclosed in the company's sustainability report.	
4.Social Issues (1) Does the Company follow relevant laws and regulations as well as the International Bill of Human Rights to establish related management policies and procedures?	V		(1) The Company recognizes and voluntarily follows the human rights protection spirit and basic principles disclosed in various international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Convention. We respect the protections stipulated in the Human Rights Convention and publish it on the Company's website. Every year, the Company regularly reviews its own operations, value chain, and other related activities by paying attention to major social issues, questionnaires, etc., to identify and assess the groups at risk and potential human rights risks, and formulate human rights issue control plans based on potential risks, and continue to monitor and improve the implementation results of the plan. In 2022, the training results of the human rights protection course included 1,122 persons and a total of 4,300 hours. In the future, we will continue to pay attention to the issue of human rights protection and promote relevant education and training to raise awareness of human rights protection and reduce the possibility of related risks.	None
(2) Does the Company establish and implement the rational employee benefit measures (including remuneration, paid vacation and other benefits…etc.)? And any reflection on the corporate business performance or achievements in the employee remuneration?	V		(2) Each description is as follows: 1.Employee benefits The Company has set up an employee welfare committee to plan and provide various premium benefits for colleagues, such as: subsidies for club activities, employee travel and various welfare-related subsidy measures such as weddings, funerals, celebrations, and employee children's	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			scholarships. In addition, the Company implements employee group insurance, and all employees are covered by the insurance. If an overseas employee is sent with his family, his family will be covered by the insurance so as to take care of the needs of employees at all levels. Allowances and bonuses are awarded according to work performance and responsibilities: year-end bonus, three-festival bonuses, dividend, proposal bonus, and business bonus, R&D allowance, R&D achievement bonus and internal lecturer allowance, etc. As for the annual leave, on top of the basis of a fixed two-day weekend holidays every week, employees who have been employed for one year will be given seven days of annual leaves according to the Labor Standards Act (those who have less than one year will be granted leaves on a pro-rata basis). Colleagues can also apply for leave without pay in case of childcare, serious injury, major accident, etc. and need a longer period of time off, so as to take into account the needs of personal and family care. 2. Workplace Diversity and Equality Realize that men and women have equal pay for equal work and equal opportunities for promotion, and promote sustainable and inclusive economic growth. In 2022, the average proportion of female staff will be 30%, and the average proportion of female supervisors will be 9%. The Company attaches great importance to the rights and welfare of employees, and shares profit and surplus with employees, maintains a good working environment, and includes all-round physical and spiritual care for all ethnic groups: (1) 14 colleagues with disabilities are employed, and suitable work positions and environmental facilities are tailored for them. We also subsidize regularly to the "Employment Fund for People with Disabilities" of the local labor authority in accordance with the "Person with disabilities rights protection act" due to the shortage of number required of employment of the people with disabilities. (2) Implement the empowerment of women in a friendly workplace, so that colleagues of all genders can work with peace of mind.	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>3.Business performance is reflected in employee compensation
(1) According to Article 25 of the Articles of Incorporation of the Company: If the company makes a profit in the current year, it shall allocate and distribute:
a. Director's remuneration capped at 4%
b. Staff remuneration 1% to 8%. However, when the company still has accumulated losses, it should reserve the amount to make up in advance. Employee remuneration is issued to employees of the company who meet certain conditions.
(2) Overall Compensation Policy:
The Company participates in market compensation surveys every year and adjusts compensation structure according to market salary levels, economic trends and personal performance to maintain overall compensation competitiveness. In 2022, the average annual salary increase was 3.5% for both supervisory and non-supervisory positions in the Taiwan region. According to the 2022 “salaries of full-time employees who are not in supervisory positions” by listed companies announced by the Stock Exchange in 2021, the average salary of non-supervisory employees is 1.30 times that of their peers.</td><td></td></tr>
<tr><td>(3) Does the Company provide a safe and healthy working environment to employees? And any regular implementation on safety and health education for employees?</td><td>V</td><td></td><td>(3) Safety education and training
● The company has implemented an Occupational Health and Safety Management System (ISO 45001) and undergoes annual audits by professional verification bodies to ensure workplace environment, operational safety, and the effectiveness of occupational health and safety practices
● The company enhance awareness of operational safety by conducting relevant education and training courses annually in accordance with legal requirements. These include general safety education, on-the-job occupational health and safety education, supervisor-level occupational health and safety education, supervisors for organic solvent operations, supervisors for oxygen-deficient operations, supervisors for specific chemical substance operations,</td><td>None</td></tr>
</table>

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			supervisors for dust operations, fixed crane and forklift operators, boiler operators training, subcontractor safety and health education, first aid personnel training, etc. ● After obtaining certifications, employees undergo regular on-the-job training every 2 to 3 years. Considering the number of participants and convenience, larger groups are trained in-house by training institutions (with assessments conducted by supervisory authorities), while others obtain relevant qualifications through external training. ● Health management: Annual employee health check-ups are conducted, and health management and care initiatives are implemented to ensure employee well-being. ● Significant occupational accidents in 2022: None.	
(4) Does the Company build the efficient training programs of career planning ability for employees?	V		(4) The Company has planned complete functional training for supervisors and colleagues at all levels and has set up an education and training development committee to plan the company-wide education and training plan, including new employee orientation, advanced training for professional groups, and training for supervisors. Assist colleagues in continuous learning and growth through multiple learning methods and introduce training courses related to corporate ethics and belief development to cultivate key competencies of colleagues. The development indicators related to education and training in 2022, the average training hours of all employees is 19.12 hours /person, and the average training time was 3.35 times/person, a total of 6,673 persons and 39,569 hours.	None
(5) For customer health and safety, customer privacy, marketing and labeling regarding the Company's products and services, does the Company follow relevant laws, regulations and international guidelines? And any establishment of policies on consumer rights and interests as well as procedures for accepting consumer complaints?	V		(5) The Company has well established complaint channels. The Company's website has set up a customer service area, and regularly conducts customer and dealer satisfaction surveys, which are incorporated into the CRM system for continuous improvement and tracking. Furthermore, we have established personal data protection management policy to protect customer privacy. Through the internal audit of personal information, external verification, crisis prevention and education and training, we will safeguard the customer's information.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(6) Does the Company establish the supplier management policy and ask the suppliers to follow the related rules for the issues such as environmental protection, occupational safety and health or labor and human rights? And any implementation status?	V		(6) The Company attaches great importance to environmental and social protection, and also regards environmental and social protection as one of the screening criteria for suppliers, and regularly visits them to confirm their suitability. The company require suppliers to meet the needs of environmental protection, industrial safety and human rights, as well as the public security qualifications of relevant manufacturers stipulated by the state, sign a letter of commitment on environment, safety and health, and include issues related to corporate social responsibility into the selection criteria of supplier. Violation of social welfare development and other related acts will affect the subsequent business and cooperative relationship with the Company. ● Supplier Evaluation <u>Stage 1: Documentary Review</u> New suppliers are requested by the managers of the procurement department to fill in the "Vendor Questionnaire" so as to initially get the supplier's information, such as operation status, organization, scale, type, products, customers, production and testing equipment, quality status, environmental protection, and safety and health related certifications. In addition, the procurement department tracks the supplier's dynamics at any time. If there is any change, it will re-check the data in the "Vendor Questionnaire" and follow the principle of tracking and revising once every three years. <u>Stage 2: Field Audit</u> Taking the procurement department as the operation center, convene personnel from related departments such as research and development, quality control, biotechnology and finance to form an evaluation team to conduct the evaluation on the spot, and integrate the results of the on-site evaluation into a "supplier evaluation" for relevant supervisor review. ● Supplier Assessment The Company conducts cooperative factory counseling, monthly and annual assessment. In addition to the above-mentioned monthly assessment items, combined with the annual assessment of the cooperative factory, weighted evaluation for rewards and punishments; according to the assessment results, can be divided into four levels, A, B, C, D, etc. This	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			evaluation result can also be used as a reference of supplier risk evaluation. ● Supplier Incentives and Risk Control The quality and delivery time of the materials (pieces) provided by the suppliers are the focus of basic management. To effectively manage, the Company have formulated the "Management Measures for Third-Party Manufacturers" to control related operations. In accordance with the measures, the procurement department will conduct monthly audit and feedback to the quality assurance department for reference.	
5. Does the Company prescribe the report on nonfinancial information disclosure such as ESG Report by referring to international reports to prescribe the standards or guidelines? Does the Company obtain a third-party assurance or verification for the foregoing reports?	V		1. The company's sustainability report is compiled in accordance with the Global Reporting Initiative (GRI) guidelines: Core Option, and is publicly available on the company's website. 2. The sustainability report for the year 2022 was verified by a third-party independent assurance provider, the British Standards Institution Taiwan Branch (BSI), to ensure the accuracy and reliability of the disclosed information. Please refer to our company's sustainability report for the verification report.	None
6. If the Company has established its corporate social responsibility best-practice principles in accordance with the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, please clearly describe the functioning of such principles and any discrepancies: In November 2015, the Board of Directors of the Company approved the "Code of Practice for Corporate Social Responsibility". In May 2022, the Board of Directors approved the amendment and changed its name to "Code of Practice for Sustainable Development" to strengthen the implementation of sustainable development. The Company regularly reviews the implementation of this code and makes improvements accordingly. So far, there is no discrepancy in implementation.				
7. Other important information to facilitate a better understanding of the Company's corporate social responsibility practices: (1) Social contribution: 1. Taking valuation of environmental protection as responsibility by not only fully complying with the environmental protection law of local operation office but also paying attention to the latest environmental issues worldwide to lead in taking environmental friendly practice. 2. Pollution prevention is one of the foremost important responsibilities of enterprises and thereby pollution prevention will be built on ISO 14001 environmental management system, to promote continual improvement on environmental management cases through P-D-C-A management model. This approach will reduce the production of pollutants and wastes, which will take consideration of production costs and environmental protection. 3. Optimize and implement all ESG indicators in corporate social responsibilities to meet the corporate vision for sustainable management. 4. Develop and upgrade product performance to provide customers with more advanced, energy-saving and green products. 5. Hold industry-research cooperation projects with school professors over the long run to promote knowledge economics and social development. (2) Community Involvement: 1. Sponsor parties and community activities in Lanxing Li, Zhongzheng Li, and Dexing Li of Taipei City. 2. Long-term adoption and care for the street trees, pedestrian walk and ROBO Square on section 6 of Zhongshan N.				

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	

Road, Dexing Park of Shilin District. It took NTS 300,000 for flower trimming and cleaning and maintenance in 2022.
3. Regularly holding local cultural and art activities, supporting local culture education and cultivation in-depth.
4. Sponsor Taipei City Tourism and Communications Bureau's Taipei Lantern Festival.
5. Renovation of sidewalk floor tiles in Dexing Park.

(3) Employees' Rights and Interests and Care for Employees:

1. The company is committed in providing a work environment with fun and reasonable pay. To build such environment, employees in Taiwan and overseas are offered with competitive salary and benefits. The company also continues to launch diversity of work and life balance solutions to take care of the physical and mental health of the employees. In work, complete educational training system and employee development plan can help employees with upgrading professional competency and self-growth.
2. The company shall take consideration of the work competence of employees during recruitment and shall treat persons with different sex, religion, race, nationality, or political party equality with fair treatment.
3. The company values two-way communication and are committed to the strengthening of open and transparent communication channel between supervisor and employees, and between employees, thereby promoting labor-management harmony. We regularly hold senior supervisor communication meeting, cross-department meeting and holding employee satisfaction survey to listen to the opinion of employees as processing the problems reflected by employees to implement the relevant investigation and seminar conclusion.
4. Provide diversity of training courses to enhance the workplace competence of employees at all levels (management, professionalism, and language). In addition to arranging external training courses, the company also designs a series of training courses by hierarchy inside by holding language classes (English and Japanese) for employees to have self-study and growth, thereby continuing to upgrade personnel quality.
5. To maintain the competitiveness of the overall corporate remuneration, measure the market salary level and macroeconomic indicators each year through salary investigation in Taiwan or overseas, making proper adjustment to the base salary of all employees.
6. Conducting regular personnel assessment and assisting with career planning, providing management and professional career dual-track system for employees to have unobstructed promotion channel with placement of right personnel on the right position.
7. Complete grievance channel can help employees solve work related personal rights and interests or unfair treatment by advocating for labor-management harmony and maintaining the rights and interests of labor
8. Provide employees with healthy, safe and comfortable work environment in addition to maintaining optimization and improvement. The foundation of productivity of the consolidated company values employee work and life balance, and the physical and mental health of employees. The company also continues to build healthy workplace environment through diverse health care solutions, holding health promotion related activities, and the optimization of employee fitness center.

(4) Safety and Health:

The company establishes dedicated safety and health department in collective processing of labor safety and environmental safety related matters. The departments regularly hold labor safety training to enhance employees' execution of labor safety awareness and implementation. The various health and life promotional campaigns are designed to assist employees with the implementation of healthy life. The health promotion activities provided by the company include fitness center sports courses, fitness test, stress-relief massage, flue vaccination services and seminar for physical and mental health.

(5) Supplier Relations:

The company has always treated the supplier as partners with commitment in guiding long-term cooperation with the supplier, in order to establish a sustainable supply chain with stable development.

(6) Rights and interests of Consumers:

The company offers the address, phone number and toll-free numbers of the service offices in Taiwan to consumers on the company website so the consumers can communicate with the company immediately.

G Implementation of Honest Practices, Comparison Against the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons:

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
1. Establish ethical management policies and plans (1) Has the Company adhered to the business conduct policy explicitly set out in its regulations and external documents, supported by the active commitment of the Board of Directors and Management to its implementation?	V		(1) The company complies with company act, Listed and OTC company related regulations as well as other commercial conduct law as the basic premise for implementing ethical management. The company adopted the ethical management principles at the Board of Directors meeting in November 2015 to establish the corporate culture and sound development of ethical management and the commitment to implement management policy with enthusiasm.	None
(2) Does the Company establish the evaluation mechanism on higher risk of unethical behavior, regularly analyze and evaluate the business activities with higher risk of unethical behavior, as well as adopt the preventative measures at least covering the Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies?	V		(2) The consolidated corporations have established the accounting system and internal control system with validity. The internal audit staff will regularly analyze and evaluate the business activities with higher risk of unethical behavior. The preventative measures of unethical behavior have been specified in Ethical Corporate Management Best Practice Principles against the following: (a) Offering and acceptance of bribes. (b) Illegal political donations. (c) Improper charitable donations or sponsorships. (d) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. (e) Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights and other intellectual property rights. (f) Engaging in unfair competitive practices. (g) Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	None
(3) Are the operational procedures, guidelines, disciplinary and appeal system of impairment included in the Company's prevention programs of unethical behavior thorough implementation? And any regular review of the foregoing programs for better implementation?	V		(3) The consolidated corporations have included the operational procedures, guidelines and reporting systems in the preventative measures of unethical behavior to guide directors, managers, employees, and substantial controllers on how to conduct business. The Company also at all times monitors the development of relevant local and international regulations concerning ethical	None

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
			corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	
2. Implementation of the Codes of Business Conduct (1) Does the Company access the ethical conduct records of its counterparts and specify "ethical clauses" in business contracts?	V		(1) The company upholds to fair and transparent practice in conducting commercial activities while taking consideration of agents, suppliers, customers, or other transacting parties of commerce for legitimacy and any unethical conducts to avoid transactions with such parties.	None
(2) Has the Company established dedicated units under supervision of the Board to promote corporate ethical management and to report accordingly to the Board of the implementation status?	V		(2) To fulfill the supervision responsibility of ethical management, the company sets up an audit team while members of Board of Directors forming the internal control team with regular auditing on the corporate governance operations, in addition to preparing the report for submission to the Board of Directors and Audit Committee. The subsidiaries also set up relevant units in charge of auditing the relevant matters.	None
(3) Does the Company promulgate policies to prevent conflicts of interests and offer channels for reporting such conflicts?	V		(3) The directors and managers of the company shall avoid all affairs with interests of conflict in addition to indicating the situations of conflict of interest operations in the company's annual report.	None
(4) Has the Company established an effective operation of the accounting and internal control system, and periodically conducted internal audits by internal auditors, or audited by CPA?	V		(4) The company sets up internal control system to assure the continuous effect of system design and execution. The auditors conduct annually scheduled inspection and revision process to establish sound corporate governance and risk management mechanism.	None
(5) Does the Company periodically conduct the internal and external training on ethical management?	V		(5) The company conducts ethical promotional courses when new employees report to occupational training and regularly promotes relevant regulations of ethical management in employee internal training.	None
3. Establishment of Reporting Channels for Violations of the Codes of Business Conduct (1) Has the Company established a specific reporting and reward system through convenient channels for lodging complaints? And does the Company assign the dedicated personnel to attend to the matter?	V		(1) The company assigns the audit team and legal affairs as the operating units for supervising ethical management with relevant grievance system processing in accordance with the provisions prescribed in company regulations.	None
(2) Has the Company established the standard operation procedure for investigating and proceeding of the	V		(2) The audit team and legal affairs team will uphold to the standard procedures for subsequent investigation after receiving matters of report	None

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
report in a confidential manner? (3) Does the Company adopt measures to protect whistle blowers from reprisals for having filed the complaint report?	V		and shall comply with the principles of personal data protection act for relevant confidentiality. Acts of revenge to relevant employees are prohibited. (3) The audit team and legal affairs team of the company are units of transcendental independence, which protect the informers without exposure or improper treatment during the reporting process.	None
4. Enforcement of Information Disclosure (1) Has the Company disclosed its "Best Practice Principles" and the implementation through its official website or the market observation post system?	V		(1) The company sets up a company website to disclose the execution of corporate ethical management with dedicated personnel routinely updating the information and website of corporate governance.	None
5. If the Company has established its ethical business best practice principles in accordance with the "Ethical Business Best-Practice Principles for TWSE/GTSM Listed Companies", clearly describe the function of such principles and any discrepancies in ethical business best-practice principles: In November 2015, the company's board of directors approved the company's "Integrity Management Code", and in May 2017, the board of directors approved and revised it to strengthen the implementation of the integrity management policy. The company regularly reviews the implementation of this code and makes improvements accordingly. So far, there has been no difference in the operation.				
6.Other important information regarding the Company's operation in ethical business best-practice, such as the reviewing and amending of the Company's business best-practice principles and so on: The company complies with regulations for all internal operations and upholds to legitimate ethical principles. Meanwhile internal auditors regularly prepare the audit report for submission to the Audit Committee while employees take regular educational training in promotion of ethical operation principles to effectively enhance the ethical management of the company.				

H. Disclosure of access to Company Corporate Governance Best Practice Principles and related rules and regulations:

The company develops corporate governance practice principles and discloses such principles at the corporate governance section of the company website. Web address: http://www.seec.com.tw/

I. Other information enabling a better understanding of Company Corporate Governance:

(1) The continued education for Directors is as follows:

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Legal Director Representative	Emmet Hsu	1987/04/17	2020/03/19	2020/03/19	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Latest Development Trend Of Sustainable (Including Corporate Social Responsibility (CSR) Report) And Analysis Of Relevant Corporate Governance Practices	3.0
			2020/09/24	2020/09/24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Impact of The Latest Amendments to the "Securities Investors And Futures Traders Protection Law" (Insurance Law) on the Company's Directors and Supervisors and Practical Case Analysis	3.0
			2021/09/02	2021/09/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discussion On The Practice Of Corporate Law Compliance And The Legal Responsibility Of The Person In Charge Of The Company	3.0
			2021/09/28	2021/09/28	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Enterprise Brand Management and Crisis Management	3.0
			2022/08/16	2022/08/16	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Looking Forward To The Development Trend Of The Global Technology Industry And Supply Chain In The Post-Epidemic Era	3.0
			2022/08/26	2022/08/26	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The latest revision of the Enterprise Merger and Acquisition Law and discussion on tax issues	3.0
Legal Director Representative	Kawai Toshio	2022/04/01	2022/10/19	2022/10/19	Securities & Futures Institute (SFI)	Summary of Tax Accounting in Taiwan	3.0
			2022/10/21	2022/10/21	Securities & Futures Institute (SFI)	Corporate Governance of OTC Companies Listed in Taiwan	3.0
			2022/11/16	2022/11/16	Securities & Futures Institute (SFI)	Latest Cyber Attacks & Case Studies	3.0
			2022/11/17	2022/11/17	Securities & Futures Institute (SFI)	Discuss The Implementation of ESG From The Perspective Of Compliance With Laws And Regulations	3.0

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Legal Director Representative	Hsieh, Han-Chang	2005/01/03	2020/03/17	2020/03/17	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	New Thoughts on Group Tax Governance with Focus on Future Trends Of The Tax Regarding Digital Tax And International Tax	3.0
			2020/09/24	2020/09/24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Impact of The Latest Amendments to The "Securities Investors And Futures Traders Protection Law" (Insurance Law) On The Company's Directors And Supervisors And Practical Case Analysis	3.0
			2021/09/03	2021/09/03	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	In The Post-Epidemic Era, How Can Circular Economy Help Companies Improve Resilience?	3.0
			2021/10/05	2021/10/05	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	International Anti-Money Laundering Trends and U.S. Sanctions and Export Control Compliance Planning	3.0
			2022/08/24	2022/08/24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	AI Security (Artificial Intelligence Security)	3.0
			2022/08/26	2022/08/26	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Latest Revision of The Enterprise Merger And Acquisition Law And Discussion On Tax Issues	3.0
Legal Director Representative	Yang, Tsun-Ching	2011/05/27	2020/10/30	2020/10/30	Taiwan Corporate Governance Association (TCGA)	Audit Committee Series Courses-How Does the Audit Committee Implement Financial Report Review	3.0
			2020/12/08	2020/12/08	Taiwan Corporate Governance Association (TCGA)	Director and Supervisor Responsibility for False Financial Reports	3.0
			2021/09/17	2021/09/17	Taiwan Corporate Governance Association (TCGA)	Quickly Interpret and Prepare for ESG Disclosure Requirements Of Corporate Governance 3.0	3.0
			2021/10/29	2021/10/29	Taiwan Corporate Governance Association (TCGA)	Governance And Strategy of Sustainable Development of Enterprises	3.0
			2021/11/26	2021/11/26	Taiwan Corporate Governance Association (TCGA)	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3.0
			2022/10/21	2022/10/21	Taiwan Corporate Governance Association (TCGA)	How Do Directors and Supervisors Supervise the Company to Do A Good Job In Risk Management And Internal Control	3.0

Title	Name	Elected (inauguration) Date	Advancement Date From	Advancement Date To	Organizer	Course Title Course name	Hours of Advancement Hours
			2022/10/26	2022/10/26	Taiwan Securities Association	2022 Insider Equity Transaction Legal Compliance Publicity Briefing	3.0
Legal Director Representative	Kan, Chin-Yu	2010/05/27	2020/08/12	2020/08/12	Taiwan Securities Association	The Latest Labor Law Knowledge And Practical Insights That Managers Should Have	3.0
			2020/10/08	2020/10/08	Taiwan Securities Association	Discussing The Window Decoration And Fraud Of Financial Report From The Perspective Of Problem Enterprises	3.0
			2021/09/08	2021/09/08	Taiwan Securities Association	IFRS15 And 16 Accounting Principles For Recognition Of Contract Revenue And Recognition Of Lease Use Rights	3.0
			2021/10/08	2021/10/08	Taiwan Securities Association	Wealth Inheritance Model - Case Study of Stock And Real Estate Transfer	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association	Offensive And Defensive Strategies For Corporate ESG Transformation; Clean Production And Zero-Carbon Circular Economy	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association	Industry And Green Finance; Corporate Responses to Net Zero Emissions - Why, When, What & How	3.0
Legal Director Representative	Sugiyama Shinya	2019/04/01	2020/10/28	2020/10/28	Securities & Futures Institute (SFI)	Summary of Tax Accounting in Taiwan	3.0
			2020/11/06	2020/11/06	Securities & Futures Institute (SFI)	Responsibilities and Obligations of Directors and Supervisors under the Securities and Exchange Law	3.0
			2021/11/04	2021/11/04	Securities & Futures Institute (SFI)	Corporate Governance and Enterprise Sustainable Development	3.0
			2021/11/05	2021/11/05	Securities & Futures Institute (SFI)	Accounting auditor's view of financial reporting audit	3.0
			2022/10/19	2022/10/19	Securities & Futures Institute (SFI)	The Basis of Taiwan's Tax System	3.0
			2022/10/21	2022/10/21	Securities & Futures Institute (SFI)	Corporate Governance of OTC Companies Listed in Taiwan	3.0
Legal Director Representative	Ito Toshimitsu	2020/04/01	2020/10/23	2020/10/23	Securities & Futures Institute (SFI)	Compliance with Commercial Laws and Regulations-Summary of Consumer Protection Law and Intellectual Property Law	3.0
			2020/10/27	2020/10/27	Securities & Futures Institute (SFI)	Labor law compliance and personnel management	3.0
			2020/10/28	2020/10/28	Securities & Futures Institute (SFI)	Summary of Tax Accounting in Taiwan	3.0

Title	Name	Elected (inauguration) Date	Advancement Date From	Advancement Date To	Organizer	Course Title Course name	Hours of Advancement Hours
			2020/11/06	2020/11/06	Securities & Futures Institute (SFI)	Responsibilities and Obligations of Directors and Supervisors under the Securities and Exchange Law	3.0
			2021/11/04	2021/11/04	Securities & Futures Institute (SFI)	Corporate Governance and Enterprise Sustainable Development	3.0
			2021/11/05	2021/11/05	Securities & Futures Institute (SFI)	Accounting auditor's view of financial reporting audit	3.0
			2022/10/19	2022/10/19	Securities & Futures Institute (SFI)	The Basis of Taiwan's Tax System	3.0
			2022/10/21	2022/10/21	Securities & Futures Institute (SFI)	Corporate Governance of OTC Companies Listed in Taiwan	3.0
Legal Director Representative	Nakanishi Kyori	2020/04/01	2020/10/23	2020/10/23	Securities & Futures Institute (SFI)	Compliance with Commercial Laws and Regulations-Summary of Consumer Protection Law and Intellectual Property Law	3.0
			2020/10/27	2020/10/27	Securities & Futures Institute (SFI)	Labor law compliance and personnel management	3.0
			2020/10/28	2020/10/28	Securities & Futures Institute (SFI)	Summary of Tax Accounting in Taiwan	3.0
			2020/11/06	2020/11/06	Securities & Futures Institute (SFI)	Responsibilities and Obligations of Directors and Supervisors under the Securities and Exchange Law	3.0
			2021/11/04	2021/11/04	Securities & Futures Institute (SFI)	Corporate Governance and Enterprise Sustainable Development	3.0
			2021/11/05	2021/11/05	Securities & Futures Institute (SFI)	Accounting auditor's view of financial reporting audit	3.0
			2022/10/19	2022/10/19	Securities & Futures Institute (SFI)	The Basis of Taiwan's Tax System	3.0
			2022/10/21	2022/10/21	Securities & Futures Institute (SFI)	Corporate Governance of OTC Companies Listed in Taiwan	3.0
Legal Director Representative	Bryant Hsu	2016/09/01	2020/09/29	2020/09/29	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	How to improve the self-editing ability of corporate financial reports and strengthen corporate governance	3.0
			2020/09/30	2020/09/30	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discussion on the remuneration issues of employees and directors-from the amendment to Article 14 of the Securities Exchange Law	3.0
			2022/09/27	2022/09/27	The Institute of Internal Auditors, R.O.C.	Decipher Financial Statements, Analyze Corporate Fraud and Fraud	6.0
			2022/10/05	2022/10/05	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Global Anti-Tax Avoidance Development Trend and International Inspection Case Analysis	3.0

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Legal Director Representative	Tung, Chi-Jen	2021/09/01	2021/09/07	2021/09/07	Taiwan Securities Association	Legal liability and case analysis of false financial reports and insider trading	3.0
			2021/09/17	2021/09/17	Taiwan Corporate Governance Association (TCGA)	Quickly interpret and prepare for ESG disclosure requirements of Corporate Governance 3.0	3.0
			2021/11/09	2021/11/09	Taiwan Corporate Governance Association (TCGA)	How the Audit Committee Supervises the Effectiveness of Internal Control	3.0
			2021/11/17	2021/11/17	Taiwan Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Development	3.0
			2022/03/22	2022/03/22	Taiwan Corporate Governance Association (TCGA)	Development Trend of Green Industry - Low-Carbon Investment Prospects and Business Strategies	3.0
			2022/06/28	2022/06/28	Taiwan Corporate Governance Association (TCGA)	Quickly Interpret and Prepare For ESG Disclosure Requirements Of Corporate Governance 3.0	3.0
Legal Director Representative	Yang, Tsung-Hsien	2011/05/27	2020/10/23	2020/10/23	Taiwan Corporate Governance Association (TCGA)	Challenges and Countermeasures of Information Security	3.0
			2020/11/03	2020/11/03	Taiwan Corporate Governance Association (TCGA)	Civil Criminal Liability of Directors of Public Offering Companies	3.0
			2021/01/13	2021/01/13	Taiwan Securities Association	Compilation, Review Key Points and Interpretation Analysis of Corporate Financial Reports	3.0
			2021/03/03	2021/03/03	Taiwan Securities Association	Trends And Risk Management of Digital Technology and Artificial Intelligence	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association (TCGA)	Offensive and Defensive Strategies for Corporate ESG Transformation; Clean Production and Zero-Carbon Circular Economy	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association (TCGA)	Businesses and Green Finance; Businesses Responding to Net Zero Emissions - why, when, what&how	3.0
			2022/08/30	2022/08/30	Taiwan Corporate Governance Association (TCGA)	On the Evaluation and Execution of Investment Mergers and Acquisitions from a Legal Viewpoint	3.0
			2022/09/23	2022/09/23	Taiwan Corporate Governance Association (TCGA)	The Explosion of Virtual Worlds: The Metaverse and the Future of Cryptocurrency Blockchain	3.0

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Legal Director Representative	Lin, Po-Fong	2018/12/11	2020/02/21	2020/02/21	Taiwan Corporate Governance Association (TCGA)	Trends and risk management of digital technology and artificial intelligence	3.0
			2020/06/09	2020/06/09	Taiwan Corporate Governance Association (TCGA)	The Criminal Law Risks of the Directors and Supervisors of Enterprises and the Corresponding Responses——Talking from Enterprise Fraud and Money Laundering	3.0
			2020/08/25	2020/08/25	Taiwan Corporate Governance Association (TCGA)	Director and supervisor responsibility for false financial reports	3.0
			2020/09/24	2020/09/24	Securities & Futures Institute (SFI)	2020 Annual Prevention of Insider Trading and Insider Equity Trading Publicity Seminar	3.0
			2021/03/30	2021/03/30	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Fintech Series (II)	3.0
			2021/04/14	2021/04/14	Taiwan Association of Board Governance (TABG)	Corporate Governance Evaluation-Key Items of Intellectual Property Management that the Board of Directors Must Pay Attention to.	3.0
			2021/05/12	2021/05/12	Securities & Futures Institute (SFI)	Discussion on Remuneration Issues of Employees and Directors-From the Amendment of Article 14 of the Securities and Exchange Law	3.0
			2022/02/24	2022/02/24	Taiwan Securities Association	The Development and Market Analysis of New Business Models In Metaverse	3.0
			2022/03/25	2022/03/25	Independent Directors Association Taiwan	Information Security Protection, Strategy and Crisis Management Viewed From The Upsurge of Metaverse	3.0
			2022/04/12	2022/04/12	Taiwan Corporate Governance Association (TCGA)	Talking About How Enterprises Can Effectively Maintain Brand Value from Recent Cases of Famous Trademarks	3.0
			2022/05/11	2022/05/11	Taiwan Securities Association	Causes of Financial Fraud and Ways To Prevent It	3.0
			2022/06/14	2022/06/14	Taiwan Corporate Governance Association (TCGA)	How The Audit Committee Implements Financial Report Review	3.0
Independent Director	Lin, Hsin-I	2017/06/15	2020/07/01	2020/07/01	Taiwan Corporate Governance Association (TCGA)	Changes in the 5G era: industrial upgrading, future business applications and the new normal in the post-epidemic era	3.0
			2020/07/01	2020/07/01	Taiwan Corporate Governance Association (TCGA)	Discussion on Directors' Operational Risks and Legal Liabilities under the Latest Corporate Governance Blueprint	3.0

Title	Name	Elected (inauguration) Date	Advancement Date From	Advancement Date To	Organizer	Course Title Course name	Hours of Advancement Hours
			2021/08/18	2021/08/18	Taiwan Corporate Governance Association (TCGA)	Corporate Sustainability Governance from the Perspective of Risk - From Corporate Governance to ESG	3.0
			2021/08/18	2021/08/18	Taiwan Corporate Governance Association (TCGA)	The only way for a sustainable business to operate - external innovation	3.0
			2022/09/07	2022/09/07	Taiwan Corporate Governance Association (TCGA)	How the board of directors supervises ESG risks and builds sustainable competitiveness of enterprises	3.0
			2022/09/07	2022/09/07	Taiwan Corporate Governance Association (TCGA)	Legal Risks and Responses of Corporate Directors - Starting from Corporate Investment and Financing	3.0
Independent Director	Yan, Cherng-Jau	2017/06/15	2020/09/11	2020/09/11	Taiwan Corporate Governance Association (TCGA)	A Case Study of Corporate Governance-Corporate Culture and Shareholder Activism	3.0
			2020/10/14	2020/10/14	Taiwan Corporate Governance Association (TCGA)	(Audit Committee Series Courses) The Establishment and Operation of the Audit Committee	3.0
			2021/09/02	2021/09/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discussion on the Practice Of Corporate Law Compliance and The Legal Responsibility of the Person In Charge of the Company	3.0
			2021/09/28	2021/09/28	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Enterprise Brand Management and Crisis Management	3.0
			2022/12/09	2022/12/09	Taiwan Corporate Governance Association (TCGA)	Building A Risk-Intelligent Organization—From Fraud Risk Prevention, Detection, Investigation to Crisis Management	3.0
			2022/12/16	2022/12/16	Taiwan Corporate Governance Association (TCGA)	Understanding Related Party Transactions and Unconventional Transactions From Practical Cases	3.0
Independent Director	Hu, Chao-Fong	2017/06/15	2020/03/06	2020/03/06	Taiwan Corporate Governance Association (TCGA)	Planning of Shareholder Meetings and Case Studies	3.0
			2020/08/12	2020/08/12	Taiwan Securities Association (TSA)	The Latest Labor Law Knowledge and Practical Insights That Managers Should Have	3.0
			2020/11/11	2020/11/11	Taiwan Securities Association (TSA)	How To Build A Financial Investment Risk and Reward Management Platform	3.0
			2021/01/13	2021/01/13	Taiwan Securities Association (TSA)	Compilation, Review Key Points and Interpretation Analysis of Corporate Financial Reports	3.0

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
			2021/04/19	2021/04/19	Taiwan Securities Association (TSA)	Wealth Inheritance Model-Case Study on the Transfer of Stocks and Real Estate	3.0
			2022/05/13	2022/05/13	Taiwan Corporate Governance Association (TCGA)	Prevention of Insider Trading	3.0
			2022/06/28	2022/06/28	Taiwan Corporate Governance Association (TCGA)	Quickly Interpret and Prepare for ESG Disclosure Requirements of Corporate Governance 3.0	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association (TCGA)	Businesses and Green Finance; Businesses Responding to Net Zero Emissions - Why, When, What & How	3.0
			2022/07/29	2022/07/29	Taiwan Corporate Governance Association (TCGA)	Offensive and Defensive Strategies for Corporate ESG Transformation; Clean Production and Zero-Carbon Circular Economy	3.0

2. Advancement Courses and Trainings Related to Managers' Participation in Corporate Governance in 2022:

Title	Name	Training Course	Training Hours
Business Group General Manager	Tung, Chi-Jen	Development Trends of Green Industry-Low Carbon Investment Prospects and Responding Business Strategies	3
		Quickly Interpret and Prepare for ESG Disclosure Requirements of Corporate Governance 3.0	3
Business Group General Manager	Yang, Tsung-Hsien	Offensive and Defensive Strategies for Corporate ESG Transformation; Clean Production and Zero-Carbon Circular Economy	3
		Businesses And Green Finance; Businesses Responding to Net Zero Emissions - Why, When, What & How	3
Senior Associate Manager of Financial Officer, Chief Accountant, and Corporate Governance	Shih, Chin-Yi	Sustainable Development Roadmap Industry Theme Publicity Conference	2
		Looking At Corporate Governance 3.0 from the Perspective Of Inspection And Adjustment	3
		Analysis And Decision-Making Application of Corporate Financial Information	3
		Discussion on The Functions of the Board of Directors from The Perspective of Corporate Fraud Prevention	3
		How Should Directors and Supervisors Supervise Enterprise Risk Management and Crisis Management	3

J. Status of internal control system

(1) Internal Control Declaration

Shihlin Electric & Engineering Corp.
Declaration of the International Control System

Date: Mar. 09, 2023

The Company inspected the 2022 internal control system autonomously with the following results:

1. The Company is fully aware that the Board of Directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it has been established accordingly. The purpose of its establishment was to reasonably ensure the fulfillment of effective operation and efficiency (including profit, performance, and protection of assets safety), and the reliability, timeliness, transparency and regulatory compliance of financial reports
2. The internal control system design has inherent limitations. No matter how perfect such control is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. The effectiveness of such an internal control system could be influenced by changes of the environment and other circumstances. Therefore, the Company internal control system has been designed with a self-monitoring mechanism so that corrective action will be activated immediately upon the identification of any nonconformity.
3. The Company has assessed the effectiveness of the design and implementation of the internal control system in accordance with criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria defined in “the Regulations” include five elements that depend on the management control process: (1) environment controls, (2) risk assessment, (3) control processes, (4) information and communications, and (5) supervision. Each of the five elements is then divided into sub-categories. Please refer to “the Regulations” for details.
4. The Company has implemented criteria for inspection of the internal control system referred to above to ascertain its effectiveness, design and implementation.
5. The Company, based on the inspection results referred to above, declared (on December 31, 2022) that the internal control system, including the supervision and management of subsidiaries, is reasonably effective and achieves the objectives of operation and efficiency, the financial report is of reliability, timeliness, transparency and regulatory compliance.
6. The Declaration of Internal Control System is the main content of the Company’s annual report and published prospectus. Any false statement and concealment of the published content referred to above involves liability set out in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Declaration of the Internal Control System was resolved at a meeting of the Board of Directors on March 09, 2023, with no objections by any of the fifteen attending Directors. The contents of the declaration have been accepted without objection.

士林電機廠股份有限公司

董事長：許育瑞 簽章

總經理：謝漢章 簽章

(2) The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A ,

K. Punishment of the Company or its internal personnel in accordance with the law, punishment of internal personnel by the Company for violating internal control system regulations, main deficiencies, and improvements during the recent year and up to the date of publication of this annual report: N/A

L. Resolutions reached at a meeting of shareholders or by the Board of Directors during the recent year and up to the date of publication of this annual report:

Meetings	Dates	Resolutions
Shareholders' Meeting	June 24, 2022	1. Proposal of 2021 business report and financial statement, please recognize. Status: Recognized by the 2022 Shareholders' Meeting. 2. Proposal of distribution of 2021 surplus, please recognize. Status: Recognized by the 2022 Shareholders' Meeting and the distribution had been completed by August05, 2022. (Shareholders' dividend NT$ 1.80 /share in cash) 3. Discussion of amendments to Articles of Incorporation Status: Approved by the 2022 Shareholders' Meeting and implemented in accordance with the revised articles and disclosed on the company website. 4. Discussion of amendments to Procedures for Acquisition or Disposal of Assets Status: Approved by the 2022 Shareholders' Meeting and implemented in accordance with the revised articles and disclosed on the company website. 5. Discussion of amendments to Procedures for Rules of Procedures for the Shareholders' Meeting. Status: Approved by the 2022 Shareholders' Meeting and implemented in accordance with the revised articles and disclosed on the company website. 6. To lift the prohibition on non-compete of corporate directors and representatives. Status: List of situations in which directors and their representatives have been announced to be dismissed from other profit-making enterprises.
Board Meeting	Mar. 10, 2022	1. Proposal of distribution of 2021 employee remuneration and Director compensation. 2. Proposal of 2021 business report and financial statement. 3. Proposal of distribution of 2021surplus. 4. Proposal of convene date, location, and agenda of 2022 Shareholders' Meeting, location for reception and acceptance of shareholders' proposals, periods of reception and acceptance and e-voting. 5. Provide financing endorsement guarantee to Wuxi Shihlin Electric Co., Ltd. for USD 5,000 thousand. 6. Consent to lift the restrictions on the prohibition of competition for managers of the company. 7. Proposed to the Shareholders' Meeting to lift the restrictions on the prohibition of competition for managers of the company. 8. Proposed to Discuss the amendments to Articles of Incorporation. 9. Proposed to Discuss the amendments to Procedures for Acquisition or Disposal of Assets. 10. Revise the "Code of Corporate Governance Practice" and "Code of Ethical Conduct". 11. Based on the self-inspection results, issue the 2021 "Internal Control System Statement".
Board Meeting	May. 11, 2022	1. Proposal of consolidated financial statement of January-March of 2022. 2. Provide financing endorsement guarantee to Changzhou Shihlin Auto Parts Co., Ltd. for USD 2,500 thousand. 3. Proposal of discussion the amendments to Rules of Procedures for the Shareholders' Meeting. 4. Proposal for amendment to "Code of Practice on Corporate Social Responsibility" 5. Changes of the Company's managers. 6. Proposal of 2022 compensation to CPAs.
Board Meeting	Aug. 05, 2022	1. Proposal of consolidated financial statement of January-June of 2022. 2. Provide financing endorsement guarantee to Changzhou Shihlin Auto Parts Co., Ltd. for USD 6,000 thousand. 3. Proposal for amendment to "Regulations Governing of Implementation of Internal

Meetings	Dates	Resolutions
		Control" and "Regulations Governing of Implementation of Internal Auditing" 4. The company's Audit Supervisor change case 5. Changes of the Company's managers. 6. Regular assessment of the independence of CPAs appointed by the Company.
Board Meeting	Nov. 09, 2022	1. Proposal of consolidated financial statement of January-September of 2022. 2. 2023 operating plan and profit and loss budget. 3. Proposal of 2023 audit plans. 4. 2023 financing credit line case. 5. The company intends to appoint a professional stock affairs agency to handle the stock affairs. 6. Propose to invest in the establishment of "Shihlin Electric Green Power Co., Ltd." 7. Proposed investment in "Hongde Energy Technology Co., Ltd." 8. Proposed to increase capital for "Ji Lin Investment Co., Ltd." 9. Proposed to donate to Memorial Foundation of Mr. Ching-Teh Hsu. 10. Provide financing endorsement guarantee to Wuxi Shihlin Electric & Engineering Co., Ltd. for USD 3,500 thousand. 11. Formulation of the "Risk Management Code of Practice". 12. Amendments to the "Internal Control Rules". 13. Revised " Handling Procedures of Internal Material Information". 14. Remuneration of directors and managers.
Board Meeting	Mar. 09, 2023	1. Proposal of distribution of 2022 employee remuneration and Director compensation, please discuss. 2. Proposal of 2022 business report and financial statement, please discuss. 3. Proposal of distribution of 2022 surplus, please discuss. 4. Proposal of Amendments to Articles of Incorporation. 5. Propose to elect 15 Directors (including 3 Independent Directors) of 21_{th} Board of Directors 6. The 2023 Annual Shareholders' Meeting accepted matters related to shareholders nominating candidates for directors (including independent directors). 7. Proposal for approval the list of candidates for directors (including independent directors) nominated by the board of directors. 8. Request the shareholders' meeting to agree to lift the non-compete restriction on the new representative of corporate directors. 9. Proposal of convene date, location, and agenda of 2023 Shareholders' Meeting, location for reception and acceptance of shareholders' proposals, periods of reception and acceptance and e-voting. 10. Change case of the manager of the company. 11. Approved to lift the restrictions on non-competition of the company's managers. 12. Submission of 2022 "Internal Control Statement" based on the results of self-inspection. 13. Proposed investment in "HD Renewable Energy Co., Ltd."

M. Recorded or written statements of dissent made by any Director or Supervisor to important resolutions passed by the Board of Directors during the recent year and up to the date of publication of this annual report: N/A

N. Summary of discharge and resignation of parties relating to the annual report (Chairman, General Manager, Chief Accountant, Financial Officer, Chief Internal Auditor and R&D Officer) in the recent year and up to the date of publication of this annual report: N/A

4. Information on CPA professional fees

Unit：NT$ thousand

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-Audit Fee	Total	Remark
Deloitte & Touche (Taiwan)	Chen, Chih-Yuan	Jan.-Dec.,2022	5,230	2,921	8,151	None.
	Yang, Ching-Cheng	Jan.-Dec.,2022				

Specifically describe the content of non-audit public expense services: Non-audit expense refers to tax services and legal compliance services.

The company has one of the following circumstances, and should disclose the CPA professional fee

(1) In the case of a change of CPA firm and the audit fees for the year of the change are less than those of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

(2) In the case of the audit fees being 10% less than that of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

5. CPA Replacement Information In The Recent Two Years.

1. **Former CPA:** N/A
2. **Successive CPA:** N/A
3. **The written response of the former CPA to article 10-6-1 and article 10-6-2-3 of the standards:** N/A

6. Information regarding the Chairman, General Manager, and Financial or Accounting Manager of the company who has worked with the CPA firm which conducts the Audit of the Company or an affiliate of said firm in the recent year: N/A

7. Equity information in fiscal year 2022 and as of the publication date of the annual report

1. Any transfer of equity interests and pledge of, or change in equity interest, by a Director, managerial officer, or shareholder with a stake of more than 10 percent.

Job title (Note 1)	Name	2022		The current year ended April 30,2023	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Director	Yeang Der Investment Co., Ltd.	2,000,000	-	-	-
Legal Director Representative	Emmet Hsu	-	-	-	-
Legal Director Representative	Hsieh, Han-Chang	-	-	-	-
Legal Director Representative	Yang, Tsun-Ching	-	-	-	-
Legal Director Representative(Note 3)	Yang, Tsung-Hsien	-	-	-	-
Legal Director Representative(Note 4)	Cheng, Hsiang-Chih	-	-	-	-
Legal Director Representative	Tung, Chi-Jen	-	-	-	-
Legal Director Representative	Bryant Hsu	-	-	-	-
Director	Mitsubishi Electric Corporation (Japan)	-	-	-	-
Legal Director Representative(Note 5)	Hanaoka Hisao	-	-	-	-
Legal Director Representative(Note 6)	Kawai Toshio	-	-	-	-
Legal Director Representative(Note7)	Ito Toshimitsu	-	-	-	-
Legal Director Representative	Sugiyama Shinya	-	-	-	-
Legal Director Representative(Note 7)	Nakanishi Kyori	-	-	-	-
Legal Director Representative(Note 8)	Komura Hideaki	-	-	-	-
Legal Director Representative(Note 8)	Kunieda Masayuki	-	-	-	-
Director	Chanching Co., Ltd.	40,000	-	-	-
Legal Director Representative	Kan, Chin-Yu	-	-	-	-
Director	Shin-Po Investment Co., Ltd.	-	-	-	-
Legal Director Representative	Lin, Po-Fong	-	-	-	-
Independent Director	Lin, Hsin-I	-	-	-	-
Independent Director	Yan, Cherng-Jau	-	-	-	-
Independent Director	Hu, Chao-Fong	-	-	-	-
C.E.O.	Emmet Hsu	-	-	-	-
General Manager	Hsieh, Han-Chang	-	-	-	-
C.O.O.	Yang, Tsun-Ching	-	-	-	-
General Manager of Business Groups	Yang, Tsung-Hsien	-	-	-	-
General Manager of Business Groups	Cheng, Hsiang-Chih	-	-	-	-
General Manager of Business Groups	Tung, Chi-Jen	-	-	-	-
General Manager of Business Groups (Note12)	Ko, Ching-Li	685,235	680,000	-	-
General Manager of Business Groups	Chang, Chin-Wen	-	-	-	-
Senior Deputy General Manager	Fang, Yu-Jung	-	-	-	-
Senior Deputy General Manager	Kuo, Yueh-She	-	-	-	-
Senior Deputy General Manager	Wang, Pai-Sung	-	-	-	-
Deputy General Manager	Bryant Hsu	-	-	-	-
Deputy General Manage	Wu, Tsung-Ming	-	-	-	-
Deputy General Manage	Lin, Yu-Liang	-	-	-	-
Senior Associate Manager	Shih, Chin-Yi	-	-	-	-
Senior Associate Manager	Lee, Shui-Yuan	-	-	-	-
Senior Associate Manager	Tien, Chia-Wen	-	-	-	-
Associate Manager	Hung, Chiu-Lieh	-	-	-	-
Associate Manager	Liu, Chun-Chung	-	-	-	-
Associate Manager	Yeh, Sung-Yuan	-	-	-	-
Associate Manager	Liu, Ta-Wei	-	-	-	-
Associate Manager (Note 9)	Chen, I-Hung	-	-	-	-
Associate Manage	Lin, Teng-Fu	-	-	-	-

Job title (Note 1)	Name	2022		The current year ended April 30,2023	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Associate Manager (Note10)	Wu, Chia-Hsin	-	-	-	-
Associate Manager (Note11)	Lee, Ying-Chu	-	-	-	-
Associate Manager (Note13)	Wu, Chao-Tse	-	-	-	-
Financial Officer	Shih, Chin-Yi	-	-	-	-
Chief Accountant	Shih, Chin-Yi	-	-	-	-
Major shareholder	Mitsubishi Electric Corporation (Japan)	-	-	-	-
Major shareholder	The Ambassador Hotel Co,, Ltd.	15,500,000			

Note 1：Shareholders holding greater than a 10%t stake in the Company should be remark as major shareholders.
Note 2：If the transferees of shareholding transfer or shareholding pledge are related party, it should fill in the following table.
Note 3：March 01, 2022 newly-appointed
Note 4：March 01, 2022 resigned
Note 5：April 01, 2022 resigned
Note 6：April 01, 2022 newly-appointed
Note 7：April 01, 2023 resigned
Note 8：April 01, 2023 newly-appointed
Note 9：April 01, 2022 resigned
Note 10：May 11, 2022 newly-appointed
Note 11：August 05, 2022 newly-appointed
Note 12：December 31, 2022 resigned
Note 13：March 09, 2023 newly-appointed

2. Shareholding transferred (while the counterparty is a related party): N/A

3. Information of Shareholding pledged:

April 30, 2023

Name (Note 1)	Reason of Pledge change (Note 2)	Change the date	Trading counterpart	The relationship between the counterparty of the transaction and the company, directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Share holding ratio	Pledge ratio	Pledged loan (redemption) amount
Ko, Ching-Li (Note 3)	pledged	2022/03/16	Cathay United Bank. Guanqian Branch	N/A	680,000	0.13%	0.13%	0

Note 1：Fill in the names of the company's directors, supervisors, managers and shareholders with a shareholding ratio of more than 10%.
Note 2：Fill in the pledge or redemption.
Note 3：December 31, 2022 resigned

8.Top 10 shareholders and their relationships:

As of April 30, 2023; unit: share, %

	Name（Note 1）	Current shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code		Remark
		Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
1	Mitsubishi Electric Corporation (Japan)	110,242,966	21.16	0	0	0	0	N/A	N/A	-
	Representative: Kei Uruma	0	0	0	0	0	0	N/A	N/A	
2	The Ambassador Hotel Co., Ltd.	59,785,175	11.48	0	0	0	0	Yeang Der Investment Co., Ltd./ De Hong Investment Corp.	Director / Subsidiary/ Subsidiary company invested evaluated by equity method	-
	Representative: Emmet Hsu	732,735	0.14	0	0	0	0	Yeang Der Investment Co., Ltd.	Spouse of Chairman	
3	Employee' Stock Ownership Association Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of CTBC Bank Co., Ltd.	34,209,837	6.57	0	0	0	0	N/A	N/A	-
4	Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of Taipei Fubon Commercial Bank	28,466,777	5.46	0	0	0	0	N/A	N/A	-
5	Yeang Der Investment Co., Ltd.	27,556,494	5.29	0	0	0	0	The Ambassador Hotel Co., Ltd.	Director	-
	Representative: Kuo, Tun-Yu	0	0	0	0	0	0	The Ambassador Hotel Co., Ltd.	Spouse of Chairman	
6	The investment account of the First Financial Holding Hesheng Securities Co., under the custody of Citibank (Taiwan)	19,493,000	3.74	0	0	0	0	N/A	N/A	-
7	De Hong Investment Corp.	13,497,000	2.59	0	0	0	0	The Ambassador Hotel Co., Ltd.	The parent company of the investment company that evaluated by equity method/Investment company that evaluated by equity method	-
	Representative: Lee, Ying-Chu	0	0	0	0	0	0	N/A	N/A	
8	Citibank (Taiwan) is entrusted with the safekeeping of Firstrade Securities (Hong Kong) Co., Ltd. contracted customer Firstrade Securities (Hong Kong) Nominees Co., Ltd. Investment Account	11,806,000	2.27	0	0	0	0	N/A	N/A	-
9	Benz Investment Corp.	10,083,000	1.94	0	0	0	0	The Ambassador Hotel Co., Ltd.	The parent company of the investment company that evaluated by equity method/Investment company that evaluated by equity method	-
	Representative: Chao, Jien-Yun	0	0	0	0	0	0	N/A	N/A	
10	Kan, Chin-Xiang	8,681,139	1.67	0	0	0	0	N/A	N/A	-

Note 1: Name of the top-10 shareholders must be listed respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed respectively.

Note 2: The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.

Note 3: For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

9. The number of shares held by the Company and Company Directors, Supervisor, managerial officers and the entities directly or indirectly controlled by the Company in a single company, and calculating the consolidated shareholding percentage of the above categories.

As of December 31, 2022; unit: share, %

Long-term Investment (note 1)	Invested by the Company		Invested by Directors, Supervisor, Management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Shares	%	Shares	%	Shares	%
SEEC International Holdings Ltd.	48,828,287	100	0	0.0	48,828,287	100
Ji Lin Investment Co., Ltd.	29,990,000	99.9	0	0.0	29,990,000	99.9
SEEC International Trading Co., Ltd.	Note 3	0	0	0.0	Note 3	0
Shihlin Electric USA Company Limited	2,500,000	100	0	0.0	2,500,000	100
Hwo Lin Investment Co., Ltd.	49,990,000	94.8	2,700,000	5.1	52,690,000	99.9
Yuh Lin Investment Co., Ltd.	42,990,000	94.3	2,600,000	5.7	45,590,000	100
Jeng Lin Investment Co., Ltd.	22,990,000	89.4	2,700,000	10.5	25,690,000	99.9
Cheng Lin Investment Co., Ltd.	45,807,000	99.5	0	0.0	45,807,000	99.5
Vietnam Shihlin Electrical Engineering Ltd.	Note 2	100	0	0	Note 2	100
Shang Lin Investment Co., Ltd.	59,807,000	99.6	0	0.0	59,807,000	99.6
Rueylin Electric & Engineering Corp.	10,274,053	90.0	504,982	4.4	10,779,035	94.4
Jeen-Lin Industrial Co., Ltd.	5,346,364	78.4	48,407	0.7	5,394,771	79.1
Chan Der Investment Corp.	2,438,783	8.1	7,758,514	25.9	10,197,297	34.0
Cheng Der Investment Corp.	1,149,177	3.6	7,733,342	24.8	8,882,519	28.4
Ting Lin Enterprise Co., Ltd.	12,188,000	96.7	0	0.0	12,188,000	96.7
Chuan Lin Technology Corporation	410,000	31.5	610,000	43.8	1,020,000	75.3
Hsin Lin Electric Machinery Co., Ltd.	2,880,000	60.0	108,000	2.3	2,988,000	62.3
Yu Der Investment Corp.	2,618,000	4.8	10,602,000	19.6	13,220,000	24.4
The Ambassador Hotel Co., Ltd.	66,918,617	18.2	11,399,000	3.1	78,317,617	21.3
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	0	0	Note 2	55.0	Note 2	55.0
Changzhou Shihlin Auto Parts Co., Ltd.	0	0	Note 2	100	Note 2	100
Xiamen Shihlin Electric & Engineering Co., Ltd.	0	0	Note 2	100	Note 2	100
Suzhou Shihlin Electric & Engineering Co., Ltd.	0	0	Note 2	100	Note 2	100
Wuxi Shihlin Electric & Engineering Co., Ltd.	0	0	Note 2	100	Note 2	100
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	0	0	Note 2	70.5	Note 2	70.5
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	0	0	Note 2	49.0	Note 2	49.0
Mitsuba Shihlin Electric (Wuhan) Co., Ltd.	0	0	Note 2	45.0	Note 2	45.0
Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	0	0	Note 2	100	Note 2	100
Chang Hong Investment Corp.	0	0	16,002,000	28.1	16,002,000	28.1
Yu Hong Investment Corp.	0	0	58,002,000	30.5	58,002,000	30.5
Xin He Investment Corp.	0	0	36,998,000	40.7	36,998,000	40.7
Yeangder Entertainment Co., Ltd.	0	0	4,000,000	100	4,000,000	100
De Hong Investment Corp.	0	0	53,002,000	34.1	53,002,000	34.1
(Samoa) Hsin Lin International Investment Corp.	0	0	1,130,000	100	1,130,000	100

Long-term Investment (note 1)	Invested by the Company		Invested by Directors, Supervisor, Management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Shares	%	Shares	%	Shares	%
Shihlin Technology (Shenzhen) Co., Ltd.	0	0	Note 2	100	Note 2	100
Xiamen Chen-Yeu Transportation Implements Co., Ltd.	0	0	Note 2	100	Note 2	100
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd	0	0	Note 2	30.0	Note 2	30.0
Wu-Ling Electric & Engineering Co., Ltd.	0	0	3,000,000	60.0	3,000,000	60.0
Shihlin Electric Green Power Co., Ltd. (Note 4)	30,000,000	100	0	0	30,000,000	100
Rui Young Optronics Corp. (Note 5)	0	0	28,000,000	100	28,000,000	100

Note 1：It is investments accounted for using equity method of the Company.
Note 2：It is limited company, no shares.
Note 3：SEEC International Trading Co., Ltd. was liquidated in March 2022.
Note 4：Established in August 2022, the registered capital is NT$30,000,000, and the shareholding ratio is 100%.
Note 5：Established in September 2022, the registered capital is NT$28,000,000, and the shareholding ratio is 100%.

IV. Capital Overview

1.Capital and shares

A. Company's Capital and Any issuance of Shares (as of the publication date of the annual report)

(1) Source of Capital

Unit: NT$ thousand, 1000 shares

Year/ Month	Issuing Price (NT$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
1955/08	100	40	4,000	40	4,000		-	
1957/04	100	60	6,000	60	6,000	capital increase 2,000,000	-	
1961/02	100	120	12,000	120	12,000	capital increase 6,000,000	-	
1962/06	100	30	3,000	30	3,000	capital Decrease 9,000,000	-	
1962/07	100	120	12,000	120	12,000	capital increase 9,000,000	-	
1964/10	10	3,000	30,000	3,000	30,000	capital increase and change par value 18,000,000	-	
1969/01	10	4,000	40,000	4,000	40,000	capital increase 10,000,000	-	
1970/10	10	4,600	46,000	4,600	46,000	capital increase 6,000,000	-	
1971/06	10	7,000	70,000	7,000	70,000	capital increase 24,000,000	-	
1973/07	10	7,700	77,000	7,700	77,000	capital increase 7,000,000	-	
1974/04	10	15,000	150,000	15,000	150,000	capital increase 73,000,000	-	
1974/08	10	16,000	160,000	16,000	160,000	capital increase 10,000,000	-	
1975/07	10	18,000	180,000	18,000	180,000	capital reserve and surplus capitalization 20,000,000	-	
1976/07	10	20,000	200,000	20,000	200,000	capital increase 20,000,000	-	
1977/07	10	22,000	220,000	22,000	220,000	surplus capitalization 20,000,000	-	
1978/07	10	23,760	237,600	23,760	237,600	capital reserve and surplus capitalization 17,600,000	-	
1979/08	10	39,000	390,000	39,000	390,000	cash increase and surplus capitalization 152,400,000	-	
1980/06	10	80,000	800,000	56,950	569,500	capital reserve and surplus capitalization 179,500,000	-	
1981/05	10	80,000	800,000	63,155	631,558	capital reserve and surplus capitalization 62,058,000	-	
1982/07	10	80,000	800,000	68,524	685,242	capital reserve and surplus capitalization 53,684,000	-	
1984/09	10	80,000	800,000	72,635	726,356	capital reserve and surplus capitalization 41,114,520	-	
1986/08	10	80,000	800,000	76,267	762,674	surplus capitalization 36,317,820	-	
1987/08	10	120,000	1,200,000	95,334	953,342	cash increase and surplus capitalization 190,668,590	-	
1988/06	10	120,000	1,200,000	103,596	1,035,965	surplus capitalization 82,623,040	-	
1988/09	10	120,000	1,200,000	120,000	1,200,000	capital increase in cash164,034,030	-	
1989/05	10	160,000	1,600,000	135,395	1,355,395	surplus capitalization 155,395,000	-	
1990/05	10	160,000	1,600,000	160,000	1,600,000	surplus capitalization 244,605,000	-	Note 1
1991/10	10	250,000	2,500,000	184,000	1,840,000	surplus capitalization 240,000,000	-	
1992/10	10	250,000	2,500,000	202,400	2,024,000	surplus capitalization 184,000,000	-	Note 2
1993/10	10	250,000	2,500,000	218,592	2,185,920	surplus capitalization 161,920,000	-	Note 3
1994/09	10	250,000	2,500,000	218,592	2,404,512	surplus capitalization 218,592,000	-	Note 4
1995/09	10	350,000	3,500,000	282,530	2,825,302	surplus capitalization 420,789,600	-	Note 5
1996/08	10	350,000	3,500,000	347,633	3,476,330	surplus capitalization 226,028,400 capital increase in cash 425,000,000	-	Note 6

Year/ Month	Issuing Price (NT$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
1997/08	10	410,000	4,100,000	365,014	3,650,147	surplus capitalization 173,816,500	-	Note 7
1998/09	10	410,000	4,100,000	408,817	4,088,170	surplus capitalization 438,023,500	-	Note 8
1999/06	10	580,000	5,800,000	472,274	4,722,747	conversion of Corporate Bonds 307,523,510 surplus capitalization 327,053,600	-	Note 9
2000/06	10	580,000	5,800,000	500,652	5,006,522	capital reserve capitalization 283,364,830 conversion of Corporate Bonds 410,520	-	Note 10
2001/03	10	580,000	5,800,000	500,853	5,008,531	conversion of Corporate Bonds 2,008,410	-	Note 11
2001/06	10	580,000	5,800,000	520,972	5,209,722	conversion of Corporate Bonds 842,230 capital reserve capitalization 200,349,130	-	Note 12

Note 1：(79) Tai-Tsai-Cheng (1) No. 01677 dated July 23, 1990
Note 2：(81)Tai-Tsai-Cheng (1) No.01640 dated July 17, 1992
Note 3：(82)Tai-Tsai-Cheng (1) No.30051 dated July 23, 1993
Note 4：(83)Tai-Tsai-Cheng (1) No.31356 dated July 13, 1994
Note 5：(84)Tai-Tsai-Cheng (1) No.36309 dated June 23, 1995
Note 6：(85)Tai-Tsai-Cheng (1) No.27246 dated May 15, 1996
Note 7：(86)Tai-Tsai-Cheng (1) No.40867 dated May 21, 1997
Note 8：(87)Tai-Tsai-Cheng (1) No.59758 dated July 16, 1998
Note 9：(88)Tai-Tsai-Cheng (1) No.44587 dated May 30, 1999
Note 10：(89)Tai-Tsai-Cheng (1) No.38404 dated May 09, 2000
Note 11：(90)Shan-Tzi No.9001092330 dated March 23, 2001
Note 12：(90)Tai-Tsai-Cheng (1) No.134819 dated June 04, 2001

(2) Type of share

Unit: share / April 23, 2023

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares (listed)	Unissued Shares	Total	
Common stock	520,972,223	59,027,777	580,000,000	—

Note: Please indicate whether the stock is a listed or OTC company stock (if it is restricted from listing or OTC trading, it should be noted).

(3) Self - Registration System: Nil

B. Composition of Shareholders

As of April 23, 2023

Composition of Shareholders / Quantity	Government apparatus	Financial organization	Other juridical persons	Individuals	Foreign institution or foreigner	Total
Number of persons	0	6	245	49,381	157	49,789
Shares	0	66,576,790	177,161,124	121,548,986	155,685,323	520,972,223
%	0	12.78	34.01	23.33	29.88	100.00

C. Distribution Profile of Share Ownership

As of April 23, 2023

Shareholders Ownership	Number of Shareholders	Number of Shares Owned (Shares)	Shareholding ratio (%)
1 ~ 999	33,213	3,983,267	0.76%
1,000 ~ 5,000	13,928	25,328,624	4.86%
5,001 ~ 10,000	1,365	10,444,877	2.00%
10,001 ~ 15,000	354	4,407,913	0.85%
15,001 ~ 20,000	203	3,751,415	0.72%
20,001 ~ 30,000	196	4,929,532	0.95%
30,001 ~ 40,000	115	4,120,171	0.79%
40,001 50,000	74	3,411,073	0.65%
50,001 ~ 100,000	154	11,310,304	2.17%
100,001 ~ 200,000	83	11,640,276	2.23%
200,001 ~ 400,000	39	11,566,383	2.22%
400,001 ~ 600,000	14	7,196,780	1.38%
600,001 ~ 800,000	7	5,010,103	0.96%
800,001 ~ 1,000,000	5	4,614,713	0.89%
1,000,001 and above	39	409,256,792	78.57%
Total	49,789	520,972,223	100.00%

D. Major Shareholders (Top 10 shareholders or with Shareholdings greater than 5%)

On the Book closure date: April 23, 2023

Quantity of shares / Major Shareholders	Total shares owned (Shares)	Shareholding ratio (%)
Mitsubishi Electric Corporation (Japan)	110,242,966	21.16
The Ambassador Hotel Co., Ltd.	59,785,175	11.48
Employee' Stock Ownership Association Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of CTBC Bank Co., Ltd.	34,209,837	6.57
Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of Taipei Fubon Commercial Bank	28,466,777	5.46
Yeang Der Investment Co., Ltd.	27,556,494	5.29
The investment account of the First Financial Holding Hesheng Securities Co., under the custody of` Citibank (Taiwan)	19,493,000	3.74
De Hong Investment Corp.	13,497,000	2.59
Citibank (Taiwan) is entrusted with the safekeeping of Firstrade Securities (Hong Kong) Co., Ltd. contracted customer Firstrade Securities (Hong Kong) Nominees Co., Ltd. Investment Account	11,806,000	2.27
Benz Investment Corp.	10,083,000	1.94
Kan, Chin-Xiang	8,681,139	1.67

E. Market Price, Net Value, Earnings and Dividends per Common Share Latest two years

Unit: $

Item			2021	2022	As of March 31, 2023(Note 8)
Market price per share (Note 1)	Highest		55.40	66.70	88.30
	Lowest		46.60	50.20	59.70
	Average		51.30	57.20	80.31
Net value per share (Note 2)	Before distribution		50.77	53.83	57.32
	After distribution		48.97	(Note 9)	-
Earnings per share	Weighted Average Outstanding Shares		520,972	520,972	520,972
	EPS(Note 3)		3.46	3.86	1.52
Dividends per Share	Cash Dividend		1.80	(Note 9)	-
	Stock Dividends	Stock Dividend from Retained Earnings	0	-	-
		Additional Paid-In Capital	0	-	-
	Accumulated Undistributed Dividends (Note 4)		0	0	-
Investment Return Analysis	Price / Earnings Ratio (Note 5)		14.83	14.82	-
	Price / Dividend Ratio (Note 6)		28.50	(Note 9)	-
	Cash Dividend Yield Rate (Note 7)		3.51%	(Note 9)	-

If the surplus or capital reserve is converted into capital and allotted shares, the market price and cash dividend information retrospectively adjusted according to the number of issued shares shall be disclosed.

Note 1：List the highest and lowest market prices of ordinary shares in each year, and calculate the average market price of each year based on the transaction value and transaction volume in each year.

Note 2：Please fill in the information based on the number of issued shares at the end of the year and the distribution according to the resolution of the board of directors or the shareholders' meeting of the following year.

Note 3：If retrospective adjustment is required due to free allotment or other circumstances, the earnings per share before and after adjustment shall be presented.

Note 4：If the conditions for the issuance of equity securities stipulate that the unpaid dividends in the current year can be accumulated until the surplus is distributed in the year, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note 5：Price-to-earnings ratio = average closing price per share for the year/earnings per share.

Note 6：Price-earnings ratio = average closing price per share for the current year/cash dividend per share.

Note 7：Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8：The net worth per share and earnings per share should be filled with the information checked (reviewed) by the accountants in the most recent quarter up to the printing date of the annual report; other fields should be filled with the information of the current year up to the printing date of the annual report.

Note 9：The 2022 earnings distribution proposal of the company is not yet resolved by the shareholders' meeting, therefore, the amount after the distribution is not listed.

F. Company Dividend Policy and Status of Execution

1. Dividend Policy

The articles of incorporation of Shihlin Electric are outlined below:

The company should appropriate for taxation and make up for cumulative loss in there is any surplus to the final audit, followed by appropriating 10% as legal reserve. Any remaining surplus of the current year shall be appropriated as appropriated retained earnings in accordance with the regulations of competent authority. The appropriation of appropriated retained earnings and distribution of dividend and bonus shall be drafted by the Board of Directors for proposal to the Shareholders' Meeting for resolution.

The afore mentioned relevant information in announced on the Market Observation Post System (MOPS) by law.

The company shall distribute dividends according to the profits, financing needs for future operation plans, changes in industry environment and other factors. The distribution will be based on the balance from the cumulative undistributed surplus from previous fiscal year with appropriation no less than 5% in general. In particular, the cash dividend and bonus in general cannot fall below 20% of the total amount of dividend and bonus. The actual distribution ratio or method of dividend distribution may be adjusted depending on the corporate operation, as the Board of Directors shall propose distribution proposition to Shareholders' Meeting for resolution.

According to the company's dividend distribution in the past five years, it is shown that the distribution ratio of the distribution of cash dividends to the basic earnings per share is higher than 50%, and 100% of the cash dividends are mainly distributed. The future dividend policy will be based on the company's profitability and operating plan, and distribute dividends in accordance with this principle.

2. Distribution of dividend proposed by current shareholders' meeting

The 2023 Shareholders' Annual Meeting proposed the distribution of a cash dividend of NT$2.0 per share.

G. Effect on Business Performance and EPS resulting from Stock Dividend distribution proposed by the 2021 Shareholders' meeting: N/A

H. Compensation of Employees and Directors

1. The compensation of employees and directors set out in the Articles of Incorporation of the Company is as follows：

The following distribution should be appropriated for any profit from the current fiscal year:

(1) Up to 4% in director remuneration.

(2) Employee remuneration between 1%~8%.

Nonetheless the amount of cumulative loss of the company shall be retained in advance, if any.

The so-called profit refers to the profit of net income before deducting director remuneration and employee remuneration.

2. The accounting treatment of the discrepancy between accrual and actual payment for the employees and directors compensation：

If the amount varies after the announcement date of the adoption of annual individual financial statements, the amount shall be processed by accounting estimation and shall be adjusted into account in the following fiscal year.

3. Board of Directors adoption of remuneration distribution

(1) Amount of Employee' remuneration and Directors' remuneration distributed in cash or stocks:

Unit: NTD Thousand

Item	Amount
Employee Remuneration in Cash	110,000
Employee Remuneration in Stocks	None
Directors Remuneration	55,000

The 2022 employee remuneration and director remuneration resolved by the Board of Directors on March 09, 2023 do not show discretion from the amount estimated in the 2022 individual financial report.

(2) The ratio between the amount of employee remuneration distributed in stocks and the sum of net income of entity or individual financial report and employee remuneration of current fiscal year: N/A.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year:

The Board of Directors of Shihlin Electric resolved on March 10, 2022 to distribute 2021 employee remuneration and director/supervisor remuneration in the amount of NT$99,600 thousand and NT$49,800 thousand. The foregoing Board of Director resolution on the distribution of employee remuneration and director/supervisor remuneration does not show discretion from the employee remuneration and director/supervisor remuneration realized in the 2021 individual financial statements.

2. Issuance of Corporate Bonds: None.

3. Issuance of Preferred Stock：None**.**

4. Issuance of Global Depositary Receipts：None.

5. Issuance of Employee Stock Warrants：None.

6. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies：None.

7. The Implementation of the Company's Capital Allocation Plans: None.

V. Operation Overview

1. Business Activities

A. Business scopes

1. Description of Operation

The company's primary products: Automobile electric products, heavy electric, low-voltage switch, industrial control products, industrial equipment, and digital home electronic appliances (agency).

2. The ratio of 2022 products of the company is described below:

Product category	Ratio (%)
Electricity Distribution Products	60.85
Automobile Components	20.28
Automation Equipment and Components	15.69
Others	3.18
Total	100.00

3. New product development plan

Product Category	Development Items
Electricity Distribution Products	1. 345 kV, 100 MVAR Shunt Reactor 2. 161 kV, 206 MVA Green Energy Transformer 3. Taipower Energy-saving Three-phase Pad-mounted Transformer 4. High-capacity Mold-cast Wind Power Transformer 5. Low Partial Discharge High Voltage Billing Type Energy-saving Ratio Transformer 6. Low Voltage High-precision Penetrating Type Energy-saving Ratio Flowmeter 7. Low Loss Energy-saving Low Voltage Capacitor 8. 18 kV Polymer Surge Arrester 9. 11.4kV Polymer Fuse Chain 10. Energy Storage System EMS Development 11. Intelligent Monitoring Predictive Maintenance Platform (Big data & AI)
Automobile Components	1. Long Lifetime Waterproof Type Starter Motor 2. Development of Module Type Fuel Pump for Heavy-duty Motorcycles 3. Starting Relay for Heavy-duty Motorcycles 4. 180cc Starter Generator (ISG) for Two-wheel-drive Vehicles 5. Development of Module Type Fuel Pump for Off-road Vehicles 6. ISG Controller for Two-wheeled Vehicles 7. Off-road High-efficiency Generator 8. Development of Fuel Pump for Crude Fuel 9. 8kW Air-cooled Powertrain System for Two-wheel White-brand Electric Vehicles 10. 20kW Water-cooled Powertrain System for Competitive Off-road Electric Vehicles 11. 130kW Water-Cooled Powertrain System for Four-wheel Electric Vehicles 12. 200cc Starter Generator (ISG) for Two-wheel Electric Vehicles 13. Starter Generator (ISG) for Heavy Vehicles 14. Lightweight Generator for Heavy Vehicles

Product Category	Development Items
	15. Miniaturized Generator for Heavy Vehicle 16. Small High-efficiency Starter Motor for Heavy Vehicles 17. Outboard Motor Starter (0.6kW&1.1kW) 18. Ignition Coils for Energy-saving Vehicles (Dual Ignition) 19. 135cc Starter Generator (ISG) for Motorcycles 20. Reluctance Stator for Exercise Bike 21. Generator for Extended Range Engine 1.6KW 22. DC Fast Charging Piles for Locomotives (8kW, 9.6kW) 23. AC Slow Charging Pile for Automobiles (7kW) 24. DC Fast Charging Pile for Automobiles (30~120kW)
Automation Equipment and Components	Automation Component Products: 1. SDC Servo Drive Capacity Expansion (up to 3KW) 2. SE5 Series Next-generation Inverter Development 3. SDP-E2 High Response/Line-horse Application Servo Drive Development 4. SDP-A Advanced Linear Motor Servo Drive 5. DC48V Servo Drive 6. 3rd Stage Motor Development (7 models) 7. Mitsubishi MR-J5 Servo Motor Drive System above 7KW 8. Mitsubishi FR-E800 General-purpose Inverter 9. Mitsubishi FX5S Series Small-sized PLC 10. TOYO LGU Coreless Module 11. PBA CVC Voice Coil Motor / CVCA Voice Coil Module Motor / PDDR DD Motor / RVCA Rectangular Module Voice Coil / ARC Ring-shaped Linear Motor 12. PV Inverter Solar Power Converter 13. PCS Power Conversion System Automation Equipment Products: 1. SEMI Sorter/EFEM (6" Wafer LOAD PORT Development) 2. Integrated AGV+WMS System

B. Industry Overview

1. Current Status and Development of Industries

(1) Power Distribution Industry

(A) Heavy electrical products mainly include transformers, distribution panels, current transformers, capacitors, gas-insulated switchgear (GIS), busbars, high-voltage switches, surge arresters, meters, monitoring systems, and other important equipment for power transmission and distribution. The new business focuses on integrated projects for renewable energy (solar, wind, energy storage) and transportation-related industries (rail, aviation). The global political and economic situation remains unstable in 2023 (ongoing US-China trade war, prolonged Russia-Ukraine conflict), with global energy shortages and tight food supplies, resulting in continuous increases in raw material prices and consumer prices. The global economic outlook is highly uncertain and conservative. To stimulate the domestic economy, the government leads the industry in innovation, implements the New Southbound Policy, promotes the Forward-looking Infrastructure Development Program

2.0, digital security, and green energy construction, which provide significant support to Taiwan's economy. In addition, the trade war between China and the US has stimulated a large influx of Taiwanese businesses and investment, resulting in continued expansion of demand for heavy electrical equipment. Apart from the growth in orders from domestic private enterprises, North America, and Southeast Asia, there is also a continuous push into the green energy and energy storage markets, rail and aviation transportation industries, and active exploration of the ASEAN market to boost future revenue. The merged company has obtained product certification for the entire product range, providing customers with the requirements for completion reports and electricity delivery inspections by Taiwan Power Company. Furthermore, to expand domestic and international markets, active planning is underway for various product certifications to become an internationally recognized high-voltage power equipment supplier, which will greatly contribute to future revenue.

(B) Regarding the current market situation in the switch industry, the government's efforts to curb inflation and successive interest rate hikes have significantly slowed down the housing market. However, the number of housing construction permits, construction starts, and usage permits in Taiwan remains high, indicating the pressure on developers to continue launching projects. This may lead to a significant increase in housing supply and price drops, impacting the future investment in construction by developers. Domestic semiconductor plants have a leading advantage in high-end production capacity. However, starting from the second half of the year, corporate investments are being affected by increasing global inflationary pressures, rising inventories, and weakening demand. Major domestic companies have announced downward revisions of capital expenditures and delayed construction/expansion schedules. In addition, the growth momentum of machinery equipment exports began to slow down in Q4 2022, affecting the overall opportunities for plant construction and demand for equipment switches. The government continues to promote the development of the renewable energy industry and encourage energy companies to continue initiating projects to increase the proportion of green energy consumption. This leads to continuous growth in demand for related electromechanical products and the opportunity to allocate more resources for rapid expansion in the green energy market. As the impact of the pandemic subsides, Southeast Asia is expected to reopen in the second half of 2022, and mainland China gradually opens up from 2023 onwards. It can be anticipated that there will be a gradual recovery in regional construction, plant offices, and machinery exports, although it will still take time to fully recover.

(2) Automotive Parts Industry

In 2022, although the shortage of automotive chips eased, the supply has not yet stabilized, and vehicle production is still affected. Global automotive sales are estimated to remain on par with 2021 due to inflation in Europe and America and the impact of COVID-19 lockdowns in China. Electric vehicles (EVs) maintain a growth trend, with sales surpassing 10 million units, a 63% increase compared to 2021. It is projected that the growth momentum will continue in 2023, with sales expected to exceed 14 million units.

In the domestic automotive market, factors such as limited production capacity due to chip shortages and cost increases caused by inflation have affected the sales, resulting in approximately 430,000 units sold throughout the year, a 4% decline compared to 2021. However, electric vehicles have experienced significant growth, with sales reaching 16,000 units, a 131% increase.

In the motorcycle market, domestic sales were also impacted by chip shortages, resulting in a 9% decline with 730,000 units sold throughout the year. Electric motorcycles also experienced a decline with sales of 87,000 units, a 6% decrease. Sales of heavyweight motorcycles in Europe and America remained relatively stable compared to 2021.

With the continuous growth of electric vehicles, the demand for charging infrastructure is emerging, and governments worldwide are planning to expand the installation of charging facilities, further driving the demand for charging stations and creating expanding market opportunities.

(3) Automation Equipment and Parts Industry

In the first half of 2022, the manufacturing industry benefited from increased investments in semiconductor, 5G, PCB, and logistics-related industries, driving the continuous growth of orders for automation equipment. However, starting from the second half of the year, the economic growth gradually slowed down due to the impact of the pandemic, the Russia-Ukraine conflict, inflationary pressures, and China's zero-COVID/limited electricity policy.

Looking ahead to 2023, the industry will continue to be affected by the global economic slowdown, which will impact the order prospects for the automation equipment industry. It is predicted that the market's economic downturn will bottom out and rebound in the second quarter of 2023. With the lifting of COVID-19 restrictions in China, related business exchanges and physical exhibitions have gradually resumed, and the overall automation economy is expected to gradually recover.

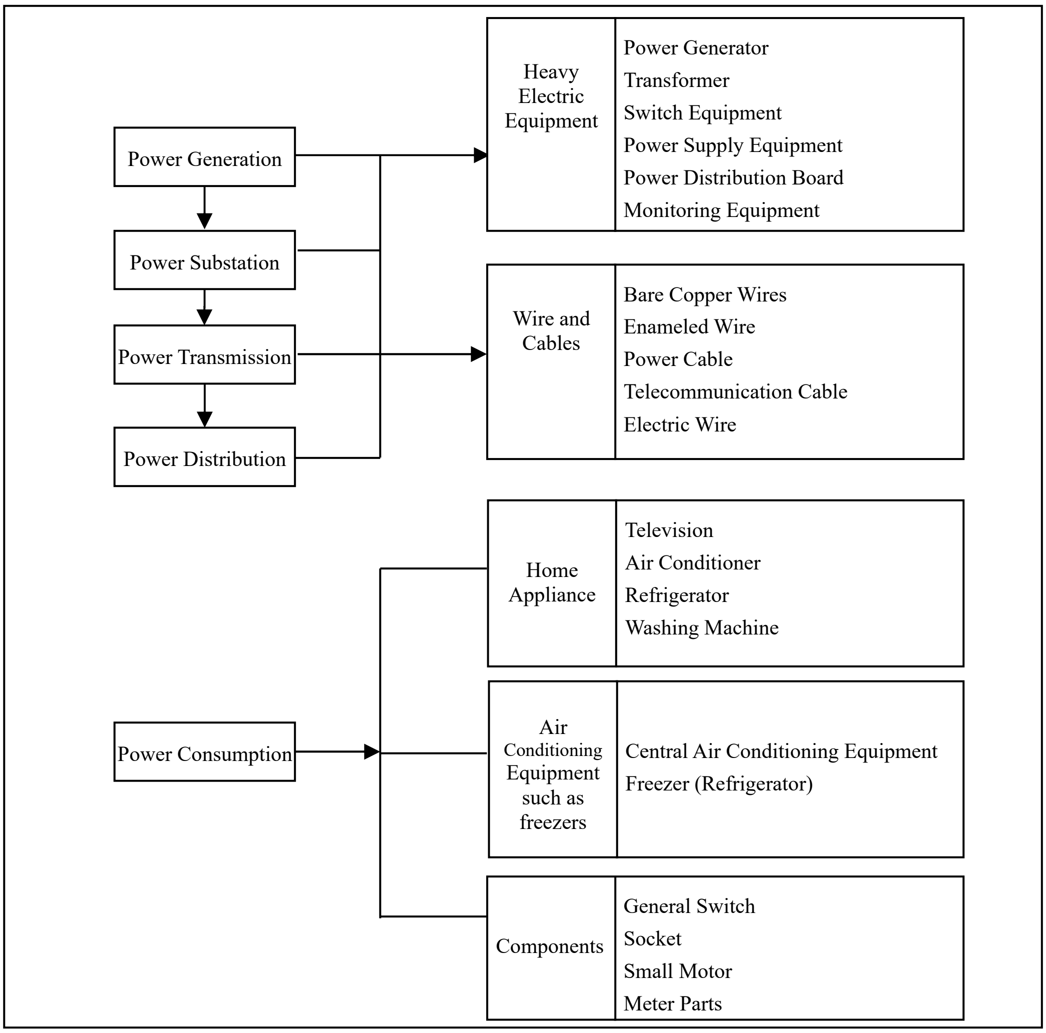
Furthermore, the renewable energy and ESG trends present significant growth opportunities. The Automation Business Group responds to the company's expansion into new businesses such as solar power generation and energy storage, builds innovative new energy system technologies, enhances key core technologies, and is committed to providing leading green energy solutions. They are at the forefront of introducing solar inverters and energy storage inverters, continuously offering comprehensive product solutions and services, and focusing on the new energy equipment business.

(4) Others

In the market for digital audiovisual products, consumer behavior has become polarized. There is an increasing trend among consumers to choose high-end digital cameras and low-priced cameras that are not smartphones. Digital cameras have adapted to the popularity of smartphone photography and are trending towards specialization, such as 4K high-resolution cameras. Additionally, music-related products such as Bluetooth speakers and Bluetooth headphones have experienced significant growth in demand due to their association with smartphones. Over the past two years, the COVID-19 pandemic has caused lockdowns and travel restrictions in various countries, leading to disruptions in production and supply chains, affecting the normal supply of related products. However, with the progress in vaccination efforts and adjustments in production lines, it is expected that the supply will gradually return to normalcy this year.

2. Association of Electric and Machinery Industries

Electric and Machinery Industry Association Diagram



Source: Sorted by ITRI-ITIS Project and Shihlin Electric

3. Product Development Trends and Competitive Situation

(1) Power Distribution

The merged company has been deeply involved in the heavy electrical industry for 68 years, accumulating rich experience in manufacturing and operation. It has demonstrated its operational capabilities in producing the largest capacity power transformers in the domestic power system, including 345 kV 1260 MVA nuclear-grade ultra-high voltage transformers. The company's technical expertise surpasses its peers, positioning it as a leader in the industry.

Actively participating in Taiwan Power Company's turnkey projects for new substations, the company has been able to secure various engineering projects and substation renewal contracts from Taiwan Power Company by leveraging its integrated engineering construction technology and experience. Following the "Wanda Power Plant Expansion and Songlin Substation Hydropower Project" Phase II, which received the 12th Public Construction Golden Quality Award (Special Honor) for power generation equipment and miscellaneous electromechanical equipment, the "Mingtan Power Plant Juge Power Substation 161kV Switchyard Renewal Project" received the Ministry of Economic Affairs' Excellent Public Construction Award and the Public Construction Commission's Golden Quality Award (Special Honor).

In addition, the company has also achieved numerous honors in transportation rail turnkey projects, including the "Taiwan Railways Administration Taitung-Chaozhou Section Electrification Project System Electromechanical Turnkey Engineering" which received the Facility Design and Construction Special Excellence Award at the 21st Public Construction Golden Quality Award by the Executive Yuan's Public Construction Commission in 2021 and ranked third in the Outstanding Engineering Category at the 23rd Golden Track Award by the Ministry of Transportation's Taiwan Railways Administration in 2022. The "Taiwan Railways Electrification Smart Enhancement Project (Taipei Power Section Tunnel Track Electrification Turnkey Engineering)" was recognized as a Design and Construction Excellent Work in the Facility Category at the 22nd Public Construction Golden Quality Award by the Executive Yuan's Public Construction Commission in 2022.

In 2017, the company obtained the system electromechanical turnkey project for the "Taiwan Railways Administration Taitung-Chaozhou Section Electrification Project." In 2018, they secured the "Taiwan Railways Push-Pull Electric Multiple Unit (EMU) and EMU500 Electric Train System Upgrade Project." In 2019, they acquired the "Taiwan Railways Electrification Smart Enhancement Project (Taipei Power Section Tunnel Track Electrification Turnkey Engineering)," as well as projects such as the power cable replacement at Taichung Power Plant, installation of conductive rails in Taipei Power Section tunnels, procurement and installation of Taiwan Railways high-voltage cluster devices. In 2020, they obtained multiple ground-mounted solar energy projects and offshore wind power-related TR products. In 2021, they secured the electromechanical engineering project for the main terminal building in the third terminal area of Taiwan Taoyuan International Airport, and they continued to acquire large-scale turnkey projects for multiple ground-mounted solar energy projects. These achievements are expected to significantly boost their performance in the coming years.

Based on Taiwan's non-nuclear homeland concept and in response to the government's energy-saving and carbon reduction policies, harmonic-resistant and energy-efficient transformers have become mainstream in the market. Both high-efficiency and amorphous transformers have obtained the "Energy-saving and Low Pollution" certification, aligning with environmental standards. Additionally, the company actively participates in the ground-based solar energy and offshore wind power markets, seeking opportunities in Taiwan's vast green energy sector. They have also continued to secure orders for wind power transformers in the Americas.

In addition to providing energy-saving products, the company combines technologies and expertise in power monitoring, power diagnosis, and power improvement to offer diversified services. These services assist customers in energy conservation and power quality improvement, resulting in fruitful achievements.

The development trend of switch products is to meet the requirements of new energy systems by developing direct current (DC) and alternating current (AC) high-voltage products. These products are characterized by their small size, high safety, and improved performance. The series of products within the power system can meet the rapid development of the new energy industry and the demand for domestic green energy-related construction.

In terms of electrical safety, the company has developed a new generation of leakage protection switches and sockets to enhance customer distribution and electrical safety. Additionally, by introducing compact and intelligent products to the market, they aim to improve installation and operational efficiency for customers.

The direction of product development focuses on meeting the needs of the industry's customers, such as solar photovoltaics, energy storage systems, charging industries, and smart grids, which are promoted by policies and construction initiatives.

In the mechanical industry, the focus is on developing a comprehensive range of series products and accessories to provide customers with one-stop consumption and service. The company continuous development includes European standard serialized switches, contactors, and relays to complete the control product series.

(2) Automobile Components

In 2022, global electric vehicle (EV) sales reached a new high, surpassing 10 million units, and the sales volume is expected to exceed 14 million vehicles in 2023, indicating continuous market expansion. In response to the trend of electrification, the Electrical Products Business Group has invested in the development of EV power systems. In addition to the successful mass production of power systems for electric motorcycles with a capacity of 10 kW or below, medium-power systems are being developed in collaboration with European and American heavyweight motorcycle customers. High-power systems are being planned for trial operations in collaboration with domestic automotive manufacturers and logistics companies, with plans for mass production. The aim is to extend electrification from motorcycles to heavyweight motorcycles, non-road vehicles, and logistics vehicles, thereby enhancing the breadth and depth of green energy products.

On the other hand, with governments around the world strengthening charging infrastructure, the demand for charging stations continues to rise. Resources will be invested to increase production capacity and product diversity to meet various AC/DC home charging and field operation needs of customers. The company will also pursue multiple industry strategic alliances to diversify its operations in the green energy sector.

In terms of competition, China remains the largest EV market globally, with a complete and competitive supply chain. In the European and American markets, EU countries have successively introduced relevant subsidy policies, and in the United States, after the passage of two major bills on infrastructure development and inflation reduction, a subsidy of $7.5 billion was provided for charging stations, as well as subsidies for EV purchases. This strengthens the EV supply chain and presents significant business opportunities. Given these market trends and competitive landscape, the Electrical Products Business Group will not only continue to invest in green energy product development but also leverage advantages such as providing customization, differentiation, and developing core technologies to enhance competitiveness and expand into target markets in Europe, America, and Southeast Asia.

(3) Automation Equipment and Components

The automation business group grasps market pulsation and integrates R&D resources across the strait, and continues to develop industrial controllers, inverters, servo motors, IoT-related products and agent products required for smart manufacturing, in line with industry development trends (such as high efficiency, miniaturization, and energy saving) Low-carbon, smart networking, abnormal detection and prevention, etc.) to ensure the leading position in the market.

In addition to selling automation products, it also uses automation equipment integration technology and experience, plus self-developed key products, to provide customers with engineering system integration solution services, to create vertical field solutions, and to provide customers with one-stop services to improve competition Advantages, expect to provide the most complete product line and integrated services for industrial upgrading, and become the best partner of intelligent automation in the industry.

(4) Others

In the digital imaging product market, affected by smartphones, the market size is gradually shrinking. With the development of smart phones becoming more and more mature, high-quality music accessories products (wireless Bluetooth headsets, Bluetooth speakers) are growing rapidly, and related products are actively introduced to increase revenue and strengthen channel relationships. The online shopping market has grown rapidly. In addition to increasing online shopping channels to develop and import existing SONY products, it actively promotes Mitsubishi home appliances to increase sales to meet the needs of online shoppers, maximize economic benefits, and create maximum benefits. In recent years, it has also actively established enterprise and project markets, combined with the advantages of the related companies within the group, introduced the agency's digital home appliance products in this closed market, established differentiation, and obtained original factory support to expand sales.

C. Research and Development (R&D)

1. The amount of R&D expenses invested with respect to the most recent fiscal year and current fiscal year up to the date of publication of the annual report.

Unit: NT$ Thousands

Year	As of May 11, 2023	2022
Amount	178,296	573,913

2. R&D Results During the Most Recent Annual Period and as of the Printing Date of this Annual Report:

Year	R&D Results
2022	Power Distribution Products: 1. 161 kV, 386 MVA Main Transformer for Datan Gas Power Plant 2. 161 kV Class Vegetable Oil Power Transformer 3. Next-Generation Energy-efficient Transformer 4. Low Partial Discharge High Voltage Large-capacity Pass-through Energy-saving Reactor 5. Voltage Regulator for Thailand's Mass Transit System 6. Large-capacity Capacitor for Low-frequency Furnaces 7. Smart Grid Transformers and Intelligent Monitoring Platform Automobile Components 1. High Output and High Efficiency 9G Generator 2. 24V Generator for Drone Aircraft 3. Waterproof Starter Motor for ATV 4. Development of Modular Fuel Pump for Motorcycles 5. Development of Injection System Motorcycle Fuel Pump and Module Assembly and Integration 6. Dust/waterproof Power Motor System 7. Low RPM and High Output ACG 8. 8kW Air-cooled Powertrain System for Two-wheeled Single-speed Electric Vehicles 9. 8kW Air-cooled Powertrain System for Two-wheeled Two-speed Electric Vehicles 10. 150cc Starter Generator (ISG) for Two-Wheel-Drive Vehicles 11. 100A Generator for Large Outboard Automation Equipment and Components 1. SL3 series Economical Frequency Converter 2. SME H020/040/075 High-inertia Servo Motor 3. GA1 IIOT Gateway Network Gateway 4. SDP-A series economically efficient servo drives 5. SDC Series Economical Servo Driver
Jan.~Apr.2023	Electricity Dispatch Products 1. 345 kV, 100 MVAR Shunt Reactor 2. 161 kV, 206 MVA Green Energy Transformer

Year	R&D Results
	3. Taipower Three-Phase Pedestal Transformer for Energy Saving 4. Large-capacity Mold-cast Transformer for Wind Power 5. Low Partial Discharge High Voltage Billing-type Energy-saving Reactor 6. Low Voltage High Precision Pass-through Energy-saving Reactor 7. Low-loss Energy-saving Low Voltage Capacitor 8. 18 kV Polymeric Surge Arrester 9. 11.4 kV Polymeric Fuse Link 10. Energy Storage System EMS Development 11. Smart Monitoring Predictive Maintenance Platform (Big data & AI) Automobile Components 1. 20kW Water-Cooled Powertrain System for Competitive Off-road Electric Vehicles 2. 130kW Water-Cooled Powertrain System for Four-wheel Electric Vehicles 3. 500W Load Motor for Fitness Products 4. 30kW Air-Cooled Powertrain System for Electric ATV 5. 50kW Air-Cooled Powertrain System for Electric UTV 6. Long Lifetime Waterproof Type Starter Motor 7. Module Type Fuel Pump for Heavy-duty Motorcycles 8. Unbalanced Generator for Heavy-duty Motorcycles 9. Off-road Subminiature Starter Motor 10. High Power Starter Motor for Snow 11. Reluctance Stator for Exercise Bike Automation Equipment and Components 1. SME L060/035 Hollow Low Moment of Inertia Servo Motor 2. SDP-A Series High-Performance Servo Driver 2/3/5/7KW 3. GA1 gateway Network Gateway Web Monitor Interface 4. SDP-A Series Servo Motor for Linear Motors 5. SDC Series Economical Servo Driver

D. Long And Short-Term Business Development Plans

1. Corporate Vision:
   (1) Develop international market with enthusiasm to become the world's top-notch enterprise.
   (2) Provide quality products to create safety and happiness.
2. Short-Term Plan:
   (1) Continue to develop domestic market and expand market share in order to retain the advantage.
   (2) Speed up overseas market expansion, extend operation tentacles and accumulate international experience.
   (3) Expand the operating scale in Taiwan and overseas to create an economic scale with upgrade in cost competitiveness.
   (4) Strengthen the risk response capabilities domestic and abroad to ensure the safety of business operations.
   (5) Upgrade R&D capacity of the company through cooperation and exchange with major international corporation.
   (6) Introduce and develop products related to power distribution system, electrical equipment and automation systems to expand the breadth of product lines.
   (7) Respond to business development plan to undergo organization and staff adjustment in order to deploy the best combating team.

3. Long-Term Plan:
   (1) Develop into cross-nation international electric factory based on Taiwan, China and ASEAN.
   (2) Establish multi-nation R&D center to integrate international talents and local resources which will bring synergy into full effect.
   (3) Complete electronation corporate value chains and supply chains which will double the boosting speed and response.
   (4) Establish a continuously improving learning-type organization to cope with the changes in operating environment.
   (5) Develop business management talents with international horizon and style to provide incessant human resource of globalization.
   (6) Cooperate with government policies by investing trajectory projects construction and green energy products.
   (7) Expand overseas revenue by growing 10% up per year.
   (8) To perform overseas operation and multiple supply chains, control the multiple business opportunities, reduce costs and diversify risks.

2. Sales and Marketing Overview

A. Market Analysis

1. Sales Region for Major Products

   The main sales areas of the combined company's heavy-duty products are Americas, ASEAN, domestic private enterprises and green energy markets, and Taiwan Power Company. The sales region for switch products includes Southeast Asia, China, Middle East, and Taiwan. The sales areas of automation products (including parts and engineering integration equipment) are mainly sold in Taiwan and exported to mainland China and Asia. The sales region of electric products consists of domestic market in Taiwan, export to China, ASEAN, Europe and America.

2. Market Share

   The market share of heavy electric products for the company is determined by the number of cases acquiring the power equipment orders in Taiwan or abroad. The market share of switch products is determined by the economy of construction market and distribution sales. The market share of electric products depends on changes of economy and the actual number of domestically produced automobiles and motorcycles. The market share of automation product is determined by the economy of consumer and computer industries and the order of panel makers. The market share of automation components is determined by the order of tool and machinery companies. Hence the products of sales and region for the company are more diverse, which results in the frequent change in market share due to different market type and region.

3. Market Supply and Demand Outlook and Growth

   In the domestic power market, the government continues to implement the non-nuclear homeland concept and promote green energy policies. If the government continues to assist investors in addressing issues such as land and environmental protection, it can stimulate private investment. Taipower's plans to strengthen the resilience of the power grid and comprehensively replace aging power equipment, along with the continuous upgrade of energy-saving transformers by domestic private enterprises, will drive new opportunities for heavy electrical equipment in the next 10 years. In foreign markets, the Biden administration's promotion of green economy policies and infrastructure improvement in the United States are favorable for expanding the North American market. Mainland China and ASEAN's continued investment attraction and open economic policies have led Taiwanese businesses to invest in setting up factories, stimulating robust overseas demand for power transmission, and bringing overseas business opportunities to the heavy electrical industry.

In the switch market, government policies on new energy, the rapid development of solar photovoltaics, energy storage, and charging industries, as well as green energy policies promoting the replacement of energy-consuming equipment, have brought significant opportunities for electromechanical equipment. This sector is an important growth direction for Shi-Dian in the future. Overseas market operations focus on the ASEAN market while also actively exploring the switch markets in the United States, Australia, and the Middle East. Expanding production capacity and sales footprint, utilizing new digital technologies to manage customer relationships, and seizing the first wave of post-pandemic economic recovery opportunities are key strategies.

In the automotive and motorcycle electrical products market, governments around the world have introduced relevant subsidy policies to strengthen the development of electric vehicles, and market demand is expected to grow rapidly. In addition to collaborating with domestic and international customers in developing green energy products and related systems, there is also a continuous focus on optimizing product competitiveness. Exporting heavy machinery to Europe and the United States, expanding sales to mid-to-high-end customers, exploring opportunities in Southeast Asian markets, and strengthening market presence are important objectives. The charging station business is expected to grow within the global trend of increasing demand. Overall sales are expected to remain stable and hold a certain market share.

In the automation products market, the global economy in 2023 is still influenced by variables such as political instability, financial tightening, and energy crises, leading to a slowdown in economic growth. However, it is projected that the market value of automation products will still experience slight growth in 2023. Moreover, in terms of global trends such as electric vehicles, 5G, and new energy, there are still opportunities to steadily advance and bring new business opportunities to the demand for automation equipment, even in this challenging environment.

4. Advantages/Disadvantages and Response Strategies in Competitiveness and Future Development

The company pursues upgrade in products quality and 100% customer satisfaction as the core value of the company; it is also the mission to be accomplished. After more than sixty years of diligent efforts, the company has won excellent reputation in the industry while the excellent brand image also becomes the competition niche for Shihlin Electric. The factors affecting the future development visions include the follows:

(1) Advantages:

(A) Peace in Cross-Strait relation offers stable development in the market development of China and other Asian countries.

(B) Long-Lasting competitive advantage for product development and production capacity.

(C) The complete product series cover from high to low voltage, providing one-stop shopping service to customers.

(D) The marketing network is intense, while tentacles can reach every corner of the market, making it difficult for competitors to break through.

(E) The overseas and domestic production and transfer system is based on rigorous structure and smooth operation.

(F) Employee cohesion and value are tightly related to the corporate vision, producing the focused massive power of vectors.

(G) Independent R&D, special and exceptional core manufacturing capacity, and control customized product trends.

(2) Disadvantages

(A) Conflicts of international boarder politics often lead to potential investment risks.

(B) The industry competition due to market saturation in Taiwan will affect the market ecology and evade the interests.

(C) The distribution system will be affected with the scale under the intense market competition.

(D) For NON-ASIAN countries, the tariff obstruction will lead to declined price competitiveness.

(E) The market offers non-Taiwan made low-price products with poor quality, which has tremendous damage on the market price.

(3) Response Strategies:

(A) Global procurement and policy pre-order with unfolding VA at the design end.

(B) Flexible price strategy quickly takes over market share and defeats the rivals.

(C) Strengthen the distribution system management by gradual increase of weight for direct sales.

(D) Entering ASEAN market through production/sales alliance in Vietnam.

(E) Establish and promotion excellent brand image, forming user awareness for the brand and creating business opportunities.

(F) Develop high-value and low-cost products to generate customer needs.

B Main applications and production process of major products

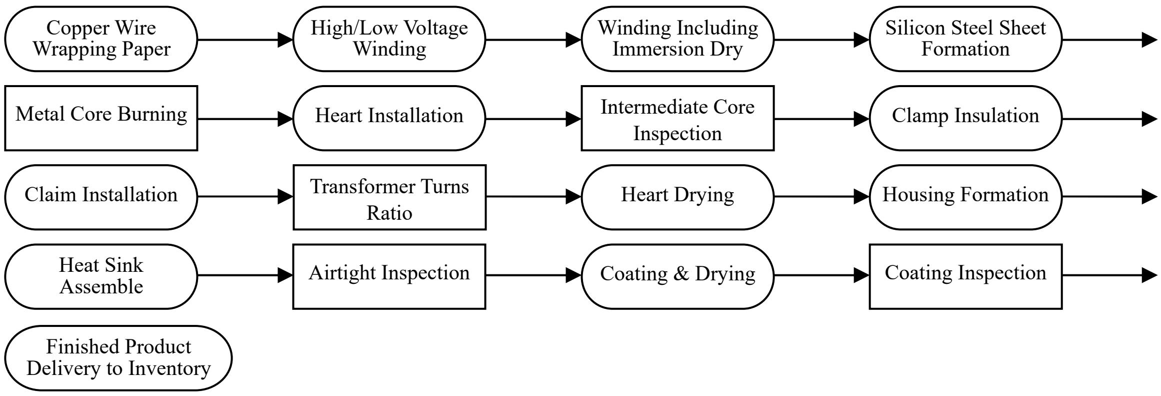
1. Applications of major products

Product Category	Application
Electric Distribution Products	(1) The power supply voltage of the power generator is upgraded or downgraded to the voltage needed, which is applicable in high-voltage site such as substation, factory and skyscraper buildings. (2) Assur the facility safety and reliance of the entire power supply system. The operating control function is commonly seen in factories, hospitals and MRT system. (3) Can remotely monitor and calculate the loading power consumption with the control of all equipment. It is used in the control and monitoring of incinerators, power generators, factory, public facilities, and others. (4) The high-voltage power switch and high-voltage wire protection device are commonly seen in high-voltage circuit and power distribution board. (5) Used for improving function factors and improve power use quality; commonly seen on high-voltage circuit and machines. (6) For loading with high power consumption, the transmission cable can transmit the power needed for the load through BUS. (7) Low-voltage power distribution device 1. The power switch is also the overload and protective device, commonly seen in the power distribution box in residential buildings and factories. 2. The automatic control device on the machine, motor or pump come with starter and protection overload function.
Automobile Components	(1) Components used in automobiles such as AC generators, starter motors, windshield wiper motors, fan motors, tailgate motors, and power window switches. (2) Components used in fuel-powered motorcycles such as AC generators, starter motors, and fuel pumps. (3) Components used in electric cars and motorcycles such as drive motors and controllers. (4) Components used in electric scooters and wheelchair vehicles such as drive axle motors and gear motors. (5) AC/DC charging stations for electric cars and motorcycles.
Automation Equipment and Components	(1) The automation equipment can save direct labor costs, circulate production information, improve yield rate, and boost competitiveness. (2) The programmable controller is one indispensable controller for automation and also the conductor system for automation machine, which applies to the single

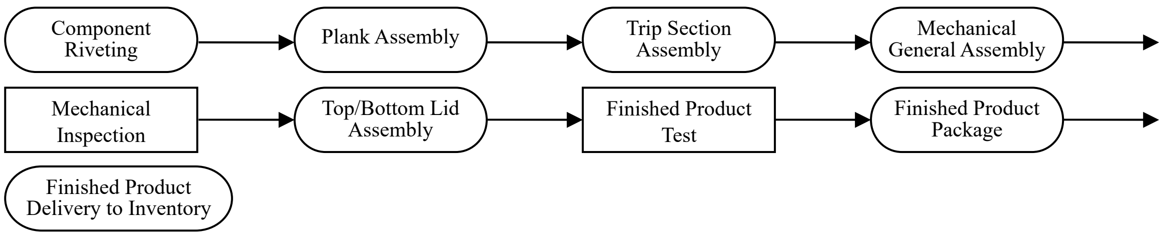
Product Category	Application
	unit control to the entire plant automation. (3) The variable frequency device is one sensing motor drive without changes in speed and is suitable for use in the drive section of industry machine and parental working machine. (4) The server system comes with position control, speed control, rotating control and other functions suitable for the use in driving department of industry mechanic and parental working machine. (5) Sensor is one sensing device incorporate with automation mechanical motion for notification and determining. (6) The linear motor directly converts the input power into linear kinetic energy, which is different from the traditional torque and rotational kinetic energy. It is like spreading the traditional motor and winding the coil into a straight strip.

2. Product Manufacturing Process

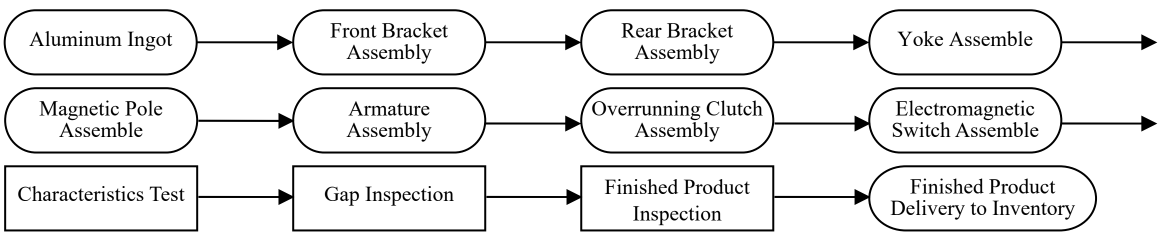
(1) Transformation manufacturing process



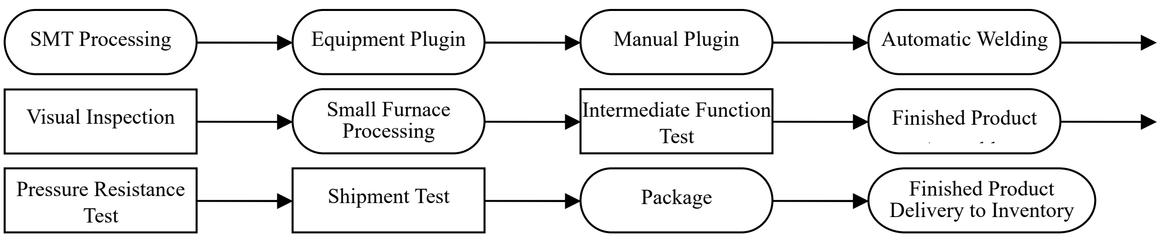
(2) No fuse circuit breaker manufacturing process



(3) Automobile Starter Motor Manufacturing Process



(4) Programmable Controller Manufacturing Process



C. Supply Condition of Major Raw Materials

1. **Aluminum Ingots**: Aluminum ingots are the raw materials for brackets of automobiles and locomotives in the electrical equipment business group, including starter motors and alternators. In 2022, due to the continued blockade of the COVID-19 epidemic in China, the largest consumer, and the United States, the largest economy, and the rapid interest rate hikes by governments of various countries, which weakened the global economy and the outlook for metal demand. Aluminum prices in London (LME) fell, and LME the average aluminum price has dropped from US$3,000/ton to US$2,400/ton. In order to continue to obtain stable prices and supply, relevant products are purchased through strategic alliances and quarterly decisions to ensure cost competitiveness.

2. **Copper Wire**: Copper wire is the material required for the production of automobile and locomotive components. Due to the impact of the epidemic in Europe and the United States slowing down demand recovery, coupled with the expected increase in demand for green energy, EV and other new energy copper, the international copper price continued to rise for 2020 and exceeded US$10,000, maintaining a high-end shock pattern. In order to reduce purchase costs, the company will continue to pay attention to international price trends, adopt flexible procurement strategies, and order copper materials in a timely manner to maintain the cost competitiveness.

3. **Transformer Oil**: Transformer oil is a raw material required for the production of oil-filled transformers. In 2022, due to the outbreak of the Russia-Ukraine conflict, international oil prices briefly surpassed $100 per barrel. Subsequently, oil prices were suppressed due to inflation and the rate hikes by the U.S. Federal Reserve. However, with the reopening of the Chinese market and the expected gradual increase in market demand, international crude oil prices are expected to strengthen, leading to an increase in transformer oil prices. In addition to monitoring crude oil price trends, ensuring a secure supply is crucial. Therefore, appropriate pre-purchasing of transformer oil is carried out, and suppliers are coordinated for case-based procurement to maintain cost competitiveness.

4. **Silicon Steel Sheet**: Silicon steel sheets are special raw materials required for transformer manufacturing, and a stable supply is crucial compared to other raw materials. In 2022, the prices of silicon steel sheets reached a historical high due to the impact of the Russia-Ukraine conflict. Through long-term cooperation and strategic partnerships with suppliers, priority supply and optimized pricing flexibility have been achieved. This allows for cost control, continuous production, and gaining a competitive edge over industry peers.

5. **Silver**: Silver is the main material for "silver contacts," a key component in circuit breakers and electromagnetic contactors. The purchasing cost is influenced by factors such as the monetary policies of major countries, exchange rate fluctuations, and geopolitical factors. To ensure interests and consider risk factors, market information regarding favorable or unfavorable silver prices is actively collected and analyzed. It is then presented to the strategic procurement team within the company, and strategic purchasing is recommended during relatively low points.

6. **Plastic Materials:** Materials such as electrical wood flour and plastics are major raw materials for the production of circuit breaker and electromagnetic contactor casings and internals. In recent years, the cost of plastic materials, including flame retardants, fibers, and nylon, has fluctuated due to international oil prices, unforeseen shutdowns (natural disasters, power outages), shipping costs, and the booming demand in related industries. To meet production demands, materials are procured ahead of price increases, research and development is focused on recyclable plastics, and multiple procurement sources are utilized to reduce costs. Compliance with RoHS 2.0 requirements, as mandated by the European Union, is also implemented.

D. The major suppliers and customers over the last two years

1. List of major suppliers in the most recent two fiscal years

Unit: NT$ Thousand

Year	2021				2022				2023Q1 (Note 2)			
Item	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer	Name	Amount	Percentage of total net purchase up to Q1 of the current year [%]	Affiliation with the issuer
1												
2												
3												
	Others	20,180,478	100	-	Others	23,688,947	100	-	Others	5,973,911	100	
	Net purchase	20,180,478	100	-	Net purchase	23,688,947	100	-	Net purchase	5,973,911	100	

Note 1： List the name of the suppliers with more than 10% of the total purchase amount, purchase amount, and purchase ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract or the counterparty of the transaction is an unrelated individual.

Note 2： The listed companies or OTC companies shall disclose the financial information that audited or reviewed by a CPA as of the date of publication of the annual report.

Note 2：Suppliers with more than 10% of the total purchase amount and their purchase amount and proportion have no major changes in the last two years

2. List of Major Clients in the Last 2 Fiscal Years

Unit: NT$ Thousand

Year	2021				2022				2023 Q1 (Note 2)			
Item	Name	Amount	Percentage of total net sales [%]	Affiliation with the issuer	Name	Amount	Percentage of total net sales [%]	Affiliation with the issuer	Name	Amount	Percentage of total net sales up to Q1 of the current year [%]	Affiliation with the issuer
1												
2												
3												
	Others	24,597,682	100	-	Others	26,605,975	100	-	Others	7,967,561	100	-
	Net sales	24,597,682	100	-	Net sales	26,605,975	100	-	Net sales	7,967,561	100	-

Note 1： List the name of the clients with more than 10% of the total sales amount, sales amount, and sales ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract or the counterparty of the transaction is an unrelated individual.

Note 2： The listed companies or OTC companies shall disclose the financial information that audited or reviewed by a CPA as of the date of publication of the annual report.

Note 3：The major clients accounting for 10% or more of the Company's total sales amount: N/A

E. Production volume and value in the last two years

Unit: Million sets / in NT$ Millions

Year / Production Capacity	2021			2022		
Major products	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Power Distribution Products	10.13	8.72	11,484	10.13	8.03	13,667
Automobile Components	19.50	18.88	4,837	19.50	18.50	4,836
Automation Equipment and Components	0.96	0.70	2,890	1.24	0.76	3,151
Total	30.59	28.30	19,211	30.87	27.29	21,654

Note 1： Production capacity refers to the amount that the company can produce under normal operation using existing production equipment after taking into account factors such as necessary shutdowns and holidays.

Note 2：If the production of each product is substitutable, the production capacity may be calculated on a consolidated basis, and a note should be provided.

F. Sales volume and value in the last two years

Unit: Million sets / in NT$ Millions

Year / Sales Output / Item	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Q'ty	Amount	Q'ty	Amount	Q'ty	Amount	Q'ty	Amount
Power Distribution Products	7.26	9,989	2.32	3,948	7.59	9,810	1.00	6,059
Automobile Components	3.46	2,326	14.10	3,624	3.33	2,314	14.80	3,923
Automation Equipment and Components	0.92	3,074	0.04	1,066	0.88	3,489	0.01	505
Rental revenue		467		0		464		0
Construction revenue		1,628		988		2,846		831
Other operating revenue	0.06	580	0.00	0	0.05	516	0	0
Total	11.70	18,064	16.46	9,626	11.85	19,439	15.81	11,318

3. Employees

year		2021	2022	As of May 11, 2023
No. of Employee	Direct labor	1,811	1,771	1,781
	Indirect labor	2,161	2,152	2,175
	Total	3,972	3,923	3,956
Average age		36.8	36.9	37.3
Average years of service		8.9	8.8	8.8
Academy Ratio (%)	Doctor	0.13	0.13	0.13
	Master	11.63	11.43	11.70
	College	50.79	50.89	51.19
	Senior High School	37.46	36.32	36.58

4. Environmental Protection Expenditure

A. The total amount of loss and disposition incurred due to environment contamination in most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None

B. Response Strategies

1. Proposed Measures for Improvement

(1) Improvement Plans:

Improve the supervision and management of environmental pollution prevention facilities, focus on the maintenance and repair of environmental protection equipment, and improve the processing efficiency of equipment to meet the standards of environmental protection regulations.

(2) Estimated Environmental Capital Expenditure for Next Three Annual Periods

	2023	2024	2025
Pollution prevention and control equipment to be purchased or content of expenditure	1. Regular inspection and declaration of air pollution fixed pollution source prevention and control equipment. 2. Metal pickling, cold forging, sandblasting, spraying, powder coating, etc., maintenance and repair of air pollution prevention and control equipment in the process and replacement of filter materials 3. Fees for air pollution in the painting process (paint, toluene, xylene) 4. Maintenance and repair of chemicals and facilities related to wastewater treatment 5. Wastewater regular inspection, declaration, sewage treatment fee. 6. Periodic maintenance and repair of sewerage well facilities 7. Industrial waste (waste liquid, sludge, waste oil-water mixture, waste solvent, waste wood, waste sandblasting powder, etc. cleaning and processing fee. 8. Operation and verification of environmental management system (ISO 14001)	1. Regular inspection and declaration of air pollution fixed pollution source prevention and control equipment. 2. Metal pickling, cold forging, sandblasting, spraying, powder coating, etc., maintenance and repair of air pollution prevention and control equipment in the process and replacement of filter materials 3. Fees for air pollution in the painting process (paint, toluene, xylene) 4. Maintenance and repair of chemicals and facilities related to wastewater treatment 5. Wastewater regular inspection, declaration, sewage treatment fee. 6. Periodic maintenance and repair of sewerage well facilities 7. Industrial waste (waste liquid, sludge, waste oil-water mixture, waste solvent, waste wood, waste sandblasting powder, etc. cleaning and processing fee. 8. Operation and verification of environmental management system (ISO 14001)	1. Regular inspection and declaration of air pollution fixed pollution source prevention and control equipment. 2. Metal pickling, cold forging, sandblasting, spraying, powder coating, etc., maintenance and repair of air pollution prevention and control equipment in the process and replacement of filter materials 3. Fees for air pollution in the painting process (paint, toluene, xylene) 4. Maintenance and repair of chemicals and facilities related to wastewater treatment 5. Wastewater regular inspection, declaration, sewage treatment fee. 6. Periodic maintenance and repair of sewerage well facilities 7. Industrial waste (waste liquid, sludge, waste oil-water mixture, waste solvent, waste wood, waste sandblasting powder, etc. cleaning and processing fee. 8. Operation and verification of environmental management system (ISO 14001)
Improvement to be Achieved	Ensure that air pollution, wastewater, waste, and noise control equipment meet environmental standards.	Ensure that air pollution, wastewater, waste, and noise control equipment meet environmental standards.	Ensure that air pollution, wastewater, waste, and noise control equipment meet environmental standards.
Amount (in NT$ thousand)	25,000	26,000	26,500

(3) Post-improvement impact

- Impact on net profit: The expense disbursement and human resource related to improving environment-polluting equipment is minor compared with the overall disbursement ration in merger company and hence does not have direct impact on the company profit/loss.

- Impact of competition position: Improve corporate green image and increase industry competitiveness.

2. Response actions failed to be adopted: None

5. Labor Relations

A. Labor Management Coordination and Implementation Status

1. Employee Welfare Measures

(1) The establishment of occupational and labor welfare committee can advocate employee benefits and boost the work morals in employees.

(2) The establishment of employee stock ownership trust allows employees to acquire and manage the company stocks over the long run in order to accumulate wealth and improve the stability of employees' life in future retirement or resignation.

(3) The male and female employee dormitories offer excellent living environment for employees. There is also brand-new employee fitness center in the dormitories, including indoor tennis field, fitness room, aerobics classroom, karaoke, movie theaters and other services for employees to use.

(4) The cafeteria offers nutritious and hygiene food for employees.

(5) The reading room offers different books, magazines and reference which enrich the spiritual life and knowledge of employees.

(6) The facilities of large parking lot offer convenient parking spaces for employees.

(7) Employees and their children are funded with scholarship, where the language training courses encourage employees to take advancement course.

(8) The holding of summer trips allows employees to go outdoors with their families after hard work, in order to relax and develop loyalty from employees.

(9) The welfare committee and factories constantly hold activities to provide leisure activities for employees after work and develop loyalty from employees.

2. Retirement Policy

The "Labor Pension Act" was implemented since July 1, 2005; where employees employed before July 1, 2005, may choose to continue the adoption of pension fund regulations related to the "Labor Standard Act" or the pension fund system applicable to the Labor Pension Act with retention of the work seniority before the Labor Pension Act. Employees employed after July 1, 2005 may only be applied with the pension fund system of the Labor Pension Act.

The pension fund system of "Labor Pension Act" applicable to the company belongs to the appropriation pension plan. The company appropriates the pension fund in 6% of the employee salary under such plan to the personal account under the Labor Insurance Bureau.

The pension fund system of the "Labor Standard Act" applicable to the company belongs to the welfare pension plan, where the disbursement of pension fund is calculated by the average salary of the last 6 months before the date approving requirement and the service of seniority. The company shall appropriate the employee pension fund according to the statutory ratio applicable to the total employee salary amount by month and submit to the Labor Pension Reserve Supervising Committee for administration, saving the amount into the special account under the name of the committee into Bank of Taiwan.

The relevant pension systems of other subsidiaries shall comply with local law and regulations.

3. Other Important Agreement

The company complies with the provision prescribed in Article 83 of the Labor Standard Act to hold regular labor relations for all factories each month, where the labor and management shall select five representatives to participate according to the Regulations Governing Labor Relations Meeting Implementation. The labor and management will propose discussions on issues related to the labor work environment, welfare, and system with mutual coordination and communication. The meeting will also study feasible solutions for thorough execution in order to promote the full cooperation between the labor and management in addition to advocating labor-management harmony.

4. Employee Advanced Study and Training

The educational training for employees shall be processed in accordance with “Educational Training and Development Regulations” to cultivate and develop employees’ competence and potential. Moreover, the organization function of “Education Training and Development Committee” can truly execute the work promotion of employee educational training and review of the effect from educational training. The content of course includes operation management, HR security and environment, computer information, financial management, biotech and quality technology, molding professionalism, and electric professionalism.

5. Employee Conduct or Ethical Practice

The employee conduct and compliance of ethical conduct are stipulated in Article 4~16, chapter 2 of “work conducts” – service principles. It is stipulated that employees shall conform to the company regulation and articles of information with compliance of workplace ethics and without jeopardizing the overall corporate interest and other regulations. Chapter 6 describes performance and reward/penalty, and hence proper reward or penalty should be given to employees violating work conducts.

6. Protection Measures for Work Environment and Employees’ Physical Safety

The protection measures for the work environment and employees’ physical safety are processed in compliance with “Safety and Health Management Rules” to protect the work safety and health of employees and to prevent the incidence of occupational disaster.

The safety and health management organization system is divided into review institution, management department and execution department to execute the safety inspection and maintenance. The improvement of outdoor operating environment and employee safety and health education training are closely cooperated with the company institutions and departments to assure the work safety of employees.

It is stipulated in Chapter 3 of the safety and health management rules that the specification of various operation safety such as firefighting and water prevention, electric (device) equipment use and safety requirement, processing safety management, dangerous machine and equipment, environmental management, human body protection devices, safety and health inspection, and health management.

B. The total amount of loss and disposition incurred due to labor-management disputes (including labor inspection results that violate the Labor Standards Law, the sanction date, sanction size, violation of laws and regulations, violations of laws and regulations, and sanctions should be listed) in most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

The company's labor-management relationship is harmonious, employees are regarded as the greatest asset, and humanized management is maintained to maintain a good interactive relationship between labor and management, and no labor disputes have occurred.

6. Information and Communication Security Management Strategy and Structure

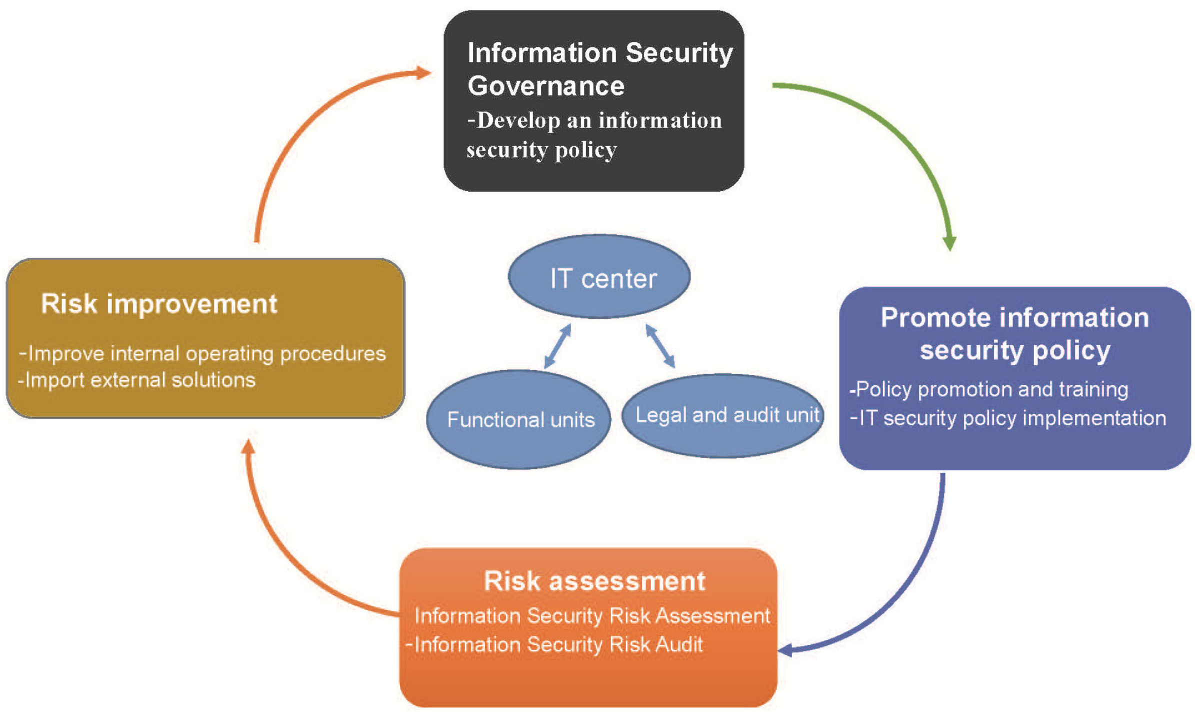
(1) Describe the information security risk management framework, the information security policy, the specific management plan, and the resources invested in the information security management, etc.

❖ Information security declaration

The Company conducts information security risk assessment in accordance with relevant laws and operational objectives, and takes appropriate information security measures to ensure the sustainable operation of the enterprise.

1. Information security risk management framework

In order to enhance the company's information security management and strengthen the protection of personal information and customer privacy, the company follows the ISO 27001 Information Security Management Framework to establish an information security architecture and formulate management guidelines to control various information security risks and reduce the likelihood and impact of security incidents. In response to the revision of the Financial Supervisory Commission's "Guidelines for Publicly Issued Companies to Establish Internal Control Systems," the company plans to designate a dedicated information security officer and personnel in 2023 to promote the company's information security development and compliance. Furthermore, the company plans to establish a corporate-level Information Security Management Committee to coordinate the promotion of information security across the organization. The company's information security policy is to "implement information security to enhance service quality, strengthen information security training to ensure continuous operation, and establish effective emergency response to enhance organizational resilience." All employees have the obligation to actively participate in promoting information security policies to ensure the secure operation of the company's data, information and communication systems, equipment, and networks. It is expected that all employees will understand, implement, and maintain these policies to achieve the goal of uninterrupted business operations.



2. Information security management policies

This information security policy is hereby promulgated in order to enable the Company's various information security management systems to be implemented, effectively operated, supervised, managed, and continuously enhanced, and to maintain the confidentiality, integrity and availability of important information systems. The purpose of this policy is to allow colleagues to have a clear guiding principle in their daily work. All colleagues are obliged to actively participate in the promotion of information security policies to ensure the safe maintenance and operation of all colleagues' data, information and communication systems, equipment and networks. It is expected that all colleagues can understand, implement and maintain to achieve the goal of business continuity, as follows:

(1) "Implement information security and strengthen service quality."

All colleagues should implement ISMS (Information Security Management System), all related measures of information and communication operation, should ensure the confidentiality, integrity and availability of business information, avoid risks of leakage, destruction or loss due to external threats or improper management by internal personnel, choose appropriate protection measures to reduce the risk to an acceptable level, and continue to monitor, review and audit the information security system, strengthen service quality and improve service standards.

(2) "Strengthen information security training to ensure sustainable operation."

Supervise all colleagues to implement information security management, continue to conduct appropriate information security education and training every year, establish the concept of "information security, everyone is responsible", urge colleagues to understand the importance of information security, and urge them to comply with information security In order to improve the security intelligence and emergency response capability of information security, reduce the information security risk, and achieve the goal of sustainable operation.

(3) "Well formulate contingency plan and improve organizational resilience."

Formulate contingency plan for important information assets and key business operations, and regularly perform drills on various emergency response procedures to ensure rapid recovery when the information communication system fails or major disaster events occur, and to ensure the sustainable operation of critical business as well as to improve organizational resilience.

3. Information security control measures and specific management plans

Item	Specific management measures
Network Security Management	• Occasionally evaluate or test network system security • System patches for patching security risks and vulnerabilities in the network operating environment should be distributed regularly or in a timely manner • Internal critical websites and application systems should be isolated from the external Internet by firewalls • Using the encrypted transmission for network data transfer • Establish Internet access policies and use filtering devices to prevent people from accessing dangerous websites

Item	Specific management measures
Information System Access Control	• Database and file access should be set up with permission control • The account number and password must comply with the password principle, the password length should be more than 8 characters, meet the password complexity requirement, and the password should be updated regularly • For resigned employees, the information center should immediately delete the user ID or set an expiration date according to the resignation date of the resignation form
Information system Security Management	• Each server and PC should install anti-virus software on the client side with automatic virus pattern update mechanism • The mail system should install information security modules, such as spam filters, malware detection, attachment control and other management modules to improve email information security • When the equipment shutdowns or encounters information security incidents or due to business needs and it is necessary to perform the recovery operation, please follow the recovery operation procedures of each information system to quickly restore the normal operation of the system and shorten the time of system interruption. The system recovery operation procedure is proposed by the person in charge of each system and implemented after being reviewed and approved by the supervisor • Each information system conducts disaster recovery drills from time to time
Data Backup	• Perform data backup on daily basis • The backup data should be marked with the backup date, system name, and data content, and should be stored in different places
System Availability	• Establish a high availability mechanism for critical information systems • Perform full backup of application system on daily basis

4. Allocation of Resources for Information Security Management:

(1) Budget: The annual investment in information security accounts for 28% of the total IT budget.

(2) Education and Training: Implement two sessions of one-hour hierarchical "Information Security Awareness Education" training courses.

(3) Security Drills: Conduct a company-wide "Phishing Exercise" in the second quarter, with a total of 1,238 participants and an overall pass rate of 98%. Conduct quarterly emergency response drills for core information systems.

(4) Security Announcements: Issue at least three information security announcements to promote important security protection guidelines and knowledge.

(5) Certification: Obtain third-party verification at VDA ISA TISAX AL2 level during this year.

(6) Customer Satisfaction: No major security incidents and no customer complaints regarding data protection violations.

(2) Description of information security risk assessment, analysis and countermeasures:

Due to the development of information technology and network applications, information security risk has become an important issue for enterprises. In order to ensure the smooth operation of information systems and services, the Company implements the following information security policies and management procedures:

1. Computer system security management
   - Each server and PC should install anti-virus software on the client side with automatic virus pattern update mechanism.
   - The mail system should install information security modules, such as spam filters, malware detection, attachment control and other management modules to improve email information security.
   - Each application system and database shall be backed up every day. The backup data shall be marked with the backup date, system name, and data content, and shall be stored in different places.
   - When the equipment shutdowns or encounters information security incidents or due to business needs and it is necessary to perform the recovery operation, please follow the recovery operation procedures of each information system to quickly restore the normal operation of the system and shorten the time of system interruption. The system recovery operation procedure is proposed by the person in charge of each system and implemented after being reviewed and approved by the supervisor.
   - Each information system conducts disaster recovery drills from time to time.
2. Computer system security management
   - Database and file access should be set up with permission control.
   - The account number and password must comply with the password principle, the password length should be more than 8 characters, meet the password complexity requirement, and the password should be updated regularly (60 days).
   - For resigned employees, the information center should immediately delete the user ID or set an expiration date according to the resignation date of the resignation form.
3. Computer system security management
   - Occasionally evaluate or test network system security.
   - System patches for patching security risks and vulnerabilities in the network operating environment should be distributed regularly or timely.
   - Internal critical websites and application systems should be isolated from the external Internet by firewalls.
   - Using the encrypted transmission for network data transfer.
   - Regularly conduct employee information security seminars and announce and publish information security-related information at any time.
   - Conduct information security drills from time to time to enhance employees' awareness of information security.

(3) Major IT cases (with losses and possible impact due to material IT safety incidents in the most recent year till the date as of the publication of this report) : Nil

7. Important Contracts

May 11, 2023

Contract Nature	Parties	Contract Start / End Date	Main Content	Restriction Clause
Long-Term Technology	Mitsubishi Electric Corporation (Japan) (Note3)	1998~2023	Auto-electric products for engines	Note1
	Diamond Electric Co., Ltd. (Japan) (Note3)	2008~2023	Auto-electric products for car unit	Note1
	Mitsuba Electric Manufacturing Co., Ltd. (Japan)(Note3)	1998~2023	Auto-electric products for car unit	Note2
	NIDEC MOBILITY Corporation (Japan)(Note3)	1996~2023	Auto-electric products for car unit	Note2
	NIDEC MOBILITY Corporation (Japan)(Note3)	1999~2023	Auto-electric products for car unit	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	2001~2023	Auto-electric products for car unit	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	1999~2023	Vehicle electric control system	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	2001~2023	System electricity technology	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	1997~2023	Transformer	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	2006~2023	Transformer	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	2008~2023	Transformer	Note1
	Mitsubishi Electric Corporation (Japan) (Note3)	2011~2023	Transformer	Note2
	Mitsubishi Electric Corporation (Japan) (Note3)	2010~2023	Variable Frequency Device	Note1
	Mitsubishi Electric Corporation (Japan)	1998~2023	Programmable Controller	Note1
Lease	Pacific SOGO Department Stores Co., Ltd.	2009~2029	Shihlin Factory Land Development Project Commercial Site Lease Contract	-
Long-Term Loan	Mizuho Bank, Ltd.	2023~2025	Loan credit, interest rate calculation method and clause	-
	Hua Nan Bank	2023~2025	Loan credit, interest rate calculation method and clause	-

Restriction Clauses: Note 1: Confidentiality of right to implement and right to re-implement, patent implementation right, commercial trade right, and intellectual property.

Note 2: Right to implement and right to re-implement, the patent application and right to implement related to invention, commercial trade right, and confidentiality of intellectual property.

Note 3: The contract formulated before the parties breach the contract of agreement contract remains valid.

VI. Financial Information

1. Consolidated Balance Sheet and Income Statement for the Last Five Fiscal Years

A. Condensed balance sheet – IFRSs

1. Consolidated balance sheet

Unit：NT$ thousands

Item \ Year		Financial information for the last five years					Financial information available up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Current assets		16,465,076	16,451,412	17,302,727	19,904,061	23,126,418	23,406,460
Property, plant and equipment		6,376,135	6,739,312	6,734,618	6,957,533	7,080,724	7,126,238
Intangible assets		-	-	-	-	-	-
Other assets		17,172,140	17,568,279	18,020,472	18,333,696	19,174,658	20,500,547
Total assets		40,013,351	40,759,003	42,059,806	45,195,290	49,381,800	51,033,245
Current liabilities	Before distribution	12,845,366	12,417,835	12,658,049	14,631,221	17,937,369	17,718,252
	After distribution	13,626,824	13,251,391	13,491,605	15,568,971	16,895,425	(Note 1)
Non-current liabilities		3,587,146	3,666,763	3,699,423	3,526,356	2,755,648	2,766,142
Total liabilities	Before distribution	16,432,512	16,084,598	16,359,461	18,157,577	20,693,017	20,484,394
	After distribution	17,213,970	16,918,154	17,191,028	19,095,327	19,651,073	(Note 1)
Shareholder's equity attributable to parent company		23,134,844	24,168,644	25,172,303	26,450,036	28,042,542	29,861,526
Capital stock		5,209,722	5,209,722	5,209,722	5,209,722	5,209,722	5,209,722
Capital surplus		2,616,806	2,622,204	2,626,221	2,639,057	2,646,125	2,646,160
Retailed earnings	Before distribution	15,165,918	15,942,908	16,618,828	17,581,729	19,012,452	19,817,224
	After distribution	14,384,460	15,109,352	15,785,272	16,643,979	17,970,508	(Note 1)
Other equity		142,398	393,810	717,532	1,019,528	1,174,243	2,188,420
Treasury stock		-	-	-	-	-	-
Non-controlling Interest		445,995	505,761	528,042	587,677	646,241	687,325
Total equities	Before distribution	23,580,839	24,674,405	25,700,345	27,037,713	28,688,783	30,548,851
	After distribution	22,799,381	23,840,849	24,866,789	26,099,963	27,646,839	(Note 1)

Note 1：The motion for allocation of 2022 cash dividend had not yet been resolved by the shareholders' meeting.

Note 2：The financial statement for Q1 of 2023 was reviewed by the external auditor.

2. Condensed comprehensive income statement – IFRSs

Currency unit: NT$ thousands, other than EPS, which shall be stated at NT$

Item \ Year	Financial information for the last five years					Financial information available up to March 31, 2023 (Note 1)
	2018	2019	2020	2021	2022	
Operating income	24,983,824	26,038,773	25,684,003	27,689,810	30,757,777	7,967,561
Gross profit	4,604,893	4,879,813	4,738,185	4,987,588	5,240,552	1,712,731
Operating profit or loss	1,635,944	1,862,757	1,954,130	1,998,033	2,254,577	994,230
Non-Operating income and expense	509,418	360,076	239,886	475,393	501,032	101,421
Net income before tax	2,145,362	2,222,833	2,194,016	2,473,426	2,755,609	1,095,651
Net income of continuing operations	1,470,540	1,738,935	1,596,946	1,909,450	2,122,149	827,200
Loss of discontinued operation	-	-	-	-	-	-
Net income (loss)	1,470,540	1,738,935	1,596,946	1,909,450	2,122,149	827,200
Other comprehensive profit and loss (net)	(83,150)	140,388	311,873	311,489	516,578	1,032,833
Total comprehensive profit and loss	1,387,390	1,879,323	1,908,819	2,220,939	2,638,727	1,860,033
Net income attributable to parent company’s shareholders	1,415,140	1,673,627	1,526,129	1,804,914	2,009,900	1,818,949
Net income attributable to noncontrolling interests	55,400	65,308	70,817	104,536	112,249	41,084
Total comprehensive profit and loss attributable to parent company’s shareholders	1,335,991	1,816,348	1,836,563	2,110,706	2,513,097	793,114
Total comprehensive profit and loss attributable to noncontrolling interests	51,399	62,975	72,256	110,233	125,630	34,086
Earnings per share	2.72	3.21	2.93	3.46	3.86	1.52

Note 1：The financial statement for Q1 of 2023 was reviewed by the external auditor.

B. Standalone balance sheet and comprehensive income statement – IFRSs

1. Standalone balance sheet – IFRSs

Unit: NT$ thousand

Item \ Year		Financial information for the last five years				
		2018	2019	2020	2021	2022
Current assets		11,682,880	11,705,217	12,157,481	14,518,931	17,144,001
Property, plant, and equipment		4,857,134	5,080,110	5,034,944	5,105,121	5,110,208
Intangible assets		-	-	-	-	-
Other assets		20,469,390	21,019,571	21,560,483	22,024,809	23,332,154
Total assets		37,009,404	37,804,898	38,752,908	41,648,861	45,586,363
Current liabilities	Before distribution	10,387,802	10,065,889	9,992,513	11,789,393	14,906,728
	After distribution	11,169,260	10,899,445	10,826,069	12,727,143	(Note 1)
Noncurrent liabilities		3,486,758	3,570,365	3,588,092	3,409,432	2,637,093
Total liabilities	Before distribution	13,874,560	13,636,254	13,580,605	15,198,825	17,543,821
	After distribution	14,656,018	14,469,810	14,414,161	16,136,575	(Note 1)
Common stock		5,209,722	5,209,722	5,209,722	5,209,722	5,209,722
Capital surplus		2,616,806	2,622,204	2,626,221	2,639,057	2,646,125
Retailed earnings	Before distribution	15,165,918	15,942,908	16,618,828	17,581,729	19,012,452
	After distribution	14,384,460	15,109,352	15,785,272	16,643,979	(Note 1)
Other equity		142,398	393,810	717,532	1,019,528	1,174,243
Treasury stocks		-	-	-	-	-
Total equity	Before distribution	23,134,844	24,168,644	25,172,303	26,450,036	28,042,542
	After distribution	22,353,386	23,335,088	24,338,747	25,512,286	(Note 1)

Note 1：The motion for allocation of 2022 cash dividend had not yet been resolved by the shareholders' meeting.

2. Standalone comprehensive income statement – IFRSs

Currency unit: NT$ thousands, other than EPS, which shall be stated at NT$

Item \ Year	Financial information for the last five years				
	2018	2019	2020	2021	2022
Operating Income	18,795,102	19,919,257	19,622,697	20,561,329	23,820,843
Gross profit	3,060,971	3,397,137	3,254,014	3,335,481	3,605,179
Operating profit or loss	1,035,592	1,333,821	1,371,056	1,242,889	1,558,465
Non-Operating income and expense	913,333	715,962	631,227	959,359	945,403
Net income before tax	1,948,925	2,049,783	2,002,283	2,202,248	2,503,868
Net income of continuing operations	1,415,140	1,673,627	1,526,129	1,804,914	2,009,900
Loss of discontinued operation	-	-	-	-	-
Net income (losses)	1,415,140	1,673,627	1,526,129	1,804,914	2,009,900
Other comprehensive income (net after tax)	(79,149)	142,721	310,434	305,792	503,197
Total comprehensive income	1,335,991	1,816,348	1,836,563	2,110,706	2,513,097
Earnings per share	2.72	3.21	2.93	3.46	3.86

C. CPAs' Name and audit opinion

Year	CPAs' Name	Audit opinion
2022	Deloitte & Touche Taiwan Chen, Chih-Yuan、Yang, Ching-Cheng	An unqualified opinion with emphasis of matter paragraph or other matter paragraph
2021	Deloitte & Touche Taiwan Chen, Chih-Yuan、Yang, Ching-Cheng	An unqualified opinion with emphasis of matter paragraph or other matter paragraph
2020	Deloitte & Touche Taiwan Chen, Chih-Yuan、Yang, Ching-Cheng	An unqualified opinion with emphasis of matter paragraph or other matter paragraph
2019	Deloitte & Touche Taiwan Chen, Chih-Yuan、Yang, Ching-Cheng	An unqualified opinion with emphasis of matter paragraph or other matter paragraph
2018	Deloitte & Touche Taiwan Chen, Chih-Yuan、Yang, Ching-Cheng	An unqualified opinion with emphasis of matter paragraph or other matter paragraph

2. Financial analysis for the last five years

A. Consolidated financial analysis

Item \ Year		Financial Analysis for the Last Five Years 2018	2019	2020	2021	2022	Financial Information Available Up to March 31, 2023 (Note 1)
Financial Structure (%)	Liabilities To Assets	41.07	39.5	38.9	40.2	41.9	40.1
	Long-Term Fund for Property, Plant and Equipment	194.41	195.6	208.2	214.6	220.5	233.2
Liquidity Analysis (%)	Current Ratio	128.2	132.5	136.7	136.0	128.9	132.1
	Quick Ratio	84.6	86.3	94.4	82.3	72.05	76.5
	Interest Coverage Ratio	43.3	45.3	62.3	99.3	77.9	77.3
Operation Performance Analysis	Receivables Turnover (Times)	3.8	4.1	3.8	3.8	3.9	4.2
	Average Collection Days	95.5	88.6	95.1	95.8	94.3	88.0
	Inventory Turnover (Times)	3.4	3.3	3.6	3.4	2.7	2.8
	Payables Turnover (Times)	3.4	2.9	3.1	3.3	3.3	3.8
	Average Inventory Turnover Days	106.4	109.9	102.5	107.4	135.2	131.3
	Property, Plant And Equipment Turnover (Times)	1.8	1.9	1.8	2.0	2.2	2.5
	Total Assets Turnover (Times)	0.7	0.6	0.6	0.6	0.7	0.7
Profitability	Return On Assets (%)	3.9	4.4	3.9	4.4	4.6	6.7
	Return On Equity (%)	6.4	7.3	6.3	7.2	7.6	11.2
	Pre-Tax Income To Paid-In Capital Ratio (%)	41.2	42.7	42.1	47.5	52.9	84.1
	Net Income Margin (%)	5.9	6.7	6.2	6.9	6.9	9.2
	EPS (NT$)	2.7	3.2	2.9	3.5	3.9	1.5
Cash Flow (%)	Cash Flow Ratio (%)	26.6	11.4	16.6	15.7	5.7	18.3
	Cash Flow Adequacy Ratio (%)	102.4	110.3	120.8	106.4	81.5	67.3
	Cash Flow Reinvestment Ratio (%)	7.3	1.6	3.1	3.5	0.2	1.8
Leverage	Operating Leverage	3.95	3.4	2.9	2.7	2.9	2.1
	Financial Leverage	1.0	1.0	1.0	1.0	1.0	1.0

Please explain the reasons for the changes in various financial ratios in the past two years. (Analysis can be skipped if the change is less than 20%.)

1. **Interest Coverage Ratio**: Decreased in 2022, mainly due to the rise in borrowing rates in that year, leading to higher financial costs.
2. **Inventory Turnover Ratio**: Decreased in 2022, mainly due to the increase sales of heavy electrical products in 2022, combined with a long manufacturing process, which has led to an increase in inventory.
3. **Average Inventory Turnover Days**: Increased in 2022, mainly due to the decrease in inventory turnover rate.
4. **Cash Flow Ratio**: Decreased in 2022, mainly due to the decrease in operating cash flow and an increase in short-term borrowings.
5. **Cash Flow Adequacy Ratio**: Decreased in 2022, mainly due to the increase in capital expenditure, inventory, and cash dividends over the past five years.
6. **Cash Reinvestment Ratio**: Decreased in 2022, mainly due to the decrease in operating cash flow.

Note 1：The financial statement for Q1 of 2023 was reviewed by the external auditor.
Note 2：The financial analysis formula:

1. Financial structure
   (1) Debt ratio = Total liabilities/total assets.
   (2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment

2. Solvency
   (1) Current ratio = Current assets/current liabilities
   (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
   (3) Times Interest Earned = Net income before tax and interest expense/current interest expense

3. Operating ability
   (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance
   (2) Average collection period = 365 days/ accounts receivable turnover
   (3) Inventory turnover (times) = Cost of goods sold/average inventory
   (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
   (5) Average inventory turnover days = 365 days/ inventory turnover
   (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
   (7) Total asset turnover = Net sales/average total assets
4. Profitability
   (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
   (2) Return on shareholder's equity = Net income/average total shareholder's equity
   (3) Profit margin = Net income/ net sales
   (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued (Note 3)
5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities/current liabilities
   (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital) (Note 4)
6. Leverage
   (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income (Note 5)
   (2) Financial leverage = Operating income/ (operating income - interest expenses)

Note 3：The calculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weighted average outstanding number of common stock shares rather than the issued shares at the end of year.
2. Capital increased by cash or treasury stock transaction should be take into account when the calculating the circulation period of the weighted average outstanding shares.
3. Where there is a capitalization from earnings or capital reserve, when calculating earnings per share for the prior years and every interim, it should be retroactively adjusted by proportional capitalization without considering the issuance period of the capitalization.
4. If the preferred stock is non-convertible cumulative preferred stock, the dividends (whether distributed or not) should be deducted from net income or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net income; when there is net loss, no adjustment is needed.

Note 4：The cash flow analysis should be with the following matters included for consideration:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditures refer to the annual cash outflow of capital investment.
3. Inventory additions are included for calculation only when the balance at the end is greater than the balance at the beginning. If inventories are decreased at the end of year, it is counted as zero.
4. Cash dividends include cash dividends of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment before deducting the accumulated depreciation.

Note 5：The issuer shall have the operating costs and operating expenses classified as fixed and variable by the nature. If it involves estimates or subjective judgments, it should pay attention to its rationality and consistency.

B. Standalone financial analysis

Item		Year: Financial Analysis for the Last Five Years 2018	2019	2020	2021	2022
Financial Structure (%)	Liabilities To Assets	37.5	36.1	35.0	36.5	38.5
	Long-Term Fund for Property, Plant and Equipment	213.7	220.7	231.6	241.0	249.6
Liquidity Analysis (%)	Current Ratio	112.5	116.3	121.7	123.2	115.0
	Quick Ratio	77.8	78.3	85.0	76.0	65.7
	Interest Coverage Ratio	76.1	108.5	118.0	149.2	112.7
Operation Performance Analysis	Receivables Turnover (Times)	3.9	4.2	3.9	3.7	3.8
	Average Collection Days	93.4	86.9	92.8	98.6	96.7
	Inventory Turnover (Times)	4.0	3.8	4.0	3.6	2.9
	Payables Turnover (Times)	3.4	2.8	2.9	3.2	3.4
	Average Inventory Turnover Days	90.4	96.4	90.8	101.9	126.8
	Property, Plant and Equipment Turnover (Times)	1.5	1.6	1.6	1.7	1.9
	Total Assets Turnover (Times)	0.5	0.5	0.5	0.5	0.5
Profitability	Return On Assets (%)	4.0	4.5	4.0	4.5	4.6
	Return On Equity (%)	6.3	7.1	6.2	7.0	7.4
	Pre-Tax Income to Paid-In Capital Ratio (%)	37.4	39.3	38.4	42.3	48.1
	Net Income Margin (%)	7.5	8.4	7.8	8.8	8.4
	EPS (NT$)	2.72	3.21	2.93	3.46	3.86
Cash Flow (%)	Cash Flow Ratio (%)	25.9	7.1	8.1	17.1	1.8
	Cash Flow Adequacy Ratio (%)	90.6	91.1	94.3	104.3	70.1
	Cash Flow Reinvestment Ratio (%)	5.7	(0.2)	(0.1)	3.0	(1.6)
Leverage	Operating Leverage	3.6	4.2	3.6	3.5	3.6
	Financial Leverage	1.0	1.0	1.0	1.0	1.0

Analysis of changes in financial ratios in recent two years (If the increase or decrease changes less than 20%, the analysis can be exempted):

1. **Interest Coverage Ratio**: Increased in 2022, mainly due to the rise in borrowing rates in that year, leading to higher financial costs.
2. **Inventory Turnover Ratio**: Decreased in 2022, mainly due to the increase sales of heavy electrical products in 2022, combined with a long manufacturing process, which has led to an increase in inventory.
3. **Average Inventory Turnover Days**: Increased in 2022, mainly due to the decrease in inventory turnover rate.
4. **Cash Flow Ratio**: Decreased in 2022, mainly due to the decrease in operating cash flow, caused by the changes in accounts receivable, inventory, and contract assets.
5. **Cash Flow Adequacy Ratio**: Decreased in 2022, mainly due to the increase in capital expenditure, inventory, and cash dividends over the past five years.
6. **Cash Reinvestment Ratio**: Decreased in 2022, mainly due to the decrease in operating cash flow.

Note 1：The financial analysis formula:

1. Financial structure
   (1) Debt ratio = Total liabilities/total assets.
   (2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment
2. Solvency
   (1) Current ratio = Current assets/current liabilities
   (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
   (3) Times Interest Earned = Net income before tax and interest expense/current interest expense

3. Operating ability
   (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance
   (2) Average collection period = 365 days/ accounts receivable turnover
   (3) Inventory turnover (times) = Cost of goods sold/average inventory
   (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
   (5) Average inventory turnover days = 365 days/ inventory turnover
   (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
   (7) Total asset turnover = Net sales/average total assets
4. Profitability
   (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
   (2) Return on shareholder's equity = Net income/average total shareholder's equity
   (3) Profit margin = Net income/ net sales
   (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued (Note 2)
5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities/current liabilities
   (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital) (Note 3)
6. Leverage
   (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income (Note 4)
   (2) Financial leverage = Operating income/ (operating income - interest expenses)

Note 2：The calculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weighted average outstanding number of common stock shares rather than the issued shares at the end of the year.
2. Capital increased by cash or treasury stock transaction should be take into account when the calculating the circulation period of the weighted average outstanding shares.
3. Where there is a capitalization from earnings or capital reserve, when calculating earnings per share for the prior years and every interim, it should be retroactively adjusted by proportional capitalization without considering the issuance period of the capitalization.
4. If the preferred stock is non-convertible cumulative preferred stock, its dividends (whether distributed or not) should be deducted from net income, or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net income; when there is net loss, no adjustment is needed.

Note 3：The cash flow analysis should be with the following matters included for consideration:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditures refer to the annual cash outflow of capital investment.
3. Inventory additions are included for calculation only when the balance at the end is greater than the balance at the beginning. If inventories are decreased at the end of year, it is counted as zero.
4. Cash dividends include cash dividends of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment before deducting the accumulated depreciation.

Note 4：The issuer shall have the operating costs and operating expenses classified as fixed and variable by the nature. If it involves estimates or subjective judgments, it should pay attention to its rationality and consistency.

3. Audit Committee' Report

Audit Committee's Review Report

To the 2023 General Shareholders' Meeting of Shihlin Electric & Engineering Corporation,

The Company's 2022 financial statements have been approved by the Audit Committee and by the Board of Directors. The CPA Zhi-yuan Chen and CPA Qing-Zhen Yang, members of the Deloitte & Touche, have completed the audit of the financial statements and issued an audit report relating thereto. In addition, the Board of Directors has prepared and submitted to us the Company's 2020 business report and proposal for distribution of earnings. We, the Audit Committee members, have duly examined and determined such business report and proposal for distribution of earnings to be in line with the requirements under the Company Law and relevant laws and regulations. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

The Convener of the Audit Committee: Shin-I Lin

林信義

March 09, 2023

4. Consolidated Financial Statements an External Auditor's Audit Report for the Recent Year

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2022. Accordingly, these matters were addressed in our audit of the consolidated financial statements and in forming our opinion thereon. Therefore, we do not provide a separate opinion on these matters.

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

<u>The Occurrence of Operating Revenue</u>

The Group 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 34.85% of the consolidated total 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 23 to the consolidated 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 Group'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 subsidiaries of the Group as of and for the years ended December 31, 2022 and 2021, which were included in the accompanying consolidated financial statements, 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 Group's consolidated financial statements for such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT$771,536 thousand and NT$524,347 thousand as of December 31, 2022 and 2021, respectively, which represented 1.56% and 1.16%, respectively, of the Group's consolidated total assets. The operating revenue of such subsidiaries amounted to NT$221,324 thousand and NT$268,831 thousand for the years ended December 31, 2022 and 2021, respectively, which represented 0.72% and 0.97%, respectively, of the Group's consolidated total operating revenue. We did not audit the financial statements of certain associates of the Group as of and for the years ended December 31, 2022 and 2021, which were reflected in the accompanying consolidated 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 Group's consolidated financial statements for such associates, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT$7,231,560 thousand and NT$6,731,590 thousand as of December 31, 2022 and 2021, respectively, which represented 14.64% and 14.89%, respectively, of the Group's consolidated total assets. The Group's share of profit or loss of such associates amounted to NT$103,272 thousand and NT$9,552 thousand for the years ended December 31, 2022 and 2021, respectively, which represented 3.75% and 0.39%, respectively, of the Group's consolidated profit before income tax. The Group's share of comprehensive income of such associates amounted to NT$329,752 thousand and NT$267,169 thousand for the years ended December 31, 2022 and 2021, respectively, which represented 12.50% and 12.03%, respectively, of the Group's consolidated total comprehensive income.

We have also audited the parent company only financial statements of Shihlin Electric & Engineering Corp. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

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

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 3,215,162	7	$ 3,525,350	8
Contract assets - current (Note 23)	2,384,747	5	2,058,739	4
Notes receivable (Notes 9, 23 and 31)	1,438,768	3	1,254,166	3
Trade receivables (Notes 9 and 23)	6,099,005	12	5,371,773	12
Trade receivables from related parties (Notes 23 and 31)	124,115	-	262,178	1
Other receivables	40,556	-	11,695	-
Other receivables from related parties (Note 31)	5,607	-	3,837	-
Inventories (Note 10)	8,801,579	18	6,395,345	14
Other current assets (Notes 16, 31 and 32)	1,016,879	2	1,020,978	2
Total current assets	23,126,418	47	19,904,061	44
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	713,987	2	709,212	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,584,811	3	1,099,771	2
Investments accounted for using the equity method (Notes 12 and 32)	9,044,292	18	8,467,025	19
Property, plant and equipment (Notes 13 and 32)	7,080,724	14	6,957,533	15
Right-of-use assets (Note 14)	193,809	-	190,990	-
Investment properties (Notes 15 and 32)	7,183,252	15	7,283,822	16
Deferred tax assets (Note 25)	317,615	1	373,870	1
Net defined benefit assets - non-current (Note 21)	2,305	-	2,052	-
Other non-current assets (Notes 16 and 32)	134,587	-	206,954	1
Total non-current assets	26,255,382	53	25,291,229	56
TOTAL	$ 49,381,800	100	$ 45,195,290	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 32)	$ 3,223,696	6	$ 1,910,699	4
Financial liabilities at fair value through profit or loss - current (Note 7)	1,266	-	172	-
Contract liabilities - current (Notes 23 and 31)	4,289,491	9	3,027,022	7
Notes payable (Note 18)	256,358	-	360,268	1
Trade payables (Note 18)	6,591,796	13	6,115,853	14
Trade payables to related parties (Note 31)	9,150	-	21,834	-
Other payables (Note 19)	1,668,996	3	1,587,530	3
Other payables to related parties (Note 31)	27,293	-	41,276	-
Current tax liabilities (Note 25)	265,271	1	193,665	-
Provisions - current (Note 20)	1,334,001	3	1,038,700	2
Lease liabilities - current (Note 14)	5,865	-	4,808	-
Other current liabilities (Note 19)	264,186	1	329,394	1
Total current liabilities	17,937,369	36	14,631,221	32
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 32)	-	-	654,583	2
Provisions - non-current (Note 20)	22,394	-	22,896	-
Deferred tax liabilities (Note 25)	2,329,747	5	2,288,341	5
Lease liabilities - non-current (Note 14)	5,285	-	2,970	-
Deferred revenue - non-current	47,688	-	48,198	-
Net defined benefit liability - non-current (Note 21)	270,920	1	406,547	1
Other non-current liabilities (Note 19)	79,614	-	102,821	-
Total non-current liabilities	2,755,648	6	3,526,356	8
Total liabilities	20,693,017	42	18,157,577	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 22 and 27)				
Ordinary shares	5,209,722	11	5,209,722	12
Capital surplus	2,646,125	5	2,639,057	6
Retained earnings				
Legal reserve	3,061,580	6	2,881,934	7
Special reserve	5,136,954	11	5,136,954	11
Unappropriated earnings	10,813,918	22	9,562,841	21
Total retained earnings	19,012,452	39	17,581,729	39
Other equity	1,174,243	2	1,019,528	2
Total equity attributable to owners of the Corporation	28,042,542	57	26,450,036	59
NON-CONTROLLING INTERESTS (Note 22)	646,241	1	587,677	1
Total equity	28,688,783	58	27,037,713	60
TOTAL	$ 49,381,800	100	$ 45,195,290	100

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

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

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 31)				
Sales	$ 26,605,975	86	$ 24,597,682	89
Rental revenue	464,035	2	467,360	2
Construction revenue	3,676,767	12	2,615,768	9
Other operating revenue	11,000	-	9,000	-
Total operating revenue	30,757,777	100	27,689,810	100
OPERATING COSTS (Notes 10, 24 and 31)				
Cost of goods sold	21,894,942	71	20,093,237	72
Rental cost	196,954	1	202,711	1
Construction cost	3,415,324	11	2,400,925	9
Other operating cost	10,005	-	5,349	-
Total operating costs	25,517,225	83	22,702,222	82
GROSS PROFIT	5,240,552	17	4,987,588	18
OPERATING EXPENSES (Notes 24 and 31)				
Selling and marketing expenses	1,207,423	4	1,166,005	4
General and administrative expenses	1,225,609	4	1,230,567	5
Research and development expenses	573,913	2	566,899	2
Expected credit loss (reversed) on trade receivables	(20,970)	-	26,084	-
Total operating expenses	2,985,975	10	2,989,555	11
PROFIT FROM OPERATIONS	2,254,577	7	1,998,033	7
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	21,840	-	17,687	-
Other income (Notes 24 and 31)	23,237	-	17,164	-
Other gains and losses (Notes 24 and 31)	226,751	1	287,503	1
Finance costs (Note 24)	(35,826)	-	(25,153)	-
Share of profit or loss of associates accounted for using the equity method	265,030	1	178,192	1
Total non-operating income	501,032	2	475,393	2
PROFIT BEFORE INCOME TAX	2,755,609	9	2,473,426	9
INCOME TAX EXPENSE (Note 25)	633,460	2	563,976	2
NET PROFIT FOR THE YEAR	2,122,149	7	1,909,450	7

(Continued)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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

	2022 Amount	2022 %	2021 Amount	2021 %
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	$ 102,910	-	$ (23,301)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	80,769	-	56,956	-
Share of other comprehensive income of associates accounted for using the equity method	232,215	1	257,617	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(20,584)	-	4,662	-
	395,310	1	295,934	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	150,663	1	18,491	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	(29,395)	-	(2,936)	-
	121,268	1	15,555	-
Other comprehensive income for the year, net of income tax	516,578	2	311,489	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,638,727	9	$ 2,220,939	8
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 2,009,900	7	$ 1,804,914	7
Non-controlling interests	112,249	-	104,536	-
	$ 2,122,149	7	$ 1,909,450	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 2,513,097	8	$ 2,110,706	8
Non-controlling interests	125,630	1	110,233	-
	$ 2,638,727	9	$ 2,220,939	8

(Continued)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 26)				
Basic	$ 3.86		$ 3.46	
Diluted	$ 3.84		$ 3.45	

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

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

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED 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	Non-controlling Interests	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	$ 528,042	$ 25,700,345
Appropriation of the 2020 earnings												
Legal reserve	-	-	150,948	-	(150,948)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(833,556)	(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	(878)	(36)
Adjustments to share of changes in equity of subsidiaries	-	(266)	-	-	-	-	-	7	7	(259)	259	-
Net profit for the year ended December 31, 2021	-	-	-	-	1,804,914	1,804,914	-	-	-	1,804,914	104,536	1,909,450
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	5,697	311,489
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	110,233	2,220,939
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(49,979)	(49,979)
Disposals of investment in equity instruments designated as at fair value through other comprehensive 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	587,677	27,037,713
Appropriation of the 2021 earnings												
Legal reserve	-	-	179,646	-	(179,646)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(937,750)	(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	(3,003)	14,208
Adjustments to share of changes in equity of subsidiaries	-	(78)	-	-	-	-	-	26	26	(52)	52	-
Net profit for the year ended December 31, 2022	-	-	-	-	2,009,900	2,009,900	-	-	-	2,009,900	112,249	2,122,149
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	93,927	93,927	115,878	293,392	409,270	503,197	13,381	516,578
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,103,827	2,103,827	115,878	293,392	409,270	2,513,097	125,630	2,638,727
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(64,115)	(64,115)
Disposals of investment in equity instruments designated as at fair value through other comprehensive 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	$ 646,241	$ 28,688,783

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

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

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED 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	$ 2,755,609	$ 2,473,426
Adjustments for:		
Depreciation expenses	713,457	719,890
Amortization expenses	18,300	25,235
Expected credit loss (reversed)/recognized on trade receivables	(20,970)	26,084
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	14,775	2,009
Finance costs	35,826	25,153
Interest income	(21,840)	(17,687)
Dividend income	(17,082)	(12,767)
Share of profit of associates accounted for using the equity method	(265,030)	(178,192)
Loss/(gain) on disposal of subsidiary	1,542	(96,581)
Loss on disposal of property, plant and equipment	5,325	2,009
(Reversal)/loss of impairment recognized on property, plant and equipment	(523)	38
Gain on changes in lease term	-	(13)
Changes in operating assets and liabilities		
Contract assets	(326,008)	775,821
Notes receivable	(184,599)	(373,386)
Notes receivable from related parties	(3)	-
Trade receivables	(708,666)	(34,122)
Trade receivables from related parties	138,063	(28,212)
Other receivables	(28,861)	45,122
Other receivables from related parties	(1,770)	1,966
Inventories	(2,432,966)	(2,216,131)
Other current assets	16,408	(484,079)
Net defined benefit assets	(253)	(63)
Financial liabilities held for trading	(5,015)	(10,613)
Contract liabilities	1,262,469	1,363,068
Notes payable	(103,910)	103,635
Trade payables	478,752	549,270
Trade payables to related parties	(12,684)	(3,585)
Other payables	79,107	163,902
Other payables to related parties	(13,983)	15,817
Provisions	293,193	66,837
Other current liabilities	(86,148)	35,343
Net defined benefit liabilities	(32,717)	(26,123)
Deferred revenue	(1,208)	(1,182)
Cash generated from operations	1,548,590	2,911,889
Interest received	22,445	17,868
Interest paid	(33,467)	(27,083)
Income tax paid	(514,172)	(603,521)
Net cash generated from operating activities	1,023,396	2,299,153

(Continued)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED 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	$ (431,145)	$ (72,710)
Proceeds from sale of financial assets at fair value through other comprehensive income	26,874	-
Acquisition of investments accounted for using the equity method	(150,274)	(80,000)
Proceeds from disposal of subsidiary	-	148,198
Payments for property, plant and equipment	(666,033)	(718,535)
Proceeds from disposal of property, plant and equipment	9,721	34,402
Decrease in other financial assets	12,058	8,507
Decrease in other non-current assets	29,990	106,382
Dividends received from associates	109,830	74,093
Other dividends received	17,082	12,767
Net cash used in investing activities	(1,041,897)	(486,896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short-term borrowings	1,299,363	(236,356)
Repayments of long-term loans	(654,583)	(200,000)
Proceeds from guarantee deposits received	(2,544)	(3,329)
Repayment of the principal portion of lease liabilities	(7,873)	(7,553)
Payments for dividends	(937,750)	(833,556)
Changes in non-controlling interests	(64,115)	(49,979)
Net cash used in financing activities	(367,502)	(1,330,773)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	75,815	14,602
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(310,188)	496,086
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,525,350	3,029,264
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,215,162	$ 3,525,350

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

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

(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 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 consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Group's 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 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)

   Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and entities controlled by the Group (collectively referred to as the "Group"):

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 occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group'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 1)
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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group'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

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

b. Basis of presentation

The consolidated 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.

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 twelve 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 twelve 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 consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group 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 Group 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 Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interest of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment.

See Note 11, Tables 7 and 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity'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 item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency which are not retranslated.

For the purposes of presenting the consolidated financial statements, the functional currencies of the entities (including operations of subsidiaries and associates in other countries or currencies used are different from the functional currency of the Corporation) are translated into the presentation currency - New Taiwan dollars 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 attributed to the owners of the Corporation and non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e. a disposal of the Group'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 attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing of control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and 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.

f. 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 Group 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.

g. Investment in associates

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

The Group 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 Group's share of profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group'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 Group'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 Group 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 Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in equity of investment in associates accounted for using the equity method. If the Group'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 using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group'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 using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group 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 Group 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 Group 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 Group continues to apply the equity method and does not remeasure the retained interest.

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

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their 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 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 estimate 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 Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories and property, plant and equipment related to the contract applicable under IFRS 15 shall be recognized in accordance with 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 Group 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 on 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 Group 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 30.

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, notes receivable at amortized cost, trade receivables, other receivables, investments in debt instruments 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 Group 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 Group'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 Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and contract assets.

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables and contract assets. For all other financial instruments, the Group 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 Group 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 Group 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 Group 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 of a financial asset at amortized cost 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 a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2) Equity instruments

Debt and equity instruments issued by the Group 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 Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation'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 Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated 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 30.

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.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

l. Provision

Provision is measured at the best estimate of the discounted cash flows 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.

m. Revenue recognition

The Group identifies contracts with customers, allocating the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good to a customer and the date on which the customer pays for that good is one year or less, the Group 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 parts. 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 are construction in progress, and thus, the Group recognizes revenue over time. The Group 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 Group 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 Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

n. Leases

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

1) The Group 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 (less any lease incentives payable) 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 Group as lessee

The Group 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 Group 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 Group 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 consolidated 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. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

q. 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 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 Group'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 Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

r. 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 Law 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, unused loss carryforwards 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 Group 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 for the year

Current tax and deferred taxes 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 taxes 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 Group’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 AND CASH EQUIVALENTS

	December 31 2022	December 31 2021
Cash on hand	$ 3,115	$ 3,231
Checking accounts and demand deposits	3,018,692	3,366,269
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	193,355	155,850
	$ 3,215,162	$ 3,525,350

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

	December 31 2022	December 31 2021
Bank balance	0.0001%-3.30%	0.0001%-3.30%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2022	December 31 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	705,174	698,961
	$ 713,987	$ 709,212
Financial liabilities - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 1,266	$ 172

At the end of the reporting period, foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Buy	USD/RMB	2023.06	RMB3,921/USD614
December 31, 2021			
Buy	USD/RMB	2022.12	RMB24,700/USD3,800

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	**2021**
Non-current		
Listed shares and emerging market shares	$ 328,844	$ 101,636
Unlisted shares	1,255,967	998,135
	$ 1,584,811	$ 1,099,771

These investment 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 Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2022	**2021**
Notes receivable		
At amortized cost		
Gross carrying amount	$ 1,438,768	$ 1,254,166
Trade receivables		
At amortized cost		
Gross carrying amount	$ 6,249,853	$ 5,548,859
Less: Allowance for impairment loss	(150,848)	(177,086)
	$ 6,099,005	$ 5,371,773

The average credit period of sales of goods was 90 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group 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 Group 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 experience 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 Group 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 Group 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 Group'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	0.20%	6.24%	18.80%	40.59%	98.51%	
Gross carrying amount	$ 6,956,842	$ 465,269	$ 137,292	$ 78,233	$ 50,985	$ 7,688,621
Loss allowance (Lifetime ECLs)	(14,032)	(29,028)	(25,812)	(31,753)	(50,223)	(150,848)
Amortized cost	$ 6,942,810	$ 436,241	$ 111,480	$ 46,480	$ 762	$ 7,537,773

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	0.25%	7.88%	37.88%	64.18%	99.90%	
Gross carrying amount	$ 6,069,661	$ 529,729	$ 96,626	$ 65,327	$ 41,682	$ 6,803,025
Loss allowance (Lifetime ECLs)	(15,160)	(41,758)	(36,602)	(41,925)	(41,641)	(177,086)
Amortized cost	$ 6,054,501	$ 487,971	$ 60,024	$ 23,402	$ 41	$ 6,625,939

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

	2022	2021
Balance at January 1	$ 177,086	$ 167,064
Add: Net remeasurement of loss allowance	-	26,084
Less: Amounts written off	(7,672)	(17,311)
Less: Net remeasurement of loss allowance	(20,970)	-
Foreign exchange gains and losses	2,404	1,249
Balance at December 31	$ 150,848	$ 177,086

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 3,276,317	$ 2,118,242
Work in progress	3,848,491	2,110,857
Raw materials	1,676,771	2,166,246
	$ 8,801,579	$ 6,395,345

The cost of goods sold included the reversal of inventory write-downs of $33,694 thousand for the year ended December 31, 2022, which resulted from increase of some products' sale price and the proposed resale of slow-moving inventories; the cost of goods sold included the reversal of inventory write-downs of $10,838 thousand for the year ended December 31, 2021, the reversals of previous write-downs resulted from decrease of estimated cost for some products to be completed.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2022	Proportion of Ownership December 31 2021	Remark
The Corporation	SEEC International Holdings Ltd. of the British Virgin Islands ("SEEC International Holdings")	Investment and trade business	100.0	100.0	
The Corporation	SEEC International Trading Ltd. of the British Virgin Islands ("SEEC International Trading")	Investment	-	100.0	e
The Corporation	Shihlin Electrical Engineering Ltd. of Vietnam ("Shihlin Electric Vietnam")	Electrical goods production	100.0	100.0	
The Corporation	Shihlin Electric USA Company Limited ("Shihlin Electric USA")	Heavy electrical equipment product marketing promotion services	100.0	100.0	
The Corporation	Shihlin Electric (Australia) Pty. Ltd. ("Shihlin Electric Australia")	Heavy power equipment production and distribution and marketing services	-	-	b
The Corporation	Hsin Lin Electric Machinery Co., Ltd. ("Hsin Lin")	Power transmission, distribution and machinery equipment manufacturing and sales	60.0	60.0	
The Corporation	Ting Lin Enterprise Co., Ltd. ("Ting Lin")	Mechanical and electrical appliances various components manufacturing and processing and installation business	96.7	96.7	
The Corporation	Shihlin Electric Green Power Co. (Shihlin Electric Green Power)	Investment consulting, management consulting, leasing, power generation, power transmission, power distribution machinery manufacturing, renewable energy self-used power generation equipment, energy technology service	100.0	-	f
The Corporation and Hsin Lin	Hwo Lin Investment Co., Ltd. ("Hwo Lin")	Investment	99.9	99.9	
The Corporation	Cheng Lin Investments Co., Ltd. ("Cheng Lin")	Investment	99.5	99.4	c
The Corporation	Shang Lin Investment Co., Ltd. ("Shang Lin")	Investment	99.6	99.6	
The Corporation	Ji Lin Investment, Co., Ltd. ("Ji Lin")	Investment	99.9	99.9	
The Corporation and Hsin Lin	Yuh Lin Investment Co., Ltd. ("Yuh Lin")	Investment	99.9	99.9	
The Corporation and Hsin Lin	Jeng Lin Investment Co., Ltd. ("Jeng Lin")	Investment	99.9	99.9	
The Corporation and Cheng Lin	Chuan Lin Technology Group ("Chuan Lin")	Operating and sale and maintenance service of vending machines, heavy electrical machinery and mechanical appliances and automation equipment	73.0	73.0	
The Corporation, Cheng Lin and Chuan Lin	Rueylin Electric & Engineering Corp. ("Rueylin")	Manufacturing and trading of mechanical appliances and vehicle components	90.0	90.0	
The Corporation	Jeen-Lin Industrial Co., Ltd. ("Jeen-Lin")	Manufacturing and sale of aluminum alloy die-casting, lathe, cutting and molding	78.4	78.4	
Hsin Lin and Rueylin	Wuling Electric Co., Ltd. ("Wuling")	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	60.0	60.0	
SEEC International Trading	Kingdom Trading Shanghai Co., Ltd. ("Shanghai Kingdom")	All kinds of switches, relays, circuit breakers and other product sales operations	-	-	d
Hsin Lin	Hsinlin International Investment Corp. of Samoa ("Hsinlin International Investment")	Investment	100.0	100.0	
SEEC International Holdings	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd. ("Changzhou Shihlin Mitsuba")	Manufacturing and sale of motorcycle starter motors, magneto, starter switch	55.0	55.0	
SEEC International Holdings	Xiamen Shihlin Electric & Engineering Co., Ltd. ("Xiamen SEEC")	Manufacturing and sale of capacitors, relays, circuit breakers and other components	100.0	100.0	
SEEC International Holdings	Suzhou Shihlin Electric & Engineering Co., Ltd. ("Suzhou SEEC")	Manufacturing and sale of capacitors, transformers, DC electric motors and other electronic components	100.0	100.0	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2022	2021	Remark
SEEC International Holdings	Wuxi Shihlin Electric & Electric & Engineering Co., Ltd. ("Wuxi SEEC")	Manufacturing and sale of magneto and starter motor in locomotive transmission facilities, power generators	100.0	100.0	
SEEC International Holdings	Fuzhou Shihlin Electric & Engineering Co., Ltd. ("Fuzhou SEEC")	Manufacturing and sale of DC motor, rotary pumps for liquids and motor vehicle fuel pumps and other electrical or power equipment	-	-	a
SEEC International Holdings	Shihlin Technology (Shenzhen) Co., Ltd. ("Shenzhen Shihlin")	Manufacturing and sale of industrial automation equipment and related products	100.0	100.0	
SEEC International Holdings and Hsinlin International Investment	Shihlin Electric (Suzhou) Power Equipment Co., Ltd. ("Suzhou Power Equipment")	Manufacturing and sale of high and low pressure switch and related products	70.5	70.5	
SEEC International Holdings	Xiamen Chen-Ieu Transportation Implements Co., Ltd. ("Xiamen Chen-Ieu")	Manufacturing motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, etc.	100.0	100.0	
SEEC International Holdings	Changzhou Shihlin Auto Parts Co., Ltd. ("Changzhou Shihlin Parts")	Manufacturing and sale of motorcycle starter motors, magneto, starter switch	100.0	100.0	
Rueylin	Shihlin Electric Engineering Equipment Vietnam Company Limited ("Vietnam Electric Engineering)	Manufacturing and sale of mechanical equipment, power transmission, distribution and machinery equipment, automotive and motorcycle components	100.0	100.0	
Hwo Lin and Ji Lin	Yeangder Entertainment Co., Ltd. ("Yeangder Entertainment")	Engaged in competitive and recreational sports industry	99.9	99.9	
Shihlin Electric Green Power	Rui Young Optronics Corp. ("Rui Young Optronics")	Investment consulting, management consulting, leasing, power generation, power transmission, power distribution machinery manufacturing, renewable energy self-used power generation equipment, energy technology service	100.0	-	g

(Concluded)

Remarks:

a. Fuzhou SEEC had been sold in March 2021, please refer to Note 27.

b. Shihlin Electric Australia had been liquidated in June 2021.

c. In April 2021, the Group did not subscribe additional new shares of Cheng Lin at existing ownership percentage; the amount was $80,000 thousand, which increased the ownership percentage from 99.3% to 99.4%. In April 2022, the Group did not subscribe additional new shares of Cheng Lin at existing ownership percentage; the amount was $80,000 thousand, which increased the ownership percentage from 99.4% to 99.5%.

d. Kingdom Trading Shanghai Co., Ltd. had been liquidated in November 2021.

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

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

g. In September 2022, Shihlin Electric Green Power Co. established Rui Young Optronics Corp., with a registered capital of $280,000 thousand, representing 100% of shareholding.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
	2022	2021
Investments in associates		
Material associate		
The Ambassador Hotel, Ltd. (“Ambassador Hotel”)	$ 4,361,320	$ 4,188,513
Associates that are not individually material	4,682,972	4,278,512
	$ 9,044,292	$ 8,467,025

a. Material associate

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Associate	2022	2021
Ambassador Hotel	21.34%	21.34%

Refer to Tables 7 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the 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	$ 2,553,154	$ 2,435,678

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

Summarized financial information of the Group’s material associate set out below represents amounts shown in the associate’s financial statements prepared in accordance with IFRSs adjusted by the Group 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

(Continued)

	December 31	
	2022	2021
Proportion of the Group's ownership	21.34%	21.34%
Equity attributable to the Group	$ 4,361,320	$ 4,188,513
Other adjustments	-	-
Carrying amount	$ 4,361,320	$ 4,188,513

(Concluded)

	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

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Net profit for the year	$ 176,457	$ 190,352
Other comprehensive income	193,961	68,699
Total comprehensive income for the year	$ 370,418	$ 259,051

The amounts of investments in associates pledged as collateral for bank borrowings were disclosed in Note 32.

13. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost						
Balance at January 1, 2022	$ 2,556,659	$ 4,430,061	$ 5,655,648	$ 2,931,974	$ 155,899	$ 15,730,241
Additions	-	23,154	272,574	88,569	281,736	666,033
Disposals	-	-	(150,510)	(144,041)	(348)	(294,899)
Transferred from inventories	-	-	-	19,830	4,575	24,405
Transfers to investment properties	-	-	-	-	(2,074)	(2,074)
Reclassification	-	142,051	35,139	77,425	(257,424)	(2,809)
Effect of foreign currency exchange differences	2,101	28,582	43,954	13,123	1,243	89,003
Balance at December 31, 2022	$ 2,558,760	$ 4,623,848	$ 5,856,805	$ 2,986,880	$ 183,607	$ 16,209,900

(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, 2022	$ -	$ 2,527,534	$ 3,913,295	$ 2,331,879	$ -	$ 8,772,708
Disposals	-	-	(145,859)	(133,994)	-	(279,853)
Reversal of impairment losses	-	-	(454)	(69)	-	(523)
Depreciation expense	-	104,263	309,747	183,627	-	597,637
Effect of foreign currency exchange differences	-	8,510	21,496	9,201	-	39,207
Balance at December 31, 2022	$ -	$ 2,640,307	$ 4,098,225	$ 2,390,644	$ -	$ 9,129,176
Carrying amounts at December 31, 2022	$ 2,558,760	$ 1,983,541	$ 1,758,580	$ 596,236	$ 183,607	$ 7,080,724
Cost						
Balance at January 1, 2021	$ 2,514,711	$ 4,353,372	$ 5,324,308	$ 2,893,332	$ 32,887	$ 15,118,610
Additions	42,503	44,588	271,967	113,209	246,268	718,535
Disposals	-	-	(60,452)	(84,942)	(3,010)	(148,404)
Transferred from inventories	-	-	-	19,289	3,312	22,601
Transferred from prepayments for equipment	-	-	-	-	134,662	134,662
Transfers to investment properties	-	-	-	-	(160)	(160)
Disposal of subsidiary	-	(54,172)	(35,716)	(54,713)	-	(144,601)
Reclassification	-	79,270	133,925	45,830	(259,025)	-
Effect of foreign currency exchange differences	(555)	7,003	21,616	(31)	965	28,998
Balance at December 31, 2021	$ 2,556,659	$ 4,430,061	$ 5,655,648	$ 2,931,974	$ 155,899	$ 15,730,241
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ -	$ 2,436,798	$ 3,691,231	$ 2,255,963	$ -	$ 8,383,992
Disposals	-	-	(49,959)	(62,034)	-	(111,993)
Disposal of subsidiary	-	(42,085)	(27,023)	(45,805)	-	(114,913)
Recognition (reversal) of impairment losses	-	-	127	(89)	-	38
Depreciation expense	-	131,478	288,632	184,102	-	604,212
Effect of foreign currency exchange differences	-	1,343	10,287	(258)	-	11,372
Balance at December 31, 2021	$ -	$ 2,527,534	$ 3,913,295	$ 2,331,879	$ -	$ 8,772,708
Carrying amounts at December 31, 2021	$ 2,556,659	$ 1,902,527	$ 1,742,353	$ 600,095	$ 155,899	$ 6,957,533

(Concluded)

The Corporation and Jeen-Lin adopted depreciation methods that were decided at the dates the assets were acquired. The Corporation's depreciation cost is calculated by the 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 remaining subsidiaries calculate depreciation cost by using the straight-line method.

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

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

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Land	$ 182,841	$ 183,298
Buildings	8,535	6,899
Equipment	2,433	793
	$ 193,809	$ 190,990

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 11,137	$ 6,238
Depreciation charge for right-of-use assets		
Land	$ 5,208	$ 5,070
Buildings	6,895	7,832
Equipment	1,073	913
	$ 13,176	$ 13,815

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 5,865	$ 4,808
Non-current	$ 5,285	$ 2,970

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	0.61%-8.00%	0.61%-4.79%
Equipment	0.67%-1.99%	0.67%-1.99%

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 42,062	$ 42,695
Total cash outflow for leases	$ (50,458)	$ (50,496)

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

15. 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 amount at December 31, 2022	$ 7,183,252
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

(Continued)

	Completed Investment Property
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 amount 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:

	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 assets:

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 Group's investment properties as of December 31, 2022 and 2021 was $20,735,334 thousand and $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.

All of the Group's investment properties were held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 32.

16. OTHER ASSETS

	December 31 2022	December 31 2021
Current		
Prepaid expenses	$ 199,492	$ 99,623
Prepayments for purchases	709,445	843,423
Refundable deposits	7,414	3,238
Other financial assets	46,255	37,339
Others	54,273	37,355
	$ 1,016,879	$ 1,020,978
Non-current		
Refundable deposits	$ 4,300	$ 26,003
Prepayments for equipment	10,346	55,061
Other financial assets	25,045	28,492
Others	94,896	97,398
	$ 134,587	$ 206,954

17. BORROWINGS

a. Short-term borrowings

	December 31 2022	December 31 2021
Secured borrowings (Note 32)		
Bank loans (NTD)	$ 98,100	$ 82,100
Unsecured borrowings		
Bank loans (NTD)	2,800,000	1,400,000
Bank loans (RMB)	130,079	52,166
Bank loans (USD)	76,694	263,176
Bank loans (VND)	118,823	113,257
	3,125,596	1,828,599
	$ 3,223,696	$ 1,910,699

The range of weighted average effective interest rates on bank loans was 0.65%-5.65% and 0.52%-5.50% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 32)		
Bank loans (NTD) (1)	$ -	$ 4,583
Unsecured borrowings		
Bank loans (NTD) (2)	-	650,000
	$ -	$ 654,583

1) December 31, 2022: The loan was repaid in advance on August 16, 2022.

2) December 31, 2022: The loan was repaid in advance on August 15, 2022.

18. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable		
Operating	$ 256,358	$ 360,268
Trade payables		
Operating	$ 6,591,796	$ 6,115,853

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

19. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payable for salaries and bonus	$ 556,049	$ 568,979
Payable for annual leave	97,803	93,547
Payable for dividends	83,195	99,325
Payable for employees’ compensation	128,390	118,207
Payable for remuneration of directors	55,000	49,800
Others	748,199	657,672
	$ 1,668,996	$ 1,587,530

(Continued)

	December 31	
	2022	2021
Other liabilities		
Temporary receipts	$ 114,528	$ 172,499
Deposits received	24,864	4,191
Refund liability	97,087	85,394
Others	27,707	67,310
	$ 264,186	$ 329,394
Non-current		
Other liabilities		
Deposits received	$ 79,614	$ 102,821

(Concluded)

20. PROVISIONS

	December 31	
	2022	2021
Current		
Warranties	$ 1,334,001	$ 1,038,700
Non-current		
Warranties	$ 22,394	$ 22,896

	Warranties
Balance at January 1, 2022	$ 1,061,596
Additional provisions recognized	293,193
Effect of foreign currency exchange differences	1,606
Balance at December 31, 2022	$ 1,356,395

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 Group'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.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and domestic subsidiaries of the Group 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. According to local regulations, foreign subsidiaries also make contributions to employees' individual accounts under a defined contribution plan.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation and domestic subsidiaries of the Group 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 Group and domestic subsidiaries of the Group contribute at specific rate 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 Group 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 Group 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 Group has no right to influence the investment policy and strategy.

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

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 1,407,541	$ 1,520,441
Fair value of plan assets	(1,138,926)	(1,115,946)
Net defined benefit liability	$ 268,615	$ 404,495

The Group's net defined benefit liabilities as of December 31, 2022 and 2021 were listed in the consolidated balance sheet as net defined benefit assets of $2,305 thousand and $2,052 thousand and net defined benefit liabilities of $270,920 thousand and $406,547 thousand, respectively.

Movements in net defined benefit liability (asset) 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	$ 1,573,615	$ (1,166,235)	$ 407,380
Service cost			
Current service cost	13,920	-	13,920
Past service cost	825	-	825
Net interest expense (income)	7,704	(5,777)	1,927
Recognized in profit or loss	22,449	(5,777)	16,672
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(15,274)	(15,274)
Actuarial loss - changes in demographic assumptions	43,032	-	43,032
Actuarial loss - changes in financial assumptions	(20,292)	-	(20,292)
Actuarial loss - experience adjustments	15,835	-	15,835
Recognized in other comprehensive income	38,575	(15,274)	23,301
Contributions from the employer	-	(34,012)	(34,012)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Benefits paid	$ (114,198)	$ 105,352	$ (8,846)
Balance at December 31, 2021	1,520,441	(1,115,946)	404,495
Service cost			
Current service cost	11,131	-	11,131
Past service cost	5,064	-	5,064
Net interest expense (income)	9,296	(6,906)	2,390
Recognized in profit or loss	25,491	(6,906)	18,585
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(88,828)	(88,828)
Actuarial loss - changes in financial assumptions	(58,845)	-	(58,845)
Actuarial loss - experience adjustments	44,763	-	44,763
Recognized in other comprehensive income	(14,082)	(88,828)	(102,910)
Contributions from the employer	-	(35,708)	(35,708)
Benefits paid	(124,309)	108,462	(15,847)
Balance at December 31, 2022	$ 1,407,541	$ (1,138,926)	$ 268,615

Through the defined benefit plans under the Labor Standards Act, the Group 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	1.125%-1.500%	0.375%-1.000%
Expected rate of salary increase	2.250%-2.500%	2.000%-2.500%

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	$ (35,541)	$ (40,423)
0.250% decrease	$ 36,796	$ 41,927
Expected rate of salary increase		
0.250% increase	$ 35,788	$ 40,631
0.250% decrease	$ (34,748)	$ (39,384)

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	$ 37,310	$ 34,838
The average duration of the defined benefit obligation	8.7-10.4 years	3.0-10.9 years

22. 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
Amounted 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 Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group'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 Company'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 24, 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 Group'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 Group's paid-in capital. The legal reserve may be used to offset any deficits. If the Group has no deficit and the legal reserve has exceeded 25% of the Group'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 Group.

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

d. Special reserves

	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	115,878	10,428
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	80,909	56,947
Share from associates accounted for using the equity method	212,483	256,569
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

f. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 587,677	$ 528,042
Share of profit for the year	112,249	104,536
Other comprehensive income/(loss) during the period		
Exchange difference on translating the financial statements of foreign entities	5,390	5,127
Unrealized loss on financial assets at FVTOCI	(140)	9
Remeasurement of defined benefit plans	149	(40)
Share from remeasurement of defined benefit plans of associates accounted for using the equity method	2,650	62
Share from other comprehensive income of associates accounted for using the equity method	5,332	539
Adjustment to changes in equity of associates accounted for using the equity method	(3,003)	(878)
Adjustment to changes in equity of subsidiaries (Note 28)	52	259
Cash dividends of subsidiaries distributed to non-controlling interests	(64,115)	(49,979)
Balance at December 31	$ 646,241	$ 587,677

23. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sale of goods	$ 26,605,975	$ 24,597,682
Construction contracts	3,676,767	2,615,768
Others	11,000	9,000
	30,293,742	27,222,450
Rental income		
Rental income from property	464,035	467,360
	$ 30,757,777	$ 27,689,810

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 9)	$ 1,438,768	$ 1,254,166	$ 880,780
Trade receivables, net (Note 9)	$ 6,099,005	$ 5,371,733	$ 5,364,984
Trade receivables from related parties (Note 31)	$ 124,115	$ 262,178	$ 233,966
Contract assets			
Sale of goods	$ 538,626	$ 488,219	$ 343,783
Construction contracts	1,846,121	1,570,520	2,490,777
Contract assets - current	$ 2,384,747	$ 2,058,739	$ 2,834,560
Contract liabilities			
Sale of goods	$ 3,561,516	$ 2,694,774	$ 1,349,818
Construction contracts	727,975	332,248	314,136
Contract liabilities - current	$ 4,289,491	$ 3,027,022	$ 1,663,954

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	$ 15,869,012	$ 6,237,590	$ 3,994,267	$ 505,106	$ 26,605,975
Construction contracts	2,845,973	-	830,794	-	3,676,767
Others	-	-	-	11,000	11,000
	$ 18,714,985	$ 6,237,590	$ 4,825,061	$ 516,106	$ 30,293,742

2021

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 13,936,997	$ 5,949,997	$ 4,139,761	$ 570,927	$ 24,597,682
Construction contracts	1,627,755	-	988,013	-	2,615,768
Others	-	-	-	9,000	9,000
	$ 15,564,752	$ 5,949,997	$ 5,127,774	$ 579,927	$ 27,222,450

24. NET PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

Net Profit

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 21,838	$ 17,567
Others	2	120
	$ 21,840	$ 17,687

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividend income		
Investments in equity instruments at FVTOCI	$ 17,082	$ 12,767
Rental income	2,665	2,610
Others	3,490	1,787
	$ 23,237	$ 17,164

c. 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	$ (8,666)	$ (1,643)
Financial liabilities held for trading	(6,109)	(366)
Loss on disposal of property, plant and equipment	(5,325)	(2,009)
(Loss)/gain on disposal of subsidiary (Note 27)	(1,542)	96,581
Net foreign exchange gains (losses)	130,509	(8,197)
Others	117,884	203,137
	$ 226,751	$ 287,503

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 35,303	$ 24,905
Interest on finance leases	523	248
	$ 35,826	$ 25,153

e. Impairment losses recognized (reversed)

	For the Year Ended December 31	
	2022	2021
Notes and trade receivables	$ (20,970)	$ 26,084
Inventories (included in operating costs)	$ (33,694)	$ (10,838)
Property, plant and equipment (included in other gains and losses)	$ (523)	$ 38

f. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 585,635	$ 591,858
Operating expenses	127,822	128,032
	$ 713,457	$ 719,890
An analysis of amortization by function		
Operating costs	$ 4,507	$ 10,318
Operating expenses	13,793	14,917
	$ 18,300	$ 25,235

g. Operating expenses directly related to investment properties

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

h. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 146,408	$ 129,228
Defined benefit plans (Note 21)	18,585	16,672
	164,993	145,900
Other employee benefits	3,693,383	3,467,389
Total employee benefits expense	$ 3,858,376	$ 3,613,289
An analysis of employee benefits expense by function		
Operating costs	$ 2,152,611	$ 1,998,263
Operating expenses	1,705,765	1,615,026
	$ 3,858,376	$ 3,613,289

i. 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 consolidated 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.

j. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	**2021**
Foreign exchange gains	$ 512,187	$ 321,037
Foreign exchange losses	(381,678)	(329,234)
	$ 130,509	$ (8,197)

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 568,529	$ 543,006
Income tax on unappropriated earnings	10,035	1,513
Adjustments for prior years	7,214	(8,347)
	585,778	536,172
Deferred tax		
In respect of the current year	48,413	33,379
Adjustments for prior years	(731)	(5,575)
	47,682	27,804
Income tax expense recognized in profit or loss	$ 633,460	$ 563,976

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

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 2,755,609	$ 2,473,426
Income tax expense calculated at the statutory rate	$ 692,741	$ 648,146
Nondeductible expenses in determining taxable income	34,198	23,367
Tax-exempt income	(71,108)	(76,743)
Unrecognized loss carryforwards and deductible temporary differences	-	5,682
Investment tax credits used in the current year	(36,343)	(19,803)
Loss tax credits used in the current year	(2,546)	(4,264)
Income tax on unappropriated earnings	10,035	1,513
Adjustments for prior years' tax	6,483	(13,922)
Income tax expense recognized in profit or loss	$ 633,460	$ 563,976

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	$ 29,395	$ 2,936
Remeasurement on defined benefit plans	20,584	(4,662)
	$ 49,979	$ (1,726)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	$ 265,271	$ 193,665

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	$ 49,101	$ 2,168	$ -	$ 51,269
Provisions	84,316	23,511	-	107,827
Defined benefit plans	81,310	(6,545)	(20,584)	54,181
Payable for annual leave	18,976	869	-	19,845
Exchange differences on translating the financial statements of foreign operations	92,011	-	(29,395)	62,616
Allowance for impairment loss on receivables	6,095	1,432	-	7,527
Deferred revenue	12,721	(4,278)	-	8,443
Investments accounted for using the equity method	2,329	(138)	-	2,191
Others	27,011	(23,295)	-	3,716
	$ 373,870	$ (6,276)	$ (49,979)	$ 317,615
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 260,449	$ (7,175)	$ -	$ 253,274
Investments accounted for using the equity method	807,807	41,036	-	848,843
Reserve for land value increment tax	1,175,718	-	-	1,175,718
Rental revenue receivables	15,911	335	-	16,246
Financial assets at FVTPL	27,148	990	-	28,138
Others	1,308	6,220	-	7,528
	$ 2,288,341	$ 41,406	$ -	$ 2,329,747

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	$ 52,968	$ (3,867)	$ -	$ 49,101
Provisions	79,516	4,800	-	84,316
Defined benefit plans	81,905	(5,257)	4,662	81,310
Payable for annual leave	17,387	1,589	-	18,976
Exchange differences on translating the financial statements of foreign operations	95,476	-	(3,465)	92,011
Allowance for impairment loss on receivables	7,996	(1,901)	-	6,095
Deferred revenue	12,977	(256)	-	12,721
Investments accounted for using the equity method	2,812	(483)	-	2,329
Others	23,896	3,115	-	27,011
	$ 374,933	$ (2,260)	$ 1,197	$ 373,870
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 264,699	$ (4,250)	$ -	$ 260,449
Investments accounted for using the equity method	776,970	30,837	-	807,807
Reserve for land value increment tax	1,175,718	-	-	1,175,718
Rental revenue receivables	16,023	(112)	-	15,911
Exchange differences on translating the financial statements of foreign operations	529	-	(529)	-
Financial assets at FVTPL	28,080	(932)	-	27,148
Others	1,307	1	-	1,308
	$ 2,263,326	$ 25,544	$ (529)	$ 2,288,341

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Loss carryforwards		
Expiry in 2023	$ 5,341	$ 5,341
Expiry in 2024	-	11,922
Expiry in 2025	9,641	7,563
Expiry in 2026	155	155
	$ 15,137	$ 24,981
Deductible temporary differences	$ 1,183,294	$ 1,075,988

f. Income tax assessments

The income tax returns of the Corporation, Hsin Lin, Rueylin, Jeen-Lin, Hwo Lin, Cheng Lin, Shang Lin, Ji Lin, Yuh Lin, Jeng Lin, Ting Lin, Wuling and Yeangder Entertainment through 2020 have been assessed by the tax authority.

The income tax returns of Chuan Lin through 2019 have been assessed by the tax authority.

26. EARNINGS PER SHARE

Unit: NT$ 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 in 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 in computation of diluted earnings per share	523,219	523,281

The Corporation may settle compensation paid to employees in cash or shares; therefore, the Group shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares will 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.

27. DISPOSAL OF SUBSIDIARIES

On December 25, 2020, the Group entered into a sale agreement to dispose of Fuzhou SEEC, which was responsible for the Group's operations in the manufacture and sale of power control or power distribution equipment. The disposal was completed on March 1, 2021, on which date control of Fuzhou SEEC passed to the acquirer.

a. Consideration received from disposals

	Fuzhou SEEC
Total consideration received	$ 203,112

b. Analysis of assets and liabilities on the date control was lost

	Fuzhou SEEC
Current assets	
Cash and cash equivalents	$ 54,914
Other receivables	11,546
Inventories	19,500
Other current assets	510
Non-current assets	
Property, plant and equipment	29,688
Right-of-use assets	4,234
Deferred tax assets	5,122
Other current liabilities	(1,254)
Net assets disposed of	$ 124,260

c. Gain on disposal of subsidiaries

	Fuzhou SEEC
Consideration received	$ 203,112
Exchange differences on translating the financial statements of foreign operations	15,107
Net assets disposed of	(124,260)
Gain on disposals	$ 93,959

d. Net cash inflow on disposals of subsidiaries

	Fuzhou SEEC
Consideration received in cash and cash equivalents	$ 203,112
Less: Cash and cash equivalent balances disposed of	(54,914)
	$ 148,198

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On April 13, 2022, the Group 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 Group 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 Group did not cease to have control over these subsidiaries.

For the ended December 31, 2022

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ (52)
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(26)
Differences recognized from equity transactions	$ (78)

	Cheng Lin
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ (78)

For the ended December 31, 2021

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ (259)
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(7)
Differences recognized from equity transactions	$ (266)

	Cheng Lin
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ (266)

29. CAPITAL MANAGEMENT

In order to maintain the Group'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 Group plans for an appropriate market share. In addition, the Group 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 Group's long term development. Lastly, the Group 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 Group.

30. FINANCIAL INSTRUMENTS

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

The Group's management believes that the carrying amounts of financial assets not measured at fair value approximate their fair values.

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	705,174	-	-	705,174
	$ 705,174	$ -	$ 8,813	$ 713,987
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares and emerging market shares	$ 81,314	$ -	$ 247,530	$ 328,844
Unlisted shares	-	-	1,255,967	1,255,967
	$ 81,314	$ -	$ 1,503,497	$ 1,584,811
Financial liabilities at FVTPL				
Derivatives	$ -	$ 1,266	$ -	$ 1,266

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 10,251	$ 10,251
Mutual funds	698,961	-	-	698,961
	$ 698,961	$ -	$ 10,251	$ 709,212
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 101,636	$ -	$ -	$ 101,636
Unlisted shares	-	-	998,135	998,135
	$ 101,636	$ -	$ 998,135	$ 1,099,771
Financial liabilities at FVTPL				
Derivatives	$ -	$ 172	$ -	$ 172

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	$ 998,135	$ 1,008,386
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)	-	74,217	74,217
Purchases	-	431,145	431,145
Balance at December 31, 2022	$ 8,813	$ 1,503,497	$ 1,512,310
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	$ 876,829	$ 886,201
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)	-	48,596	48,596
Purchases	-	72,710	72,710
Balance at December 31, 2021	$ 10,251	$ 998,135	$ 1,008,386
Recognized in other gains and losses - unrealized	$ 879		$ 879

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and cross-currency swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) 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 asset approach.

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**
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 713,987	$ 709,212
Financial assets at amortized cost (1)	11,006,227	10,524,071
Financial assets at FVTOCI	1,584,811	1,099,771
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	1,266	172
Financial liabilities at amortized cost (2)	10,188,858	9,171,270

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

2) The balances include financial liabilities 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 Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, trade payables and borrowings. The Group'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 Group 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.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors.

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in 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 indicates a increase (decrease) in pre-tax profit when the functional currency strengthened by 1% against the relevant foreign currency. Conversely, a negative number below indicates a decrease in pre-tax profit when the functional currency weakened by 1% against the relevant foreign currency.

	USD Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ (15,065) (i)	$ (10,218) (i)

	RMB Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ (3,533) (ii)	$ (4,962) (ii)

	JPY Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ (2,876) (iii)	$ (4,578) (iii)

i. This was mainly attributable to the exposure on outstanding USD bank deposits, receivables, borrowings 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 Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The Group pays attention to changes in market interest rates in order to make plans to manage interest rate risk.

The carrying amounts of the Group'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	$ 238,956	$ 195,982
Financial liabilities	1,294,886	906,886
Cash flow interest rate risk		
Financial liabilities	1,928,810	1,658,396

Sensitivity analysis

The sensitivity analyses below were determined based on the Group'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 Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by $19,288 thousand and $16,584 thousand, respectively.

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

c) Other price risk

The Group was exposed to price risk through its investments in listed equity securities and mutual funds. The Group 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 $7,140 thousand and $7,092 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 $15,848 thousand and $10,998 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk has not changed significantly from the prior year.

2) Credit risk

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

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

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

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 Group's consolidated balance sheets:

December 31, 2022

		Maximum Exposure to Credit Risk Mitigated by		
	Carrying Amount	**Collateral**	**Other Credit Enhancements**	**Total**
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 10,046,635	$ 230,302	$ 277,868	$ 508,170

December 31, 2021

		Maximum Exposure to Credit Risk Mitigated by		
	Carrying Amount	**Collateral**	**Other Credit Enhancements**	**Total**
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 8,946,856	$ 278,266	$ 268,087	$ 546,353

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group'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 Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized short-term bank loan facilities of $10,466,355 thousand and $10,406,619 thousand, respectively.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to 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	$ 1,902,372	$ 3,461,784	$ 1,416,927	$ 107,817	$ 156,077
Lease liabilities	733	1,312	4,149	5,368	-
Variable interest rate liabilities	947,927	87,635	912,713	489	-
Fixed interest rate liabilities	959,899	736,409	543,811	-	-
Refund liability	16,181	32,362	48,544	-	-
	$ 3,827,112	$ 4,319,502	$ 2,926,144	$ 113,674	$ 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	$ 1,568,703	$ 3,140,579	$ 1,717,978	$ 196,606	$ 80,426
Lease liabilities	549	1,242	3,453	3,076	-
Variable interest rate liabilities	5,596	919,401	4,803	816,786	-
Fixed interest rate liabilities	341,803	326,650	154,493	4,583	-
Refund liability	14,232	28,464	42,698	-	-
	$ 1,930,883	$ 4,416,336	$ 1,923,425	$ 1,021,051	$ 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.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts					
Outflows	$ -	$ -	$ (1,266)	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts					
Outflows	$ -	$ -	$ (172)	$ -	$ -

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships:

Name of Related Party	Relationship with the Group
Mitsubishi Electric Group of Japan (Mitsubishi Electric)	Investor that has significant influence over the Group
Changzhou Mitsubishi Shihlin	Associate
Mitsuba Shihlin Electric (Wuhan) Co., Ltd. (Wuhan Mitsuba Shihlin)	Associate
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd. (Xiamen Mitsubishi)	Associate
Ambassador Hotel	Associate
Mitsubishi Electric Taiwan Co., Ltd. (Mitsubishi Taiwan)	Subsidiary of investor that has significant influence over the Group
Mitsubishi Electric Automative (China) Ltd. (Mitsubishi China Automative)	Subsidiary of investor that has significant influence over the Group
Mitsubishi Electric Automation (China) Co., Ltd. (Mitsubishi Automation)	Subsidiary of investor that has significant influence over the Group
HCT Logistics Co., Ltd. (HCT Logistics)	Related party in substance

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Sales	Associates	$ 649,318	$ 806,709
	Investors that have significant influence over the Group	11,319	-
	Subsidiaries of investors that have significant influence over the Group	199,535	313,225
	Related parties in substance	661	201
		$ 860,833	$ 1,120,135
Rental revenue	Subsidiaries of investors that have significant influence over the Group	$ 24,922	$ 24,800
	Related parties in substance	29,657	26,904
		$ 54,579	$ 51,704
Other operating revenue	Related parties in substance HCT Logistics	$ 11,000	$ 9,000

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2022	2021
Investors that have significant influence over the Group	$ 531,513	$ 703,447
Associates	21,510	45,053
Subsidiaries of investors that have significant influence over the Group	97,942	98,176
	$ 650,965	$ 846,676

d. Contract liabilities

Related Party Category/Name	December 31 2022	2021
Associates	$ 4,231	$ 7,858
Subsidiaries of investors that have significant influence over the Group	16,071	8,955
	$ 20,302	$ 16,813

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Notes receivable from related parties	Related parties in substance	$ 3	$ -
Trade receivables from related parties	Associates		
	Changzhou Mitsubishi Shihlin	75,540	163,027
	Others	230	11,958
	Investors that have significant influence over the Group	6,330	-
	Subsidiaries of investors that have significant influence over the Group		
	Mitsubishi Automotive China	39,475	85,729
	Others	2,135	131
	Related parties in substance	405	1,333
Other receivables from related parties	Associates		
	Wuhan Mitsuba Shihlin	4,749	3,510
	Others	333	327
	Subsidiaries of investors that have significant influence over the Group	134	-
	Related parties in substance	391	-
		$ 129,725	$ 266,015

f. Payables to related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade payables to related parties	Associates		
	Changzhou Mitsubishi Shihlin	$ 3,974	$ 12,149
	Subsidiaries of investors that have significant influence over the Group		
	Mitsubishi Taiwan	5,176	9,685
Other payables to related parties	Investors that have significant influence over the Group		
	Mitsubishi Electric	24,650	37,130
	Associates		
	Ambassador Hotel	1,872	3,050
	Related parties in substance	771	1,096
		$ 36,443	$ 63,110

g. Prepayments (included in other current assets)

Related Party Category/Name	December 31 2022	December 31 2021
Investors that have significant influence over the Group	$ 119,126	$ 436,109

h. 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 Group		
	Mitsubishi Electric	$ 16,485	$ 34,740
Freight expenses	Related parties in substance	$ 5,482	$ 5,636
Rental expenses	Related parties in substance	$ 1,009	$ 1,008
Rental revenue (included in other income)	Associates		
	Xiamen Mitsubishi	$ 2,665	$ 2,610
Management service revenue (included in other gains and losses)	Associates		
	Wuhan Mitsuba Shihlin	$ 4,731	$ 4,745
Miscellaneous revenue (included in other gain and loss)	Subsidiaries of investors that have significant influence over the Group	$ 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.

i. Remuneration of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 144,060	$ 142,853
Post-employment benefits	1,568	1,545
	$ 145,628	$ 144,398

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

32. 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)	45,601	40,132
Investments accounted for using the equity methods	281,835	270,668
Land (included in property, plant and equipment and investment properties)	6,680,105	6,680,105
Buildings, net (included in property, plant and equipment)	191,808	198,244
	$ 7,225,048	$ 7,214,848

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2021 were as follows:

a. The Group and several foreign companies have signed technical cooperation contracts respectively, and these contracts expired between February 2022 and October 2023. According to the technical cooperation contract, in addition to the down payment, the Group 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	$ 66,716	$ 36,139

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 43,052	30.71 (USD:NTD)	$ 1,322,121
USD	9,596	6.51-7.12 (USD:RMB)	295,537
USD	3,498	23,603.06 (USD:VND)	105,818
RMB	14,335	0.1436 (RMB:USD)	63,209
RMB	80,976	4.41 (RMB:NTD)	356,940
JPY	1,232,451	0.2324 (JPY:NTD)	286,422
JPY	21,224	0.05 (JPY:RMB)	4,869
EUR	857	32.72 (EUR:NTD)	28,027
EUR	38	7.42 (EUR:RMB)	1,238
CAD	3,511	22.67 (CAD:NTD)	79,588
CHF	31	33.205 (CHF:NTD)	1,040
AUD	134	20.83 (AUD:NTD)	2,791
Non-monetary items			
Investments accounted for using the equity method			
RMB	411,103	0.1436 (RMB:USD)	1,812,732
Others			
USD	18,419	30.71 (USD:NTD)	565,656
Financial liabilities			
Monetary items			
USD	1,063	30.71 (USD:NTD)	32,638
USD	3,934	6.51-7.12 (USD:RMB)	121,054
USD	2,072	23,603.06 (USD:VND)	63,276
RMB	15,161	4.41 (RMB:NTD)	66,830
PHP	2,230	0.5443 (PHP:NTD)	1,214
JPY	17,009	0.2324 (JPY:NTD)	3,953
EUR	49	32.72 (EUR:NTD)	1,611

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 42,424	27.68 (USD:NTD)	$ 1,174,308
USD	4,974	6.37-6.40 (USD:RMB)	137,979
USD	2,758	21,759.59 (USD:VND)	62,986
RMB	14,157	0.1449 (RMB:USD)	56,768
RMB	116,323	4.34 (RMB:NTD)	505,305
JPY	1,890,672	0.2405 (JPY:NTD)	454,707
JPY	50,410	0.06 (JPY:RMB)	7,157
EUR	1,487	31.12 (EUR:NTD)	46,575
EUR	39	7.22 (EUR:RMB)	1,219
CAD	9,042	21.62 (CAD:NTD)	195,496
CHF	83	30.175 (CHF:NTD)	2,496
AUD	206	20.08 (AUD:NTD)	4,141
Non-monetary items			
Investments accounted for using the equity method			
RMB	399,213	0.1449 (RMB:USD)	1,735,435
Others			
USD	20,257	27.68 (USD:NTD)	560,707
Financial liabilities			
Monetary items			
USD	1,063	27.68 (USD:NTD)	29,418
USD	10,570	6.37-6.40 (USD:RMB)	223,671
USD	3,688	21,759.59 (USD:VND)	100,382
RMB	15,161	4.34 (RMB:NTD)	65,860
PHP	2,230	0.5353 (PHP:NTD)	1,194
JPY	17,009	0.2405 (JPY:NTD)	4,091
EUR	49	31.32 (EUR:NTD)	1,542

Please refer to the consolidated statements of 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 and functional currencies of the Corporation’s subsidiaries, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

35. 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: Refer to Note 7.

10) Intercompany relationships and significant intercompany transactions: Table 6.

b. Information on investees (excluding investees in mainland China): Table 7.

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 8.

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 9.

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 10.

36. OPERATING SEGMENT INFORMATION

a. Operating segment:

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The reportable segments are as follows:

- Electric distribution segment - manufacture and sale of heavy electric equipment.

- Automobile parts segment - manufacture and sale of automotive equipment and related parts.

- Automation equipment and parts segment - manufacture and sale of industrial automation control products.

- Other segment - leasing of commercial building and sale of digital products.

b. Segment revenues and results:

The information of the Group's revenues and results by segment was as follows:

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Adjustments and Eliminations	Consolidated
For the year ended December 31, 2022						
Revenue from external customers	$ 18,714,985	$ 6,237,590	$ 4,825,061	$ 980,141	$ -	$ 30,757,777
Inter-segment revenue	1,509	13	5,613	-	(7,135)	-
Total revenue	$ 18,716,494	$ 6,237,603	$ 4,830,674	$ 980,141	$ (7,135)	$ 30,757,777
Finance costs	$ 11,887	$ 11,202	$ 11,456	$ 1,281	$ -	$ 35,826
Depreciation expense	$ 274,455	$ 242,141	$ 49,201	$ 147,660	$ -	$ 713,457
Amortization expense	$ 13,103	$ 4,639	$ 558	$ -	$ -	$ 18,300
Share of profit or loss of associates accounted for using the equity method	$ 4,104	$ 159,772	$ -	$ 101,154	$ -	$ 265,030
Segment income	$ 1,663,531	$ 535,951	$ 366,066	$ 422,988	$ -	$ 2,988,536
Unallocated amount						(232,927)
Profit before income tax						$ 2,755,609
For the year ended December 31, 2021						
Revenue from external customers	$ 15,564,752	$ 5,949,997	$ 5,127,774	$ 1,047,287	$ -	$ 27,689,810
Inter-segment revenue	21,780	1,278	494	-	(23,552)	-
Total revenue	$ 15,586,532	$ 5,951,275	$ 5,128,268	$ 1,047,287	$ (23,552)	$ 27,689,810
Finance costs	$ 11,226	$ 5,897	$ 6,856	$ 1,174	$ -	$ 25,153
Depreciation expense	$ 298,632	$ 234,517	$ 42,921	$ 143,820	$ -	$ 719,890
Amortization expense	$ 14,253	$ 10,259	$ 723	$ -	$ -	$ 25,235
Share of profit or loss of associates accounted for using the equity method	$ 4,773	$ 166,991	$ -	$ 6,428	$ -	$ 178,192
Segment income	$ 1,450,484	$ 683,693	$ 377,017	$ 273,647	$ -	$ 2,784,841
Unallocated amount						(311,415)
Profit before income tax						$ 2,473,426

c. Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

	For the Year Ended December 31	
	2022	2021
Sales		
Electric distribution	$ 15,869,012	$ 13,936,997
Automobile parts	6,237,590	5,949,997
Automotive equipment and parts	3,994,267	4,139,761
Others	505,106	570,927
	26,605,975	24,597,682

(Continued)

	For the Year Ended December 31	
	2022	2021
Rental revenue	$ 464,035	$ 467,360
Construction revenue	3,676,767	2,615,768
Other operating revenue	11,000	9,000
	$ 30,757,777	$ 27,689,810

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China, and Vietnam.

The Group's revenue from external customers by location of customers and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
Taiwan	$ 19,439,758	$ 18,063,525	$ 12,497,303	$ 12,635,162
Mainland China	5,785,868	6,168,737	1,370,537	1,381,691
Vietnam	1,119,734	928,950	469,060	344,776
Others	4,412,417	2,528,598	32,318	32,183
	$ 30,757,777	$ 27,689,810	$ 14,369,218	$ 14,393,812

Non-current assets exclude financial instruments and deferred tax assets.

e. Information about major customers

No single customer contributed 10% or more to the Group's revenue in both 2022 and 2021.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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)	Note
													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 4

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%).

Note 4: The amount was eliminated upon consolidation.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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)	Note
		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: Endorser/Guarantor is numbered as follows:

a. Parent: 0.
b. Investee sequentially numbered by Arabic numerals from 1.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are categorized 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 hold over 50% ownership of the Corporation.
d. In between companies that were 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: For subsidiaries that the Corporation holds more than 50% of the shares, 20% of the net value of the Corporation's latest financial statements is the limit for endorsement of a single enterprise, which is calculated to be $5,608,508 thousand (net value of $28,042,542 thousand as of December 31, 2022 × 20%).

Note 4: The maximum limit is 50% of the net value of the Corporation's latest financial statements, which is calculated to be $14,021,271 thousand (net value of $28,042,542 thousand as of December 31, 2022 × 50%).

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

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
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.	Shares Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,735	$ 1,689	2.7	$ 1,689
Rueylin Electric & Engineering Corp.	Shares Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,734	1,689	2.7	1,689
Chuan Lin Technology Corporation	Shares Mirle Automation Corporation	-	Financial assets at FVTOCI	83,737	3,169	-	3,169
Ji Lin Investment, Co., Ltd.	Shares Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430
Cheng Lin Investments Co., Ltd.	Shares Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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)		Note
			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)	Note
	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)	Note
	Chuan Lin Technology Corporation	Subsidiary	Purchase	276,885	1.5	Payment in 90 days after acceptance	-	-	(54,858)	(1.1)	Note
	Rueylin Electric & Engineering Corp.	Subsidiary	Purchase	219,060	1.2	Payment in 30 days after acceptance	-	-	(38,674)	(0.8)	Note
	Suzhou Shihlin Electric & Engineering Corp.	Sub-subsidiary	Purchase	229,859	1.2	Payment in 105 days after confirming	-	-	(7,779)	(0.2)	Note
	Shihlin Electric Engineering Equipment Vietnam Company Limited	Subsidiary	Purchase	350,093	1.9	Payment in 90 days after confirming	-	-	(65,349)	(1.3)	Note
	Xiamen Shihlin Electric & Engineering Corp.	Sub-subsidiary	Sale	(114,574)	(0.6)	Collect receivables in 90 days after confirming	-	-	21,136	0.3	Note
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	Note
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	Note
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	Note
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	Note
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)	Note
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	Note

Note: The transactions of subsidiaries have been eliminated in the consolidated financial statements.

TABLE 5

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
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	Note
						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 2

Note 1: Amounts received before March 9, 2023.

Note 2: The amount was eliminated upon consolidation.

TABLE 6

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	Shihlin Electric & Engineering Corp.	Rueylin Electric & Engineering Corp.	a	Purchases	$ 219,060	According to the general conditions	0.7
		Rueylin Electric & Engineering Corp.	a	Trade payables to related parties	38,674	According to the general conditions	0.1
		Hsin Lin Electric Machinery Co., Ltd.	a	Purchases	1,862,425	According to the general conditions	6.1
		Hsin Lin Electric Machinery Co., Ltd.	a	Trade payables to related parties	288,857	According to the general conditions	0.6
		Hsin Lin Electric Machinery Co., Ltd.	a	Other revenue	12,118	According to the general conditions	-
		Chuan Lin Technology Corporation	a	Purchases	276,885	According to the general conditions	0.9
		Chuan Lin Technology Corporation	a	Trade payables to related parties	54,858	According to the general conditions	0.1
		Wuling Electric Co., Ltd.	a	Purchases	18,930	According to the general conditions	0.1
		Vietnam Shihlin Electric & Engineering Corp.	a	Sales	11,185	According to the general conditions	-
		Vietnam Shihlin Electric & Engineering Corp.	a	Purchases	20,202	According to the general conditions	0.1
		Jeen-Lin Industrial Co., Ltd.	a	Purchases	82,704	According to the general conditions	0.3
		Jeen-Lin Industrial Co., Ltd.	a	Trade payables to related parties	18,059	According to the general conditions	-
		Suzhou Shihlin Electric & Engineering Corp.	a	Sales	40,356	According to the general conditions	0.1
		Suzhou Shihlin Electric & Engineering Corp.	a	Purchases	229,859	According to the general conditions	0.7
		Suzhou Shihlin Electric & Engineering Corp.	a	Trade receivables from related parties	24,170	According to the general conditions	-
		Suzhou Shihlin Electric & Engineering Corp.	a	Service revenue	11,881	According to the general conditions	-
		Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	a	Sales	63,561	According to the general conditions	0.2
		Wuxi Shihlin Electric & Engineering Co., Ltd.	a	Purchases	53,282	According to the general conditions	0.2
		Shihlin Electric USA	a	Prepaid expenses	18,891	According to the general conditions	-
		Shihlin Electric USA	a	Other expenses	18,819	According to the general conditions	0.1
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Sales	36,931	According to the general conditions	0.1
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Purchases	350,093	According to the general conditions	1.1
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Trade receivables from related parties	19,334	According to the general conditions	-
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Trade payables to related parties	65,349	According to the general conditions	0.1
		Xiamen Shihlin Electric & Engineering Corp.	a	Sales	114,574	According to the general conditions	0.4
		Xiamen Shihlin Electric & Engineering Corp.	a	Purchases	151,292	According to the general conditions	0.5
		Xiamen Shihlin Electric & Engineering Corp.	a	Trade receivables from related parties	21,136	According to the general conditions	-
		Yeangder Entertainment	a	Other expenses	11,000	According to the general conditions	-
1	Wuxi Shihlin Electric & Engineering Co., Ltd.	Changzhou Shihlin Parts	c	Other receivables - related parties	22,047	According to the general conditions	-
2	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Changzhou Shihlin Parts	c	Purchases	10,557	According to the general conditions	-

(Continued)

Note 1: Business relationships between the parent and subsidiaries are numbered as follows:

a. Parent: 0.
b. Subsidiaries, sequentially numbered by Arabic numerals from 1.

Note 2: Relationships between counterparties are numbered as follows:

a. Parent to subsidiary.
b. Subsidiary to parent.
c. One subsidiary to another subsidiary.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: For balance sheet account, the percentage is calculated by dividing the ending balance of the account by consolidated total assets; for an income statement account, the percentage is calculated by dividing the accumulated amount in the current year of the account by the consolidated operating revenues.

Note 4: The amount have been eliminated in the consolidated financial statements.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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 (Note 6)
	SEEC International Trading Ltd. of the British Virgin Islands	British Virgin Islands	Investment	-	124,447	(Note 7)	-	-	-	-	Subsidiary (Note 6)
	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 (Note 6)
	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 (Note 6)
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	429,896	429,896	42,990,000	94.3	640,842	4,795	4,521	Subsidiary (Note 6)
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	499,885	499,885	49,990,000	94.8	569,801	5,989	5,678	Subsidiary (Note 6)
	Ji Lin Investment, Co., Ltd.	Taipei	Investment	299,882	299,882	29,990,000	99.9	319,899	4,093	4,089	Subsidiary (Note 6)
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	229,896	229,896	22,990,000	89.4	354,804	2,436	2,178	Subsidiary (Note 6)
	Cheng Lin Investments Co., Ltd.	Taipei	Investment	458,038	378,038	45,807,000	99.5	461,473	7,092	7,055	Subsidiary (Note 6)
	Shang Lin Investment Co., Ltd.	Taipei	Investment	598,032	598,032	59,807,000	99.6	594,467	4,232	4,215	Subsidiary (Note 6)
	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 (Note 2)	Subsidiary (Note 6)
	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 3)	Subsidiary (Note 6)
	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	Subsidiary (Note 6)
	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 (Note 6)
	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 (Note 6)
	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 and 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 and energy technology service and general investment	300,000	-	30,000,000	100.0	300,117	117	117	Subsidiary (Notes 6 and 8)
	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 (Note 6)
	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 (Note 6)
	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 (Note 6)
	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 (Note 6)
	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. (“De Hong”)	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 (Note 6)
	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 (Note 6)
	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 (Note 6)
	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 (Note 6)
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	26,000	26,000	2,600,000	5.7	38,736	4,795		Subsidiary (Note 6)
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	5.1	30,654	5,989		Subsidiary (Note 6)
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	10.5	41,672	2,436		Subsidiary (Note 6)
	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 (Note 6)

(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
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
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 and specialized area development	280,000	-	28,000,000	100.0	280,088	88		Sub-subsidiary (Notes 6 and 9)

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

Note 2: The adjusted unrealized gross profit and realized gross profit consists of downstream transactions.

Note 3: The adjusted unrealized gross profit and realized gross profit consists of upstream transactions

Note 4: The adjusted unrealized gross profit o sidestream transactions

Note 5 Limited companies that do not have shares.

Note 6: The amount was eliminated upon consolidation.

Note 7: SEEC International Trading Ltd. of the British Virgin Islands had been liquidated in March 2022.

Note 8: It was approved and established on August 24, 2022.

Note 9: It was approved and established on September 1, 2022.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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	Note
					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 6)	$ -	$ -	$ 41,316 (Note 6)	$ 124,233	55.0	$ 70,419 (Note 7)	$ 315,278	$ 258,978	Note 5
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 7)	907,653	566,725	Note 5
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 7)	842,973	172,906	Note 5
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 7)	337,784	12,134	Note 5
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 7)	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 7)	123,201	154,334	Note 5
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 7)	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 7)	38,432	15,191	Note 5
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 8)	-	-	- (Note 8)	5,296	100.0	4,730 (Note 7)	74,358	-	Note 5
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 7)	76,729	-	-

(Continued)

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: Outward	Remittance of Funds: Inward	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	Note
Changzhou Shihlin Auto Parts Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business	$ 303,173	b (Note 3)	$ 183,948 (Note 9)	$ -	$ -	$ 183,948 (Note 9)	$ 31,554	100.0	$ 31,626 (Note 7)	$ 416,245	$ 205,420	Note 5
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 10)	-	-	22,173 (Note 10)	29,985	20.0 (Note 10)	5,997 (Note 7)	48,792	55,509	Note 5

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 11)	$1,368,659 (Note 11)	No upper limit on the amount of investment (Note 12)

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

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

Note 2: Investment gain (loss):

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: The amount was eliminated upon consolidation.

Note 6: It has been deducted with 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 7 Recognized gain and loss is based on Note 2. b. 2).

Note 8: 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 9: 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 10: The accumulated outward remittance for investment from Taiwan and the ownership of investment is the investment of Hsin Lin Electric Machinery Co., Ltd. through Hsinlin International Investment Corp. of Samoa.

Note 11. It excludes the investment of Hsin Lin Electric Machinery Co., Ltd. in mainland China.

Note 12: 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. AND SUBSIDIARIES

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		Note
			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	Note 2
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Paid in 105 days	229,859	1.2	7,779	0.2	Note 2
	Wuxi Shihlin Electric & Engineering Co., Ltd.	-	Trading fairly general	Paid in 30 days	53,282	0.3	8,713	0.2	Note 2
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	-	Trading fairly general	Paid in 75 days	7,608	-	773	-	Note 2
	Suzhou Power Equipment	-	Trading fairly general	Paid in 90 days	3,408	-	1,877	-	Note 2

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		Note
			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	Note 2
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	-	Trading fairly general	Received in 90 days	63,561	0.3	16,752	-	6,799	0.1	Note 2
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 90 days	40,356	0.2	4,113	656 (Note)	24,170	0.4	Note 2
	Suzhou Power Equipment	-	Trading fairly general	Received in 90 days	9,097	-	2,003	-	1,327	-	Note 2
	Wuxi Shihlin Electric & Engineering Co., Ltd.	-	Trading fairly general	Received in 90 days	8,127	-	(398)	76 (Note)	1,976	-	Note 2

3. Management service revenue

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details			Management Service Revenue		Note
			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	Note 2

4. Endorsements/guarantees provided please refer to Table 2.

Note 1: As of December 31, 2022, unrealized gains or losses were presented as above.

Note 2: The amount was eliminated upon consolidation.

TABLE 10

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

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 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.

5. Stand-Alone Financial Statements and ternal Auditor's Audit Report for the Recent Year

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:

<u>The Occurrence of Operating Revenue</u>

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.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

(Continued)

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	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:

Name of Associate	December 31 2022	December 31 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	December 31 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	For the Year Ended December 31 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	December 31 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	December 31 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	For the Year Ended December 31 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 For the Year Ended December 31		RMB Impact For the Year Ended December 31		JPY Impact 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	December 31 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	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	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
Financial liabilities			
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.

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.	Shares Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,735	$ 1,689	2.7	$ 1,689
Rueylin Electric & Engineering Corp.	Shares Digi-Triumph Technology Inc	-	Financial assets at FVTOCI	82,734	1,689	2.7	1,689
Chuan Lin Technology Corporation	Shares Mirle Automation Corporation	-	Financial assets at FVTOCI	83,737	3,169	-	3,169
Ji Lin Investment, Co., Ltd.	Shares Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430
Cheng Lin Investments Co., Ltd.	Shares Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,430	2.0	10,430

(Concluded)

TABLE 4

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

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.

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		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			
	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 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
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.

6. Financial difficulties encountered by the Company and/or its affiliates in the recent year and as of the publication date of the annual report, and its impact on the Company's financial status

Not applicable.

VII. Review and Analysis of Financial Status and Performance and Risk Management

1. Analysis of Financial Status

Comparison and Analysis of consolidated financial Status

Unit：NT$ thousand

Item \ Year	2022	2021	Discretion	
			Amount	%
Current Asset	23,126,418	19,904,061	3,222,357	16.2
Property, Plant and Equipment	7,080,724	6,957,533	123,191	1.8
Other Assets	19,174,658	18,333,696	840,962	4.6
Total Asset	49,381,800	45,195,290	4,186,510	9.3
Current Liabilities	17,937,369	14,631,221	3,306,148	22.6
Non-Current Liabilities	2,755,648	3,526,356	-770,708	(21.9)
Total Liabilities	20,693,017	18,157,577	2,535,440	14.0
Interest Attributable to Parent Company	28,042,542	26,450,036	1,592,506	6.0
Capital Stock	5,209,722	5,209,722	0	0.0
Capital Surplus	2,646,125	2,639,057	7,068	0.3
Retained Earnings	19,012,452	17,581,729	1,430,723	8.1
Other Equities	1,174,243	1,019,528	154,715	15.2
Treasure Stock	-	-	-	-
Non-Controlling Interest	646,241	587,677	58,564	10.0
Total Equities	28,688,783	27,037,713	1,651,070	6.1

Analysis of changes in the ratio of increase/ decrease of current/previous periods:

1. **Increase in Current Assets**: Mainly due to the increase sales of heavy electrical products in 2022, combined with a long manufacturing process, which has led to an increase in inventory.
2. **Increase in Current Liabilities**: Mainly due to the increase in advance payments for contract liabilities and the conversion of long-term borrowings into short-term borrowings.
3. **Decrease in Non-Current Liabilities**: Mainly due to the conversion of long-term borrowings into short-term borrowings.
4. **Increase in Other Equities:** Mainly due to an increase in the exchange differences arising from the translation of foreign operation's financial statements.
5. **Increase in Non-Controlling Interest**: Mainly due to an increase in net profits from subsidiaries that are not 100% owned.

2. Financial Performance

(1) Comparison and Analysis of Operating Results in the last two years

Unit：NT$ thousand

Item \ Year	2022	2021	Amount Increase (decrease)	Ratio (%)	Discretion
Operating Revenue	30,757,777	27,689,810	3,067,967	11.1	1
Gross Profit	5,240,552	4,987,588	252,964	5.1	
Operating Profit (Loss)	2,254,577	1,998,033	256,544	12.8	1
Non-Operating Income and Expenses	501,032	475,393	25,639	5.4	
Income Before Tax	2,755,609	2,473,426	282,183	11.4	
Income from Continuing Operation before Income Tax	2,122,149	1,909,450	212,699	11.1	
Loss from Discontinuing Operation	0	0	0	0.0	
Net Profit (Loss)	2,122,149	1,909,450	212,699	11.1	1
Other Consolidated Profit/Loss (Net Profit After Tax)	516,578	311,489	205,089	65.8	2
Total Comprehensive Income	2,638,727	2,220,939	417,788	18.8	

Analysis of changes in proportion:

1. **The increase in Operating Revenue, Operating Profit (Loss), and Net Profit:** Mainly due to the growth in revenue from heavy electrical products.
2. **The increase in Other Consolidated Profit/Loss:** Mainly due to an increase in the re-measurement of defined benefit plans and the exchange differences arising from the translation of foreign operation's financial statements.

(2) For the possible impact and response plans of expected sales volume and reference on the future financial operations of the company, please refer to Page 3.

3. Cash Flow

Cash Flow Analysis

Unit：NT$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
3,525,350	1,023,396	(1,333,584)	3,215,162	—	—

1. The analysis of cash flow variations this year:
   (1) Net cash inflow from operating activities: Mainly due to net profit generated from operating activities.
   (2) Net cash outflow from investing activities: Mainly for the purchase of real estate, plant and equipment and the acquisition of financial assets measured at fair value through other comprehensive gains and losses.
   (3) Net cash outflow from financing activities: Mainly due to increase in short-term borrowings, repayment of long-term borrowings and surplus distribution of cash dividends.
2. Improvement plan for inadequate currency: N/A
3. Cash flow analysis in the next coming year:
   (1) Operating activities: Estimated profit growth in 2023, operating activities will generate net cash inflow.
   (2) Investing activities: Mainly due to the procurement of property, plant and equipment.
   (3) Financing activities: Mainly due to the distribution of cash dividend.

4. The Effect upon Financial Operations of Any Major Capital Expenditures in the Most Recent Years

(1) Major Capital Expenditure Items and Source of Capital：

Unit：NT$ thousand

Project Items	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Amount of Funds Needed	Actual or Expected Capital Expenditure				
				2021	2022	2023	2024	2025
Procurement of equipment developing new type of transformers	Surplus	Dec. 2025	1,630,356	174,673	113,943	501,740	710,000	130,000
Procurement of equipment developing new type of transformers and various switches	Surplus	Dec. 2025	381,402	73,787	71,115	86,500	75,000	75,000
Procurement of equipment developing the enhancement of self-manufacturing rate in various electronic products	Surplus	Dec. 2025	123,314	54,135	20,218	15,021	17,620	16,320
Procurement of equipment boosting auto-electric product capacity	Surplus	Dec. 2025	476,000	103,000	93,000	75,000	100,000	105,000

(2) Expected Benefits

I. Estimated increase in production, sales, and gross profits:

Unit：NT$ thousand

Year	Item	Quantity of Production	Quantity of Sales	Amount of Sales	Gross Profit
2023	Procurement of equipment developing new type of transformer	4,164	4,164	428,626	91,617
	Procurement of equipment developing new type of circuit breaker and various switches	144,229	122,944	80,000	16,500
	Procurement of equipment boosting the self-manufacturing rate of various electronic products	8,800	8,800	48,478	7,272
	Procurement of equipment boosting auto-electric product capacity	98,000	98,000	83,000	13,600

II. Other benefits

(1) Upgrade product quality and reach economic scale.

(2) Develop new products.

5 Reinvestment Policy in the Most Recent Years, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Reinvestment Profitability, and investment plans for the Coming Year：

(1) Reinvestment policy

a. The long-term investment strategy of the company takes consideration of industry related vertical integration, horizontal strategic alliance, and future development trends, in addition to increasing corporate competition and profits through reinvestment.

b. The profits from reinvestment mainly come from the investment in overseas subsidiaries' proceeds.

(2) Future one-year investment plan

Take consideration of investment in industry related and future development of the company.

6. Risk Management and Assessment

(1) The impact of interest rate, exchange rate, and inflation rate changes on the Company's revenue, as well as corresponding actions：

a. Interest Rates: Due to the escalation of the Russo-Ukrainian war and increased global inflation risks, monetary policies of various countries are gradually leaning towards tightening, resulting in uncertain economic growth prospects.

Response Action: Although the Federal Reserve's interest rate hikes are nearing completion, domestic interest rates have not fully reflected the changes. There is still room for future interest rate increases. The company will moderately reduce financing positions to mitigate the impact on profit and loss. The mainland subsidiary also adopts a combination of local financing and foreign debt to lower funding costs.

2. Exchange rate: The international political and economic situation and the trend of the US dollar continue to affect the rise and fall of various currencies around the world; in particular, the various economic policies of the US government and various rescue policies in the face of the epidemic have created strong uncertainties for the international currency market.

Response action: The foreign exchange positions of the consolidated company are mainly in USD, JPY and RMB. Therefore, fluctuations in the exchange rates of USD, JPY and RMB will have an impact on the profit and loss of the Company. The operation of the US dollar part is mainly based on the income and expenditure situation and the assessment of exchange rate fluctuations, and hedging methods such as spot selling, pre-sale or exchange for profit. The main purchasing strategy for the Japanese Yen part is to lock the annual plan. The merged company evaluates the Japanese Yen demand, safety stock level and market fluctuations, and conducts long-distance hedging when necessary to control the Company's purchase cost. The RMB will continue to pay close attention to its trend, taking the natural hedging method of payment balance as its principle.

3. Inflation: The annual growth rate of the consumer price index in 2023 will be significantly higher than in previous years, and the fluctuations in the cost of precious metals and bulk raw materials are greatly affected by the global economy, regional political and economic situation and the epidemic situation, so we need to pay close attention to the development of the market.

Response actions: The consolidated company will use technology research and development and process optimization to reduce manufacturing costs; and reduce the impact of inflation by flexibly adjusting purchases and inventories. At the same keep close look at fluctuations in related operating costs.

(2) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, and derivative trading policies, main reasons for profits or losses, and future response measures

The company does not engage in high-risk and extremely high leverage investment acts. The short-term idle fund is given priority in deposit or short-term saving. The company develops “Endorsement and Guarantee Procedures” to regulate the guarantee and endorsement operations. As of March 31, 2023, the amount of endorsement guarantee (including the endorsement guarantee between the company and subsidiaries) is NTD 1,428,424 thousand with object of guarantee consisting of subsidiaries and invested companies endorsed and guaranteed by shareholders by shareholding ratio due to the investment relations. The company in general will not engage in derivative commodity trading, except for the need for risk aversion and shall comply with the corporate “Procedures of Engaging in Derivative Financial Commodity Trading Process” due to operation requirement.

(3) Future Research & Development (R&D) Plans and Expected R&D expenses：

Unit：NT$ thousand

Future R&D Plan	Current Progress of Future R&D Plan	R&D Expenses to be reinvested	Estimated schedule for completing mass production	Main factors affecting R&D success in the future
Please refer to the new product development plan from P.86~P.87	30%	376,222	December, 2023	—

(4) Changes in important policies and the legal environment at home and abroad, and the effect on Company financial status and operation, and countermeasures:

The company will pay close attention and control the important financial operation policies and laws that could affect the company in addition to cooperating with the internal corporate regulation and rules. Assessment shows no major impact on the company.

(5) The technological and industrial changes, and their effect on the financial status and operation of the Company, and countermeasures:

With the rapid development of technology, information security risks are mostly generated through the network environment and employee behavior, including hacker attacks, network traffic attacks, software (ransomware) viruses, phishing, spam, software updates, permission control, etc. The possible impact on the Company includes internal information being stolen or tampered with, financial loss, impact on daily operations and damage to the Company's image, etc. The Company has formulated internal information security management procedures, regular inspections to ensure implementation, regular implementation of system information security testing, inspection of user behavior through information security equipment such as firewalls, enhancement of anti-virus and encryption mechanisms, and protection measures for personal data, and regularly through third-party units conduct audits and conduct regular employee education and training to improve information security awareness.

(6) The Impact of changes in corporate identity on Company crisis management, and countermeasures: N/A

(7) The expected benefits and possible risks of merger or acquisition, and countermeasures: N/A

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken：N/A

(9) The risks from centralized purchasing or selling, and countermeasures

(10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken：N/A

(11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken：N/A.

(12) Litigation and non-litigation matter which might materially affect shareholder equity or the price of securities: N/A

(13) Other substantial risks and countermeasures: N/A

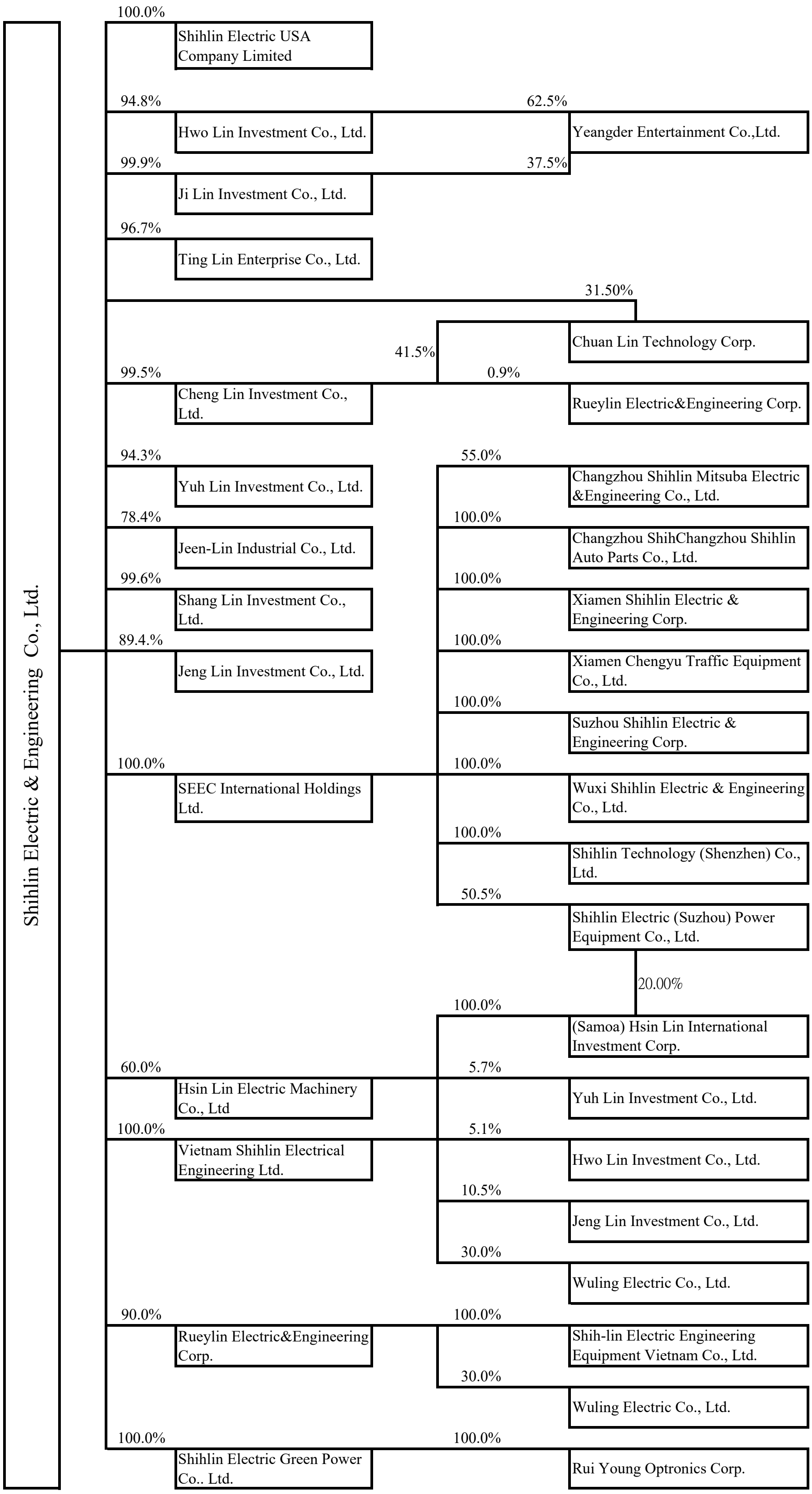
7. Other Important Matters：None

VIII. Special Disclosure

1. Affiliated Companies

A. Affiliates Consolidated Business Report

(1) Organizational chart of affiliations



(2) The basic information of affiliated companies

December 31,2022\ unit: NT$ thousand, unless otherwise noted

Name of Company	Date of incorporation	Address	Paid-in capital	Main Business Items
Shihlin Electric USA Company Limited	2008/01/14	80 S Lake Ave Ste 780 Pasadena, CA 91101	USD2,500,000 (Note 12)	The heavy electrical equipment product marketing
Hwo Lin Investment Co., Ltd.	1998/08/26	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	527,000	Investment
Yeangder Entertainment Co., Ltd.	2007/07/25	13F., No.90, Sec.6, Zhongshan N. Rd., Taipei City	40,010	Engaged in competitive and recreational sports industry
Ji Lin Investment Co., Ltd.	2000/10/02	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	300,000	Investment
Rueylin Electric & Engineering Corp.	1993/12/06	No. 22, Siwei Rd., Hukou Township, Hsinchu County 303, Taiwan	114,100	Mechanical appliances and electrical manufacturing various components of the processing of trading business
Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	2002/05/30	Lot II-17 Road 10, Ho Nai industrial zone, Ho Nai 3 Commune, Trang Bom District, Dong Nai Province, Vietnam	USD2,500,000 (Note 13)	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
Ting Lin Enterprise Co., Ltd.	1994/12/21	3F, No.9, Sec.1,Chang'an E. Rd., Zhongshan Dist., Taipei City	126,000	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
Chuan Lin Technology Corporation	1992/02/07	No.23, Zhonghua Road, Hukou Township, Hsinchu County	13,000	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
Cheng Lin Investment Co., Ltd.	1998/07/14	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	460,000	Investment
Yuh Lin Investment Co., Ltd.	2001/09/25	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	456,000	Investment
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	2013/05/31	No.9 Xin4Rd, Electronics Park, New District, Changzhou, Jiangsu, China	USD6,000,000 (Note 3)	Manufacturing and sales business of motorcycles starter, AC generator, starter switch
Changzhou Shihlin Auto Parts Co., Ltd.	2014/05/31	NO.7 Xin4Rd, Electronics Park, New District, Changzhou, Jiansu, China	USD10,000,000 (Note 8)	Manufacturing and sales business of motorcycles starter, AC generator, starter switch
Jeen-Lin Industrial Co., Ltd.	1997/04/21	No. 1, Ln. 428, Zhongxin St., Xinfeng Township, Hsinchu County 304, Taiwan	68,110	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 company
Shang Lin Investment Co., Ltd.	1998/07/14	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	600,000	Investment
Xiamen Shihlin Electric & Engineering Co., Ltd.	1995/07/06	No. 92-96, Sunban S. Rd., Northern Industry Area, Jimei, Xiamen, China. 361021	USD12,130,000 (Note 4)	All kinds of switches, relays, circuit breakers and other products and components of the production, trafficking technical advice and after sales service.
Jeng Lin Investment Co., Ltd.	2001/09/25	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	257,000	Investment

Name of Company	Date of incorporation	Address	Paid-in capital	Main Business Items
Suzhou Shihlin Electric & Engineering Co., Ltd.	2001/03/26	No.88, Guangdong Street, Suzhou New District, Jiangsu, P. R. C. 215129, China.	USD12,990,000 (Note 5)	Manufacturing and sales business of power capacitor, power transformers, electric motors and other electronic components.
SEEC International Holdings Ltd.	1995/03/01	P.O. Box 71,Craigmuir Chambers, Road Town, Tortola, British Virgin Island	USD48,828,287 (Note 6)	Investment and trade business
Wuxi Shihlin Electric & Engineering Co., Ltd.	2001/11/05	No.88 Mei Yu Road, LotB Wuxi New District, Wuxi, JiangSu, 214028,China.	USD10,000,000 (Note 7)	Manufacturing and sales business of magneto and starter motor in locomotive transmission facilities, mobile and starter motors, power generator, and DC motor.
Vietnam Shihlin Electrical Engineering Ltd.	1997/01/01	Lot 6. Ho Nai 3 Industrial Zone, Trang Born Dist., Dong Nai Province, Viet Nam.	USD4,168,000 (Note 9)	Electrical goods production
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	2004/06/08	No.16 Yongfang Road, Huangqiao Industrial Park, Xiangcheng District, SuzhoLi, 215009, China.	USD5,500,000 (Note 10)	High- and low-pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business
Hsin Lin Electric Machinery Co., Ltd.	2004/02/26	3F, No.9, Sec.1, Chang'an E. Rd., Zhongshan Dist., Taipei City	48,000	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
(Samoa) Hsin Lin International Investment Corp.	2017/12/19	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD1,880,000 (Note 11)	Investment
Shihlin Technology (Shenzhen) Co., Ltd.	2010/06/18	No.258~259, Baoan District Minzhi Street (Longhua) Fairview Jiangnan B2 Building, Shenzhen, Guangdong Province, China.	USD1,000,000 (Note 2)	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
Xiamen Chen-Ieu Transportation Implements Co., Ltd.	1995/07/06	NO.122-126 (double), Jimei District Ying Yao Road, Xiamen City, Fujian Province, China.	USD2,500,000 (Note 1)	Manufacturing and motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, machine tools, etc.
Wuling Electric Co., Ltd.	1986/06/16	No. 8, Gong 2th Road, Gong 2th Industrial Area, Linkou District, New Taipei City	50,000	Manufacturing and sales of mechanical and electrical parts, various power distribution equipment (copper, iron, aluminum wire), various non-fuse switch, leakage switch, motor switch.
Shihlin Electric Green Power Co., Ltd.	2022/08/24	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	300,000	Power generation, power transmission, power distribution machinery manufacturing, renewable energy self-use power generation equipment industry, energy technology service industry, etc.
Rui Young Optronics Corp.	2022/09/06	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	280,000	Power generation, power transmission, power distribution machinery manufacturing, renewable energy self-use power generation equipment industry, energy technology service industry, etc.

Note 1：Converted according to the exchange rate of 29.07 at the time of capital contribution
Note 2：Converted according to the exchange rate of 32.00 at the time of capital contribution
Note 3：Converted according to the exchange rate of 32.14 at the time of capital contribution
Note 4：Converted according to the exchange rate of 32.25 at the time of capital contribution
Note 5：Converted according to the exchange rate of 30.90 at the time of capital contribution
Note 6：Converted according to the exchange rate of 32.17 at the time of capital contribution
Note 7：Converted according to the exchange rate of 32.26 at the time of capital contribution
Note 8：Converted according to the exchange rate of 30.38 at the time of capital contribution
Note 9：Converted according to the exchange rate of 30.59 at the time of capital contribution
Note 10：Converted according to the exchange rate of 31.75 at the time of capital contribution
Note11：Converted according to the exchange rate of 30.69 at the time of capital contribution
Note12：Converted according to the exchange rate of 31.95 at the time of capital contribution
Note 13：Converted according to the exchange rate of 33.51 at the time of capital contribution

(3) Shareholders concluded as the existence of the controlling and subordinate company relation：None.

(4) Industries covered by all the affiliates

Industry	Company Name	Association with business operations of various related companies
Holding company	SEEC International Holdings Ltd.	Indirect investment in mainland China and overseas area
	(Samoa) Hsin Lin International Investment Corp.	
Electrical Industry	Rueylin Electric & Engineering Corp.	Manufacturing and sales business of mechanical equipment, mechanical appliances
	Wuling Electric Co., Ltd.	
	Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	
	Changzhou Shihlin Auto Parts Co., Ltd.	
	Xiamen Shihlin Electric & Engineering Co., Ltd.	
	Suzhou Shihlin Electric & Engineering Co., Ltd.	
	Wuxi Shihlin Electric & Engineering Co., Ltd.	
	Vietnam Shihlin Electrical Engineering Ltd.	
	Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	
	Hsin Lin Electric Machinery Co., Ltd.	
	Jeen-Lin Industrial Co., Ltd.	
	Xiamen Chen-Ieu Transportation Implements Co., Ltd.	
	Shihlin Technology (Shenzhen) Co., Ltd.	
	Ting Lin Enterprise Co., Ltd.	
	Shihlin Electric Green Power Co., Ltd.	
	Rui Young Optronics Corp.	
Trade Industry	Chuan Lin Technology Corporation	Sales business of mechanical equipment
	Shihlin Electric USA Company Limited	Promote heavy electricity products
Entertainment Industry	Yeangder Entertainment Co., Ltd.	Diversified management
Investment	Cheng Lin Investment Co., Ltd.	
	Jeng Lin Investment Co., Ltd.	
	Yuh Lin Investment Co., Ltd.	
	Shang Lin Investment Co., Ltd.	
	Hwo Lin Investment Co., Ltd.	
	Ji Lin Investment Co., Ltd.	

(5) The profiles of Directors, Supervisors and Chairman of affiliates.

Mar 31,2022 / Unit: share; %

Name of Company	Job title	Name or Representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding)
Jeen-Lin Industrial Co., Ltd.	Chairman	Lee, Shui-Yuan Legal Representative of Shihlin Electric & Engineering Corp.	5,346,364	78.4
	Director	Tung, Chi-Jen / Liao, Feng-Liang / Wu, Chao-Tse / Chen, Tsung-Ming Legal Representative of Shihlin Electric & Engineering Corp.	5,346,364	78.4
	Supervisor	Peng, Bo-Jun	-	-
	General Manager	Chen, Tsung-Ming	-	-
Rueylin Electric & Engineering Corp.	Chairman	Chang, Chin-Wen Legal Representative of Shihlin Electric & Engineering Corp.	10,274,053	90.0
	Director	Hsieh, Han-Chang / Kuo, Yueh-She /Lin, Yu-Liang / Lee, Shui-Yuan Legal Representative of Shihlin Electric & Engineering Corp.	10,274,053	90.0
	Supervisor	Chou, Wei-Lin	-	-
	General Manager	Chang, Chin-Wen	173,731	1.52
Hsin Lin Electric Machinery Co., Ltd.	Chairman	Hsieh, Han-Chang Legal Representative of Shihlin Electric & Engineering Corp.	2,880,000	60.0
	Director	Yang, Tsun-Ching / Kuo, Yueh-She / Chang, Chin-Wen Legal Representative of Shihlin Electric & Engineering Corp.	2,880,000	60.0
	Director	Cheng, Chun-Ming	180,000	3.8
	Director	Peng, Yun-Po	84,000	1.8
	Director	Chiu, Chuang-Cheng	70,000	1.5
	Supervisor	Chou, Wei-Lin	-	-
	General Manager	Peng, Yun-Bo	84,000	1.8
Shang Lin Investment Co., Ltd.	Chairman	Wu, Chia-Hsin Legal Representative of Shihlin Electric & Engineering Corp.	59,807,000	99.7
	Director	Hsieh, Wen-Cheng / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	59,807,000	99.7
	Supervisor	Yao, Wen-Liang	-	-
Chuan Lin Technology Corporation	Chairman	Kuo, Yueh-She Legal Representative of Shihlin Electric & Engineering Corp.	410,000	31.5
	Director	Hsieh, Han-Chang / Chang, Chin-Wen / Yeh, Sung-Yuan / Wu, Ming-Yen Legal Representative of Shihlin Electric & Engineering Corp.	410,000	31.5
	Supervisor	Chou, Wei-Lin	-	-
	General Manager	Wu, Ming-Yen	25,000	1.92

Name of Company	Job title	Name or Representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding)
Cheng Lin Investment Co., Ltd.	Chairman	Hsieh, Wen-Cheng Legal Representative of Shihlin Electric & Engineering Corp.	45,807,000	99.5
	Director	Wu, Chia-Hsin / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	45,807,000	99.5
	Supervisor	Yao, Wen-Liang	-	-
Hwo Lin Investment Co., Ltd.	Chairman	Shih, Chin-Yi Legal Representative of Shihlin Electric & Engineering Corp.	49,990,000	94.8
	Director	Wu, Chia-Hsin / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	49,990,000	94.8
	Supervisor	Yao, Wen-Liang Legal Representative of Hsin Lin Electric Machinery Co., Ltd.	2,700,000	5.1
Yuh Lin Investment Co., Ltd.	Chairman	Hsieh, Wen-Cheng Legal Representative of Shihlin Electric & Engineering Corp.	42,990,000	94.3
	Director	Wu, Chia-Hsin / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	42,990,000	94.3
	Supervisor	Yao, Wen-Liang Legal Representative of Hsin Lin Electric Machinery Co., Ltd.	2,600,000	5.7
Jeng Lin Investment Co., Ltd.	Chairman	Shih, Chin-Yi Legal Representative of Shihlin Electric & Engineering Corp.	22,990,000	89.5
	Director	Wu, Chia-Hsin / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	22,990,000	89.5
	Supervisor	Yao, Wen-Liang Legal Representative of Hsin Lin Electric Machinery Co., Ltd.	2,700,000	10.5
Ji Lin Investment Co., Ltd.	Chairman	Hsieh, Wen-Cheng Legal Representative of Shihlin Electric & Engineering Corp.	29,990,000	99.9
	Director	Wu, Chia-Hsin / Lee, Ying-Chu Legal Representative of Shihlin Electric & Engineering Corp.	29,990,000	99.9
	Supervisor	Yao, Wen-Liang	-	-
Yeangder Entertainment Co., Ltd.	Chairman	Emmet Hsu Legal Representative of Hwo Lin Investment Co., Ltd.	2,500,000	62.5
	Director	Hsieh, Han-Chang Legal Representative of Ji Lin Investment Co., Ltd.	1,500,000	37.5
	Director	Byant Hsu Legal Representative of Hwo Lin Investment Co., Ltd.	2,500,000	62.5
	Supervisor	Shih, Chin-Yi Legal Representative of Xin He Investment Corp.	1,000	0.0
	General Manager	Byant Hsu	-	-

Name of Company	Job title	Name or Representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding)
SEEC International Holdings Ltd.	Chairman	Tung, Chi-Jen	-	-
	Director	Hsieh, Han-Chang / Cheng, Hsiang-Chih	-	-
			Shihlin Electric & Engineering Corp. holds 48,828,287 shares	100.0
Vietnam Shihlin Electrical Engineering Ltd.	Chairman	Tung, Chi-Jen	-	-
	Director	Lee, Shui-Yuan / Liu, Da-Wei	-	-
	General Manager	Liu, Da-Wei	-	-
	Supervisor	Peng, Bo-Jun		
			Shihlin Electric & Engineering Corp. investment US$4,168,000	100.0
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Chairman	Liu, Jun-Zhong	-	-
	Director	Tung, Chi-Jen / Lee, Shui-Yuan Mizuno Koji / Ku, Wei-Chen / Wu, Chao-Tse / Ebara Kiyotaka	-	-
	General Manager	Liu, Jun-Zhong	-	-
	Supervisor	Peng, Bo-Jun / Take Nobuyuki	-	-
			SEEC International Holdings Ltd. investment US$3,300,000	55.0
Changzhou Shihlin Auto Parts Co., Ltd.	Chairman	Lee, Shui-Yuan	-	-
	Director	Liao, Feng-Liang / Lin, Yung-Chang	-	-
	General Manager	Lin, Yung-Chang	-	-
	Supervisor	Peng, Bo-Jun	-	-
			SEEC International Holdings Ltd. investment US$10,000,000	100.0
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	Chairman	Peng, Yun-Po	-	-
	Director	Hsieh, Han-Chang / Cheng, Chun-Ming / Chang, Chin-Wen / Lee, Jun-chao / Yang, Ming-Fa / Lee, Chien-Ching	-	-
	General Manager	Lee, Jun-Chao	-	-
	Supervisor	Chou, Wei-Ling	-	-
			(Samoa) Hsin Lin International Investment Corp. investment US$816,000	20.0
			SEEC International Holdings Ltd. investment US$2,060,400	50.5

Name of Company	Job title	Name or Representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding)
Xiamen Shihlin Electric & Engineering Co., Ltd.	Chairman	Cheng, Hsiang-Chih	-	-
	Director	Wu, Chia-Hsin / Chen, Hong-Jen / Fang, Yu-Jung / Yang, Tien-Shu	-	-
	General Manager	Yang, Tien-Shu	-	-
	Supervisor	Hsieh, Wen-Cheng	-	-
			SEEC International Holdings Ltd. investment US$12,126,246	100.0
Suzhou Shihlin Electric & Engineering Co., Ltd.	Chairman	Wang, Pai-Sung	-	-
	Director	Yang, Tsun-Ching / Kuo, Yueh-She / Chen, Wen-Hsiang / Hua, Jian-Jie	-	-
	General Manager	Chen, Wen-Hsiang	-	-
	Supervisor	Chang, Kuei-Feng		
			SEEC International Holdings Ltd. investment US$12,994,301	100.0
Wuxi Shihlin Electric & Engineering Co., Ltd.	Chairman	Lee, Shui-Yuan	-	-
	Director	Ko, Ching-Li / Liao, Feng-Liang	-	-
	General Manager	Ling, Yung-Chang	-	-
	Supervisor	Peng, Bo-Jun	-	-
			SEEC International Holdings Ltd. investment US$10,000,000	100.0
Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	Chairman	Chang, Chin-Wen	-	-
	Director	Kuo, Yueh-She / Lin, Yu-Liang / Lu, Wan-Sheng / Chen, Ming-Zhi	-	-
	General Manager	Lu, Wan-Sheng	-	-
	Supervisor	Chou, Wei-Lin	-	-
			Rueylin Electric & Engineering Corp. investment US$2,500,000	100.0
Shihlin Technology (Shenzhen) Co., Ltd.	Chairman	Tien, Chia-Wen	-	-
	Director	Yang, Tsung-Hsien / Huang, Chin-Jen	-	-
	General Manager	Huang, Chin-Jen	-	-
	Supervisor	Chang, Kuei-Feng	-	-
			SEEC International Holdings Ltd. investment US$1,000,000	100.0

Name of Company	Job title	Name or Representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding)
Shihlin Electric USA Company Limited	Chairman	Steven S.K. Chen	-	-
			Shihlin Electric & Engineering Corp. holds 2,500,000 shares	100.0
Xiamen Chengyu Traffic Equipment Co., Ltd.	Chairman	Cheng, Hsiang-Chih	-	-
	Director	Fang, Yu-Jung / Yang, Tien-Shu	-	-
	General Manager	Fang, Yu-Jung	-	-
	Supervisor	Hsieh, Wen-Cheng	-	-
			SEEC International Holdings Ltd. investment US$2,500,000	100.0
Ting Lin Enterprise Co., Ltd.	Chairman	Wu, Tsung-Ming Legal Representative of Shihlin Electric & Engineering Corp.	12,188,000	96.7
	Director	Shih, Chin-Yi / Chou, Wei-Lin Legal Representative of Shihlin Electric & Engineering Corp.	12,188,000	96.7
	Supervisor	Lin, Chen-Hua Legal Representative of Jine De Sheng Co., Ltd.	132,000	1.0
	General Manager	Wu, Tsung-Ming	-	-
Wuling Electric Co., Ltd.	Chairman	Fan, Chen-Pi Legal Representative of Hsin Lin Electric & Engineering Corp.	1,500,000	30.0
	Director	Weng, Po-Chun / Chen, I-Hung Legal Representative of Hsin Lin Electric & Engineering Corp.	1,500,000	30.0
	Director	Cheng, Wuan-Ling	400,000	8.0
	Director	Cheng, Hsi-Pei	320,000	6.4
	Supervisor	Cheng, Yu-Fang	400,000	8.0
	Supervisor	Hsieh, Wen-Zheng Legal Representative of Rueylin Electric & Engineering Co., Ltd.	15,000,000	30.0
(Samoa) Hsin Lin International Investment Corp.	Chairman	Hsieh, Han-Chang	-	-
			Hsin Lin Electric Machinery Co., Ltd. holds 1,130,000 shares	100.0
Shihlin Electric Green Power Co., Ltd.	Chairman	Cheng, Hsiang-Chih Legal Representative of Shihlin Electric & Engineering Corp.	-	-
			30,000,000	100.0
Rui Young Optronics Corp.	Chairman	Cheng, Hsiang-Chih Legal Representative of Shihlin Electric Green Power Co., Ltd.	-	-
			28,000,000	100.0

(6) Overview of affiliates operation:

December 31,2022 \ Currency unit: NT$ thousand, other than EPS, which shall be stated at NT$

Name of Company	Paid-in capital (Note 1)	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net income	EPS (after Tax)
Jeen-Lin Industrial Co., Ltd.	68,110	204,879	59,753	145,126	139,974	17,102	13,700	2.01
Chuan Lin Technology Corporation	13,000	162,802	75,597	87,205	292,769	11,582	10,046	7.73
Rueylin Electric & Engineering Corp.	114,100	586,247	144,008	442,239	311,226	19,828	65,780	5.77
Shang Lin Investment Co., Ltd.	600,000	596,964	110	596,854	0	(162)	4,232	0.07
Cheng Lin Investment Co., Ltd.	460,000	463,902	110	463,792	0	(223)	7,092	0.15
Hwo Lin Investment Co., Ltd.	527,000	601,166	110	601,056	0	(180)	5,989	0.11
Jeng Lin Investment Co., Ltd.	257,000	428,210	31,337	396,873	0	(155)	2,436	0.09
Yuh Lin Investment Co., Ltd.	456,000	713,744	34,166	679,578	0	(155)	4,795	0.11
Ji Lin Investment Co., Ltd.	300,000	320,329	110	320,219	0	(154)	4,093	0.14
Ting Lin Enterprise Co., Ltd.	126,000	181,269	103	181,166	0	(91)	839	0.07
Hsin Lin Electric Machinery Co., Ltd.	48,000	1,419,163	1,001,689	417,474	1,962,856	56,796	61,142	12.74
Wuling Electric Co., Ltd.	50,000	160,296	54,630	105,666	227,301	32,244	8,535	1.71
Yeangder Entertainment Co., Ltd.	40,010	31,693	1,916	29,777	22,000	751	268	0.07
SEEC International Holdings Ltd.	(Note 4) 1,583,877	7,444,194	1,990,784	5,453,410	6,307,070	424,105	472,022	2.98
(Samoa) Hsin Lin International Investment Corp.	(Note 9) 36,355	49,261	0	49,261	0	0	6,000	1.65
Vietnam Shihlin Electric & Engineering Co., Ltd.	(Note 12) 127,502	721,467	215,118	506,349	741,105	21,907	47,547	(Note 3)
Shihlin Electric USA Company Limited	(Note 13) 79,879	55,755	24,971	30,784	18,644	(1,507)	(207)	(0.03)
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	(Note 5) 192,835	935,324	362,085	573,239	1,444,248	151,000	124,233	(Note 3)
Changzhou Shihlin Auto Parts Co., Ltd.	(Note 11) 303,173	687,521	270,984	416,537	627,510	49,830	31,554	(Note 3)
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	(Note 10) 174,614	429,645	185,683	243,962	607,952	35,447	30,200	(Note 3)
Xiamen Shihlin Electric & Engineering Co., Ltd.	(Note 6) 391,115	1,189,020	276,514	912,506	1,444,687	26,870	48,497	(Note 3)
Wuxi Shihlin Electric & Engineering Co., Ltd.	(Note 7) 312,552	432,374	93,062	339,312	410,406	13,321	17,122	(Note 3)
Suzhou Shihlin Electric & Engineering Co., Ltd.	(Note 8) 401,584	1,423,840	579,320	844,520	1,488,617	149,412	140,513	(Note 3)
Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	(Note 14) 83,770	444,637	151,059	293,578	751,157	61,852	50,648	(Note 3)
Shihlin Technology (Shenzhen) Co., Ltd.	(Note 15) 32,000	261,348	222,893	38,455	283,651	(103)	(388)	(Note 3)
Xiamen Chengyu Traffic Equipment Co., Ltd.	(Note 16) 72,679	61,355	243	61,112	0	(1,104)	5,296	(Note 3)

Note 1：It is paid-up capital

Note 2： If the related enterprise is a foreign company, the balance sheet is converted at the US dollar exchange rate of 30.710 as of December 31, 2022, and the profit and loss statement is the annual average US dollar exchange rate 29.805 as Year of 2022.

Note 3：It is a limited company; therefore, not applicable.

Note 4：Converted according to the exchange rate of 32.17 at the time of capital contribution
Note 5：Converted according to the exchange rate of 32.14at the time of capital contribution
Note 6：Converted according to the exchange rate of 32.25 at the time of capital contribution
Note 7：Converted according to the exchange rate of 31.26 at the time of capital contribution
Note 8：Converted according to the exchange rate of 30.90 at the time of capital contribution
Note 9：Converted according to the exchange rate of 32.69 at the time of capital contribution
Note 10：Converted according to the exchange rate of 31.75 at the time of capital contribution
Note 11：Converted according to the exchange rate of 30.66 at the time of capital contribution
Note 12：Converted according to the exchange rate of 30.59at the time of capital contribution
Note 13：Converted according to the exchange rate of 31.95 at the time of capital contribution
Note 14：Converted according to the exchange rate of 33.51 at the time of capital contribution
Note 15：Converted according to the exchange rate of 32.00 at the time of capital contribution
Note 16：Converted according to the exchange rate of 29.07 at the time of capital contribution

B. 2022 Consolidated financial statement of affiliates: Please refer to P.119~P.207

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby declare

SHIHLIN ELECTRIC & ENGINEERING CORP.

By

Emmet Hsu
Chairman

March 14, 2023

C. 2022 Affiliate Report: N/A

2. Private placement of securities over past year and up to the date of publication of the annual report: N/A

3. Status of company stock held or disposed of by subsidiaries over past year and up to the date of publication of the annual report: N/A

4. Any matters of material significance that could have affected shareholder equity or securities price last year and up to the date of publication of the annual report, pursuant to the regulation of article 36-3-2 of securities laws: N/A

5. Evaluation basis and foundation for the allowance practice of balance sheet valuation account

(1) Allowance for Bad Debts

The amalgamating company uses the simplification of IFRS 9 to recognize an allowance loss for accounts receivable based on lifetime expected credit losses. The expected credit loss during the duration is based on the customer's past default record and current financial situation, industrial economic situation, and outlook.

(2) Allowance for Reduction of Inventory to Market

Inventories include raw materials, work in progress and finished goods. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, it is based on individual items except for inventories of the same category.

(3) Warranty preparation

The provision for warranty liabilities is based on the stipulations in the sales contract, historical warranty experience and consideration of other factors affecting product quality, etc., to estimate the best present value of the outflow of future economic benefits due to warranty obligations.

6. Key performance indicators of industry differentiation

Product Category	2022 Market Share (Domestic)
Heavy Electric Products	46%
Breaker Switchgear Products	45%
Automation Products	36%
Automobile Equipment Products	50%

7. Other matters that require additional description

(1) The acquisition of relevant certification instructed by competent authority for personnel related to financial information transparency

Unit: No. of People

Certification / Personnel	Senior Securities Specialist	Securities Specialist	Stock Affairs Specialist	Others (Note 1)
Financial Specialist	2	2	4	4
Accountant	2	3	1	7
Stock Administration Specialist	0	1	2	0
Total	4	6	7	11

Note 1: others refer Securities Investment Trust and Consulting Professionals, futures specialist, banking trust specialist, financial plan specialist, internal banking control specialist, investment policy, personal insurance specialist, property insurance specialist, manufacturing manager, and accountant.

(2) The internal material information processing procedures have been developed and announced on the internal corporate website to notify all employees, managers, and directors to avoid violation and occurrence of insider trading.

SHIHLIN ELECTRIC & ENGINEERING CORP.

Chairman   Emmet Hsu

<u>Notice to readers</u>

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Changes For The Better, Create The Future

Shihlin Electric & Engineering Corp.

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