FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxconn Technology Co., Ltd.

Opinion

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

In our opinion, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Revenue cutoff

Description

Refer to Note 4(30) for accounting policy on revenue recognition and Note 6(21) for details of revenues. The Group has three sale transaction types, including (1) direct shipment from the factory, (2) FOB destination, and (3) hub. For FOB destination and hub, revenue is recognized when goods are shipped to destination or picked up by customers (when controls of the products are transferred). The supporting documents of revenue recognition include receipts from customers (FOB destination), reports or other information provided by hub custodians and inventory movement record of hub. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and discrepancy between physical inventory quantities in the hubs and quantities as reflected in the accounting records.

Since there are numerous daily revenue from hubs and from FOB destination and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, revenue cutoff has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Evaluated and tested the Group's controls over revenue recognition.

B. Tested sales transactions that took place shortly before and after the balance sheet date, by verifying customers' receipt notes, supporting documents provided by hub custodian, inventory movement records, and costs of goods sold recognized in the correct reporting periods.

C. Confirmed or physical inventoried quantities held by distribution warehouses and agreed to accounting records. Assessed the reasonableness for reconciling item identified through confirmation or physical inventory, if any, and inspected respective supporting documents and rationale.

Provision for inventory valuation losses

Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories. As at December 31, 2022, the Group's inventories and provision for inventory valuation losses amounted NT$5,296,471 thousand and NT$317,112 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of 3C electronic products, modules and components. Due to rapid technological innovations, shorter electronic product life cycles and the fluctuation of market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value and inventory valuation losses are provided against inventory aged over a certain period of time and individually identified as obsolete or damaged, which the net realisable value is determined based on historical data of inventory closeout.

As the amounts of inventory are material, types of inventories vary, the identification of obsolete or damaged inventories and determination of net realisable value are subject to management's judgment, we considered the provision for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Ensured consistent application of policies in relating to provision for inventory valuation losses and in compliance with respective accounting guidance.
B. Validated the appropriateness of system logic of inventory aging report utilised by management in assessing inventory valuation losses and selected samples and tested transactions for proper categorisation in inventory aging report.
C. Assessed the reasonableness of inventory valuation losses through discussing with management the net realizable value of obsolete or damaged inventories and validating supporting documents.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Foxconn Technology Co., Ltd. as of and for the years ended December 31, 2022 and 2021.

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

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

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

Those charged with governance, including 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 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 professional skepticism throughout the audit. We also:

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

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chieh-Ju, Hsu   Yung-Chien, Hsu

For and on behalf of PricewaterhouseCoopers, Taiwan
March 14, 2023

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 78,001,243	52	$ 71,725,408	41
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	22,357	-
1136	Current financial assets at amortized cost, net	6(4) and 8	260,574	-	11,975,840	7
1170	Accounts receivable, net	6(5)	14,003,943	9	17,395,464	10
1180	Accounts receivable due from related parties, net	7	5,800,257	4	7,957,259	5
1200	Other receivables	7	4,642,235	3	3,811,537	2
130X	Inventories	6(6)	4,979,359	3	5,590,128	3
1470	Other current assets		464,200	1	348,616	-
11XX	**Total current assets**		108,151,811	72	118,826,609	68
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	502,530	-	286,888	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	25,222,349	17	38,345,819	22
1535	Non-current financial assets at amortized cost, net	6(4)	2,203,442	1	2,177,032	1
1550	Investments accounted for under equity method	6(7)	5,087,554	3	4,730,284	3
1600	Property, plant and equipment	6(8) and 7	4,229,790	3	4,558,413	3
1755	Right-of-use assets	6(9), 7 and 8	1,374,157	1	1,189,406	1
1760	Investment property - net	6(11)	1,160,010	1	1,247,824	1
1780	Intangible assets	6(12)	2,026,968	1	1,366,313	1
1840	Deferred tax assets	6(27)	997,283	1	931,182	-
1900	Other non-current assets		148,874	-	737,844	-
15XX	**Total non-current assets**		42,952,957	28	55,571,005	32
1XXX	**Total assets**		$ 151,104,768	100	$ 174,397,614	100

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FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term loans	6(13) and 7	$ 9,118,611	6	$ 22,509,000	13
2120	Current financial liabilities at fair value through profit or loss	6(2)	9,364	-	6,015	-
2170	Accounts payable		4,695,000	3	6,569,172	4
2180	Accounts payable to related parties	7	24,324,159	16	20,677,460	12
2200	Other payables	6(14) and 7	7,198,855	5	10,906,243	6
2230	Current tax liabilities	6(27)	975,714	1	1,001,718	-
2280	Current lease liabilities	7	187,626	-	46,911	-
2300	Other current liabilities		290,194	-	268,930	-
21XX	**Total current liabilities**		46,799,523	31	61,985,449	35
	Non-current liabilities					
2570	Deferred tax liabilities	6(27)	452,757	-	822,300	1
2580	Non-current lease liabilities	7	484,430	1	408,769	-
2600	Other non-current liabilities	6(15)	190,582	-	156,896	-
25XX	**Total non-current liabilities**		1,127,769	1	1,387,965	1
2XXX	**Total liabilities**		47,927,292	32	63,373,414	36
	Equity attributable to owners of parent					
	Share capital	6(16)				
3110	Ordinary share		14,144,852	9	14,144,852	8
	Capital surplus	6(17)				
3200	Capital surplus		7,596,355	5	7,538,805	4
	Retained earnings	6(18)				
3310	Legal reserve		13,691,648	9	13,201,705	8
3350	Unappropriated retained earnings		71,758,166	47	70,485,119	40
	Other equity interest	6(19)				
3400	Other equity interest		(3,823,676)	(2)	5,774,891	4
31XX	**Total equity attributable to owners of parent**		103,367,345	68	111,145,372	64
36XX	**Non-controlling interests**	6(20)	(189,869)	-	(121,172)	-
3XXX	**Total equity**		103,177,476	68	111,024,200	64
	Commitments and Contingent Liabilities	9				
3X2X	**Total liabilities and equity**		$ 151,104,768	100	$ 174,397,614	100

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

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

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	$ 90,469,506	100	$ 104,082,031	100
5000	Operating costs	6(6) and 7	(83,584,939)	(92)	(96,823,495)	(93)
5900	Gross profit from operations		6,884,567	8	7,258,536	7
	Operating expenses	7				
6100	Selling expenses		(847,810)	(1)	(845,529)	(1)
6200	Administrative expenses		(1,679,715)	(2)	(1,206,493)	(1)
6300	Research and development expenses		(1,504,998)	(2)	(1,612,511)	(2)
6000	Total operating expenses		(4,032,523)	(5)	(3,664,533)	(4)
6900	Net operating income		2,852,044	3	3,594,003	3
	Non-operating income and expenses					
7100	Interest income	6(22)	2,030,662	2	1,606,780	1
7010	Other income	6(23)	1,750,375	2	1,250,585	1
7020	Other gains and losses	6(24)	310,468	-	(269,669)	-
7050	Finance costs		(209,473)	-	(147,212)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(7)	(144,965)	-	(428,240)	-
7000	Total non-operating income and expenses		3,737,067	4	2,012,244	2
7900	**Profit before income tax**		6,589,111	7	5,606,247	5
7950	Tax expense	6(27)	(2,390,946)	(2)	(1,191,611)	(1)
8200	**Profit for the year**		$ 4,198,165	5	$ 4,414,636	4

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

	Items	Notes	Year ended December 31 2022 AMOUNT	%	2021 AMOUNT	%
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on defined benefit plans	6(15)	($ 123,539)	-	($ 6,957)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(19)	(15,886,869)	(18)	527,662	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	24,708	-	1,391	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(15,985,700)	(18)	522,096	1
	Components of other comprehensive income that will be reclassified to profit or loss	6(19)(20)				
8361	Exchange differences on translation		5,833,340	6	(1,534,648)	(2)
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)(19)	444,685	1	(112,006)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		6,278,025	7	(1,646,654)	(2)
8300	**Other comprehensive loss, net**		($ 9,707,675)	(11)	($ 1,124,558)	(1)
8500	**Total comprehensive (loss) income**		($ 5,509,510)	(6)	$ 3,290,078	3
	Profit (loss) attributable to:					
8610	Owners of parent		$ 4,266,446	5	$ 4,488,906	4
8620	Non-controlling interests		(68,281)	-	(74,270)	-
			$ 4,198,165	5	$ 4,414,636	4
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		($ 5,430,952)	(6)	$ 3,364,508	3
8720	Non-controlling interests		(78,558)	-	(74,430)	-
			($ 5,509,510)	(6)	$ 3,290,078	3
	Earnings per share (in dollars)					
9750	Basic earnings per share		$ 3.02		$ 3.17	
9850	Diluted earnings per share		$ 3.01		$ 3.16	

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent								
				Retained Earnings		Other Equity Interest				
	Notes	Ordinary share	Total capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
Year ended December 31, 2021										
Balance at January 1, 2021		$ 14,144,852	$ 7,527,365	$ 12,731,133	$ 68,602,338	($ 7,862,833)	$ 15,172,642	$ 110,315,497	($ 46,742)	$ 110,268,755
Profit (loss)		-	-	-	4,488,906	-	-	4,488,906	(74,270)	4,414,636
Other comprehensive income (loss)	6(19)(20)	-	-	-	(5,566)	(1,646,494)	527,662	(1,124,398)	(160)	(1,124,558)
Total comprehensive income (loss)		-	-	-	4,483,340	(1,646,494)	527,662	3,364,508	(74,430)	3,290,078
Disposals of financial assets at fair value through other comprehensive income	6(3)	-	-	-	416,086	-	(416,086)	-	-	-
Changes in equity of associates and joint ventures accounted for under equity method	6(7)	-	11,440	-	-	-	-	11,440	-	11,440
Appropriations and distribution of 2020 earnings:	6(18)									
Legal reserve		-	-	470,572	(470,572)	-	-	-	-	-
Cash dividends		-	-	-	(2,546,073)	-	-	(2,546,073)	-	(2,546,073)
Balance at December 31, 2021		$ 14,144,852	$ 7,538,805	$ 13,201,705	$ 70,485,119	($ 9,509,327)	$ 15,284,218	$ 111,145,372	($ 121,172)	$ 111,024,200
Year ended December 31, 2022										
Balance at January 1, 2022		$ 14,144,852	$ 7,538,805	$ 13,201,705	$ 70,485,119	($ 9,509,327)	$ 15,284,218	$ 111,145,372	($ 121,172)	$ 111,024,200
Profit (loss)		-	-	-	4,266,446	-	-	4,266,446	(68,281)	4,198,165
Other comprehensive income (loss)	6(19)(20)	-	-	-	(98,831)	6,288,302	(15,886,869)	(9,697,398)	(10,277)	(9,707,675)
Total comprehensive income (loss)		-	-	-	4,167,615	6,288,302	(15,886,869)	(5,430,952)	(78,558)	(5,509,510)
Appropriations and distribution of 2021 earnings:	6(18)									
Legal reserve		-	-	489,943	(489,943)	-	-	-	-	-
Cash dividends		-	-	-	(2,404,625)	-	-	(2,404,625)	-	(2,404,625)
Changes in equity of associates and joint ventures accounted for under equity method	6(7)	-	57,550	-	-	-	-	57,550	-	57,550
Increase in non-controlling interests		-	-	-	-	-	-	-	9,861	9,861
Balance at December 31, 2022		$ 14,144,852	$ 7,596,355	$ 13,691,648	$ 71,758,166	($ 3,221,025)	($ 602,651)	$ 103,367,345	($ 189,869)	$ 103,177,476

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

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

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 6,589,111	$ 5,606,247
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(25)	1,383,275	1,360,958
Amortization	6(25)	116,603	114,549
Expected credit loss (gain)	12(2)	71,837	(1,186)
Net loss on financial assets or liabilities at fair value through profit or loss		368,898	83,745
Gain on disposal of property, plant and equipment	6(24)	(210,208)	(85,378)
Impairment loss	6(24)	2,965	-
Interest expense		209,473	147,212
Interest income	6(22)	(2,030,662)	(1,606,780)
Dividend income	6(23)	(890,728)	(607,796)
Share of loss of associates and joint ventures accounted for under equity method	6(7)	144,965	428,240
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss, mandatorily measured at fair value		(159,332)	-
Accounts receivable		3,769,262	833,161
Accounts receivable due from related parties		2,263,189	3,362,946
Other receivables		157,846	(166,361)
Inventories		827,712	(625,785)
Other current assets		250,480	22,119
Changes in operating liabilities			
Accounts payable		(1,983,926)	(1,228,424)
Accounts payable to related parties		2,980,021	(1,003,668)
Other payables		(1,738,598)	(1,005,660)
Other current liabilities		(192,687)	(86,641)
Cash inflow generated from operations		11,929,496	5,541,498
Income taxes paid		(2,958,799)	(1,348,691)
Income taxes returned		99,079	360,686
Net cash flows from operating activities		9,069,776	4,553,493

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

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortized cost - current		($ 250,670)	($ 12,100,754)
Decrease in financial assets at amortized cost - current		12,881,561	-
Acquisition of financial assets at fair value through profit or loss		(1,077,541)	(14,451)
Proceeds from disposal of financial assets at fair value through profit or loss		46,320	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		236,163	-
Acquisition of financial assets at fair value through other comprehensive income		(35,698)	(2,534,266)
Disposals of financial assets at fair value through other comprehensive income	6(3)	-	416,086
Decrease in financial assets at amortised cost - non-current		-	869,912
Acquisition of property, plant and equipment	6(30)	(873,868)	(1,370,485)
Proceeds from disposal of property, plant and equipment	6(30)	189,920	768,742
(Increase) decrease in net receivable/ payable on raw materials		(3,892,523)	91,936
Decrease (increase) in refundable deposits		11,319	(2,943)
Decrease (increase) in other non-current assets		577,651	(67,544)
Interest received		2,144,280	1,481,392
Dividends received		890,728	607,796
Net cash flows from acquisition of subsidiaries	6(29)	242,301	-
Net cash flows from (used in) investing activities		11,089,943	(11,854,579)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		45,053,910	31,111,257
Decrease in short-term loans		(58,719,346)	(24,547,397)
Payments of lease liabilities		(147,209)	(156,779)
Decrease in other non-current liabilities		(38,868)	81,485
Interest paid		(67,588)	(141,728)
Cash dividends paid	6(18)	(2,404,625)	(2,546,073)
Net cash flows (used in) from financing activities		(16,323,726)	3,800,765
Effect of changes in foreign currency exchange rates on cash		2,439,842	(876,262)
Net increase (decrease) in cash and cash equivalents		6,275,835	(4,376,583)
Cash and cash equivalents at beginning of year		71,725,408	76,101,991
Cash and cash equivalents at end of year		$ 78,001,243	$ 71,725,408

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

The Company was originally known as Q-RUN Technology Co., Ltd. and established on April 26, 1990. On March 1, 2004, the Company merged with Foxconn Precision Components Co., Ltd. and was renamed as Foxconn Technology Co., Ltd. The Company and its subsidiaries (collectively referred herein as "the Group") are primarily engaged in manufacturing, processing and sales of case, heat dissipation modules and consumer electronics products.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Investor	Subsidiary	Main Business Activities	December 31, 2022	December 31, 2021	Note
Foxconn Technology Co., Ltd.	Foxconn Precision Components Holding Co., Ltd.	Investment holdings in companies in Mainland China, Hong Kong and America primarily engaged in manufacturing, sale, research and development of computer thermal module and computer components	100	100	

			Ownership (%)		
Investor	Subsidiary	Main Business Activities	December 31, 2022	December 31, 2021	Note
Foxconn Technology Co., Ltd.	Q-RUN Holdings Ltd.	Investment holdings in companies in Mainland China, Hong Kong, Singapore and America primarily engaged in manufacturing, sale, research and development of aluminum magnesium case and computer components	100	100	
Foxconn Technology Co., Ltd.	Huazhun Investment Co., Ltd.	Investment holdings in R.O.C. companies	100	100	
Foxconn Technology Co., Ltd.	Sotera Wireless, Inc.	Sales of wireless vital sign monitoring system	53.93	-	(b)
Foxconn Technology Co., Ltd.	FTC Health Corporation	Medical equipment and precision instruments wholesale and retail	100	-	(c)
Foxconn Technology Co., Ltd.	PKM Corporation	Game consoles reselling business	91.12	-	(d)
Foxconn Technology Co., Ltd.	FTC Japan Co., Ltd.	Electronic products and medical supplies production and sales, Health management service business, Long term care equipment purchase and lease services	-	-	(e)
Foxconn Precision Components Holding Co., Ltd.	Atkinson Holdings Ltd.	Investment holdings and reinvestment	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%) December 31, 2022	Ownership (%) December 31, 2021	Note
Q-RUN Holdings Ltd.	Q-RUN Far East Corporation	Investment holdings and reinvestment	100	100	
Q-RUN Holdings Ltd.	World Trade Trading Ltd.	Investment holdings and reinvestment	100	100	
Q-RUN Holdings Ltd.	High Tempo International Ltd.	Investment holdings and reinvestment	100	100	
Q-RUN Holdings Ltd.	FTC Technology Inc.	Investment holdings and reinvestment	100	100	
Q-RUN Holdings Ltd.	Foxconn Technology Pte. Ltd.	Sales, investment holdings and reinvestment	100	100	
Atkinson Holdings Ltd.	Kenny International Ltd.	Investment holdings and reinvestment	100	100	
Atkinson Holdings Ltd.	Double Profits Ltd.	Investment holdings and reinvestment	100	100	
Atkinson Holdings Ltd.	Precious Star International Ltd.	Investment holdings and reinvestment	100	100	
Q-RUN Far East Corporation	Eastern Star Limited	Investment holdings and reinvestment	100	100	
Q-RUN Far East Corporation	Topfry Industrial Ltd.	Investment holdings and reinvestment	100	100	
Q-RUN Far East Corporation	Gold Glory International Ltd.	Investment holdings and reinvestment	100	100	
Q-RUN Far East Corporation	New Glory Holdings Ltd.	Investment holdings and reinvestment	100	100	
Foxconn Technology Pte. Ltd.	FTP Technology Inc.	Investment holdings and reinvestment	100	100	

			Ownership (%)		
Investor	Subsidiary	Main Business Activities	December 31, 2022	December 31, 2021	Note
Kenny International Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	22.76	22.76	
Double Wealth Profits Ltd.	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of computer components (computer thermal module)	-	65	(f)
Eastern Star Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and peripherals and computer cases	87.63	87.63	
Eastern Star Limited	Fuzhun Precision (Hebi) Electronics Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%) December 31, 2022	Ownership (%) December 31, 2021	Note
Precious Star International Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping	12.37	12.37	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Qingdao Hiyn Materials Co., Ltd.	Research, development, production and sales of aluminum alloy materials, rail vehicle components, car accessories and electronic components; manufacturing and sales of structured metal products and metal container (not including precious metal and electroplating)	70	70	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Fuzhun Precision Industry (Shenyang) Co., Ltd.	Manufacture and sales of automobile parts; manufacture and sales of aluminum alloy parts used for automobiles and electronics	100	100	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Jincheng) Co., Ltd.	Manufacture and sales of medical device, hygiene prouducts, disposable medical supplies; proucing, wholesale and import and export of medicnes.	100	-	(a)
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of computer components (computer thermal module)	65	-	(f)
Topfry Industrial Ltd.	Fuhuigang Industral (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	100	100	
Gold Glory International Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	77.24	77.24	

Investor	Subsidiary	Main Business Activities	Ownership (%) December 31, 2022	Ownership (%) December 31, 2021	Note
Fu Yu Precision Components (Kunshan) Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of computer components (computer thermal module)	35	35	
Fu Yu Precision Components (Kunshan) Co., Ltd.	YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	50.62	50.62	
New Glory Holdings Limited	YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	49.38	49.38	
New Glory Holdings Limited	Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	

(a) The Group's subsidiary, Hon Fujin Precision Industry (Jincheng) Co., Ltd., completed registration of incorporation in the second quarter of 2022, and was included in the consolidated financial statements since the incorporation completion date.

(b) The Group's subsidiary, Sotera Wireless, Inc., was acquired from a business combination in the third quarter of 2022, and was included in the consolidated financial statements since the business combination date. Refer to Note 6(29) for more details.

(c) The Group's subsidiary, FTC Health Corporation, completed registration of incorporation in the third quarter of 2022, and was included in the consolidated financial statements since the incorporation completion date.

(d) On November 1, 2022, the Group acquired a 91.12% equity interest in PKM Corporation. The Group obtained control over the company and the company was included in the consolidated financial statements since the business combination date. Refer to Note 6(29) for more details.

(e) The Group incorporated FTC JAPAN CO., LTD. on December 26, 2022. There was no capital injection as of December 31, 2022.

(f) The Group reorganized the investment structure in the fourth quarter of 2022. The Group's Hon Fujin Precision Industry (Taiyuan) Co., Ltd. acquired a 65% equity interest in Champ Tech Optical (Foshan) Corporation from Fuzhun Precision (Shenzhen) Industry Co., Ltd.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

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

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

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

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits and bands sold under repurchase agreement that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income. Financial assets at amortized cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group’s business model is achieved both by collecting contractual cash flows and selling financial assets; and

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

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

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

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

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:
   (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
   (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

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

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

(10) Accounts and notes receivable

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

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

C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognized in other comprehensive income.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for under equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives for buildings and structures machinery and equipment and other equipment are 3~55 years, 2~10 years and 2~10 years, respectively.

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

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

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

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

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit of loss the difference between the remeasured lease liability and the change in right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 8 ~ 55 years.

(19) Intangible assets

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

B. Patent rights and technical skill are amortized on a straight-line basis over their estimated useful lives of 5 years.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Loans

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

(22) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

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

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial instruments

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

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation, directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(29) Dividends

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

(30) Revenue recognition

A. The Group is primarily engaged in manufacturing and sales of consumer electronics products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

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

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(32) Business combinations

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

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition

The Group provides integrated electronics manufacturing services to meet the following criteria by judgements, and recognizes revenue on a gross basis:

A. The Group is primarily responsible for the provision of goods or services;

B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Due to the rapid technology innovation, short lifespan of these inventories and fluctuations in market prices, there might be material changes to the evaluation. For inventories age over a certain period and individually recognized as obsolete inventories, the net realizable value was calculated based on historical data of inventory write-down. As of December 31, 2022, information on the carrying amount of inventories is provided in Note 6(6).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 1,130	$ 299
Checking accounts and demand deposits	53,604,037	61,901,781
Cash equivalents		
Time deposits	24,396,076	9,823,328
	$ 78,001,243	$ 71,725,408

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

B. Time deposits with maturity in excess of three months and restricted time deposits on December 31, 2022 and 2021 have been listed under "financial assets at amortized cost - current" and "financial assets at amortized cost - non-current".

(2) Financial assets or liabilities at fair value through profit or loss

Assets	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivatives	$ -	$ 22,357
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Fund	$ 219,077	$ 272,437
Hybrid instrument-Convertible preference share	283,453	-
Hybrid instrument-Convertible bonds	-	14,451
	$ 502,530	$ 286,888

Liabilities	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	$ -	$ 6,015
Derivatives-Conversion option	9,364	-
	$ 9,364	$ 6,015

A. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31, 2022	Years ended December 31, 2021
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivatives	($ 167,023)	($ 14,388)
Fund	(56,864)	(251,690)
Hybrid instrument	(145,011)	-
	($ 368,898)	($ 266,078)

B. The Group entered into contracts relating to derivative financial assets or liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2021		
Derivative instruments	Contract amount (Nominal Principal in thousands)		Contract period
Current items:			
Forward exchange contracts	USD (SELL)	172,000	2021/10~2022/04
	CNH (BUY)	1,104,723	

(a) Forward exchange contracts

The Group signed forward exchange contracts to hedge exchange rate risks arising from the activities listed below:

i. Business activity: The payables due from exporting materials and supplies as well as receivables from exports.
ii. Investment activity: The payment due from importing machinery and equipment.
iii. Financial activity: Assets and liabilities (financing) resulted from long-term or short-term borrowings.

C. The counterparties of derivative instruments held by the Group are all banks with good credit quality or financial institutions with investment grade credit ratings that are above A.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

E. On July 28, 2022, the Group acquired series D preference shares issued by ZAP Medical System, Ltd. by cash in the amount of USD 15,000 thousand. Under the agreement, the Group has the right to require the conversion of preference share when specific conditions are met.

F. The derivative instruments of convertible bonds pertained to the separable conversion options and the redemptions of convertible bonds issued by the Company's subsidiary, Sotera Wireless INC. The convertible bonds and their derivative instruments issued by the subsidiary, Sotera Wireless, Inc., were consolidated and written off by the Group.

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments	$ 25,222,349	$ 38,345,819

A. The Group has elected to classify strategic investments as financial assets at fair value through other comprehensive income.

B. The Group sold certain common stock of Vizio Holding Corp. that it held amounting to US$ 14,591 thousand for the year ended December 31, 2021. The gains (losses) on disposal amounting to $416,086 was transferred from other comprehensive income to retained earnings directly.

C. The Board of Directors of the Group resolved to subscribe 27,500 thousand common shares of EIRGENIX, INC. through private placement at $91.5 (in dollars) per share on September 22, 2021. The investment amount was $2,516,250 and the effective date was on October 15, 2021.

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

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

	Years ended December 31,	
	2022	2021
Fair value change recognized in other comprehensive income (loss)	($ 15,886,869)	$ 527,662
Dividend income recognized in profit or loss held at end of year	$ 890,728	$ 607,796

Refer to table 2 for information on financial assets at fair value through other comprehensive income.

(4) Financial assets at amortized cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with maturity in excess of three months	$ 250,207	$ 11,957,760
Pledged time deposits	10,367	18,080
	$ 260,574	$ 11,975,840
Non-current items:		
Bank debentures-trust fund	$ 2,203,442	$ 2,177,032

A. Refer to Note 6(22) for information on recognized gains and losses on financial assets at amortized cost.

B. In March 2018 and December 2017, the Group invested in the trust fund named Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust for RMB 500 million and RMB 1 billion, respectively. The fund was mainly created for the investment in Guangzhou Guangyin Nanyue Intelligent Technology Industrial Investment Partnership. This investment is included in "financial assets at amortized cost-non-current."

As of December 31, 2022, the Group has received cumulative return in the amount of RMB 1,000 million in accordance with the investment agreement.

C. Details of the Group's financial assets at amortized cost pledged to others as collateral as of December 31, 2022 and 2021 are provided in Note 8.

D. All of the Group's investments have high credit quality.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 247,183	$ 146,762
Accounts receivable	13,771,686	17,254,521
	14,018,869	17,401,283
Less: Allowance for uncollectible accounts	(14,926)	(5,819)
	$ 14,003,943	$ 17,395,464

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

B. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 609,078	$ 390,913
Work in process	774,855	531,971
Finished goods	3,912,538	4,741,256
	5,296,471	5,664,140
Less: Allowance for inventory obsolescence and market price decline	(317,112)	(74,012)
	$ 4,979,359	$ 5,590,128

The cost of inventories recognized as expense for the year:

	Years ended December 31, 2022	Years ended December 31, 2021
Cost of inventories sold	$ 83,535,717	$ 97,046,104
Loss on inventory obsolescence and market price decline	241,768	10,709
Revenue from sale of scraps	(192,546)	(233,318)
	$ 83,584,939	$ 96,823,495

(7) Investments accounted for using equity method

Investees	December 31, 2022	December 31, 2021
At January 1	4,730,284	5,259,090
Share of loss of investments accounted for using equity method	(144,965)	(428,240)
Change in capital surplus	57,550	11,440
Change in other equity interest (Note 6(19))	444,685	(112,006)
At December 31	$ 5,087,554	$ 4,730,284

	December 31, 2022	December 31, 2021
Associates	$ 5,087,554	$ 4,730,284

A. The Group's share of the operating results in all individually immaterial associates are summarized below:

	Years ended December 31, 2022	Years ended December 31, 2021
Loss for the year from continuing operations	($ 144,965)	($ 428,240)
Other comprehensive income (loss), net of tax	444,685	(112,006)
Total comprehensive income (loss) for the year	$ 299,720	($ 540,246)

B. The Group's investment, Productive Technologies Company Limited (formerly: IDG Energy Investment Limited), has quoted market prices. As of December 31, 2022 and 2021, the fair value was $5,767,740 and $6,693,237, respectively.

(8) Property, plant and equipment

	2022					
	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1						
Cost	$ 51,850	$ 7,655,014	$ 12,819,001	$ 3,256,068	$ 222,858	$ 24,004,791
Accumulated depreciation	-	(5,497,538)	(11,260,967)	(2,687,873)	-	(19,446,378)
	$ 51,850	$ 2,157,476	$ 1,558,034	$ 568,195	$ 222,858	$ 4,558,413
Opening net book amount as at January 1	$ 51,850	$ 2,157,476	$ 1,558,034	$ 568,195	$ 222,858	$ 4,558,413
Acquired in a business combination	8,752	1,998	757	5,497	-	17,004
Additions	-	54,612	414,762	179,338	102,454	751,166
Transfers	-	40,195	192,946	(164,064)	(104,092)	(35,015)
Disposals	-	-	(79,011)	(1,199)	-	(80,210)
Depreciation	-	(351,043)	(534,510)	(174,052)	-	(1,059,605)
Impairment loss	-	(241)	(2,450)	(274)	-	(2,965)
Net exchange differences	570	27,031	19,501	31,198	2,702	81,002
Closing net book amount as at December 31	$ 61,172	$ 1,930,028	$ 1,570,029	$ 444,639	$ 223,922	$ 4,229,790
At December 31						
Cost	$ 61,172	$ 7,967,185	$ 9,025,929	$ 3,110,568	$ 223,922	$ 20,388,776
Accumulated depreciation and impairments	-	(6,037,157)	(7,455,900)	(2,665,929)	-	(16,158,986)
	$ 61,172	$ 1,930,028	$ 1,570,029	$ 444,639	$ 223,922	$ 4,229,790

	2021					
	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1						
Cost	$ 51,850	$ 8,355,160	$ 14,826,361	$ 4,253,425	$ 388,601	$ 27,875,397
Accumulated depreciation	-	(5,713,926)	(13,561,396)	(3,640,008)	-	(22,915,330)
	$ 51,850	$ 2,641,234	$ 1,264,965	$ 613,417	$ 388,601	$ 4,960,067
Opening net book amount as at January 1	$ 51,850	$ 2,641,234	$ 1,264,965	$ 613,417	$ 388,601	$ 4,960,067
Additions	-	70,890	1,073,157	176,822	52,993	1,373,862
Reclassifications	-	1,350	79,126	(1,889)	(78,587)	-
Transfers	-	(108,959)	-	-	-	(108,959)
Disposals	-	(84,615)	(379,212)	(54,470)	(139,722)	(658,019)
Depreciation	-	(361,022)	(484,978)	(166,703)	-	(1,012,703)
Net exchange differences	-	(1,402)	4,976	1,018	(427)	4,165
Closing net book amount as at December 31	$ 51,850	$ 2,157,476	$ 1,558,034	$ 568,195	$ 222,858	$ 4,558,413
At December 31						
Cost	$ 51,850	$ 7,655,014	$ 12,819,001	$ 3,256,068	$ 222,858	$ 24,004,791
Accumulated depreciation	-	(5,497,538)	(11,260,967)	(2,687,873)	-	(19,446,378)
	$ 51,850	$ 2,157,476	$ 1,558,034	$ 568,195	$ 222,858	$ 4,558,413

A. The significant components of buildings and structures include main plants and leasehold improvements, which are depreciated over 20~55 and 3~11 years, respectively.

B. For those assets where there is an indication that they are impaired, the Group used their recoverable amounts as basis for impairment assessment. For the year ended December 31, 2022, the Group recognized an impairment loss amounting to $2,965 (shown as "other gains and losses").

(9) Leasing arrangements - lessee

A. The Group leases various assets including land use right, buildings and structures as well as other equipment. Except for the rental period of land use right which is 50 years, rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land use right	$ 772,856	$ 785,881
Buildings and structures	594,616	390,559
Others	6,685	12,966
	$ 1,374,157	$ 1,189,406

	Years ended December 31,	
	2022	2021
	Depreciation expense	Depreciation expense
Land use right	$ 22,633	$ 22,234
Buildings and structures	155,425	176,086
Others	8,766	9,963
	$ 186,824	$ 208,283

C. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 33,720	$ 38,869
Expense on short-term lease contracts	73,608	88,429
Expense on leases of low-value assets	2,011	2,664

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $337,680 and $269,209, respectively.

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were to $256,628 and $286,741, respectively.

F. Information about the right-of-use assets that was pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the years ended December 31, 2022 and 2021, the Group recognized rent income in the amount of $258,708 and $262,761, respectively.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2022		December 31, 2021
2023	$ 154,877	2022	$ 146,002
2024	151,680	2023	93,350
2025	66,712	2024	7,640
2026	50,086	2025	5,980
2027	-	2026	1,031
	$ 423,355		$ 254,003

The rent income recognized by the Group is measured based on the area actually used by the lessee. The lease receivables listed above are calculated based on the area actually used by the lessee at the balance sheet date.

(11) Investment property

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 95,910	$ 2,852,676	$ 2,948,586
Accumulated depreciation and impairment	-	(1,700,762)	(1,700,762)
	$ 95,910	$ 1,151,914	$ 1,247,824
Opening net book amount as at January 1	$ 95,910	$ 1,151,914	$ 1,247,824
Transfer in	-	35,012	35,012
Depreciation	-	(136,846)	(136,846)
Net exchange differences	-	14,020	14,020
Closing net book amount as at December 31	$ 95,910	$ 1,064,100	$ 1,160,010
At December 31			
Cost	$ 95,910	$ 2,791,480	$ 2,887,390
Accumulated depreciation and impairment	-	(1,727,380)	(1,727,380)
	$ 95,910	$ 1,064,100	$ 1,160,010

	2021		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 95,910	$ 2,462,318	$ 2,558,228
Accumulated depreciation and impairment	-	(1,279,183)	(1,279,183)
	$ 95,910	$ 1,183,135	$ 1,279,045
Opening net book amount as at January 1	$ 95,910	$ 1,183,135	$ 1,279,045
Transfer in	-	108,959	108,959
Depreciation	-	(139,972)	(139,972)
Net exchange differences	-	(208)	(208)
Closing net book amount as at December 31	$ 95,910	$ 1,151,914	$ 1,247,824
At December 31			
Cost	$ 95,910	$ 2,852,676	$ 2,948,586
Accumulated depreciation and impairment	-	(1,700,762)	(1,700,762)
	$ 95,910	$ 1,151,914	$ 1,247,824

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

	Years ended December 31,	
	2022	2021
Rental income from investment property	$ 196,209	$ 191,382
Direct operating expenses arising from the investment property that generated rental income during the year	$ 136,846	$ 139,972

B. The fair value of the investment property held by the Group as of December 31, 2022 and 2021 was $2,002,528 and $2,425,451, respectively. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

(12) Intangible assets

	2022		
	Patent rights and technical skills	Goodwill	Total
At January 1			
Cost	$ 334,847	$ 1,146,270	$ 1,481,117
Accumulated amortization	(114,804)	-	(114,804)
	$ 220,043	$ 1,146,270	$ 1,366,313
At January 1	$ 220,043	$ 1,146,270	$ 1,366,313
Acquired in a business combination	-	760,288	760,288
Amortization	(116,603)	-	(116,603)
Net exchange differences	3,073	13,897	16,970
At December 31	$ 106,513	$ 1,920,455	$ 2,026,968
At December 31			
Cost	$ 338,906	$ 1,920,455	$ 2,259,361
Accumulated amortization	(232,393)	-	(232,393)
	$ 106,513	$ 1,920,455	$ 2,026,968

	2021		
	Patent rights and technical skills	Goodwill	Total
At January 1			
Cost	$ 449,703	$ 1,146,402	$ 1,596,105
Accumulated amortization	(114,818)	-	(114,818)
	$ 334,885	$ 1,146,402	$ 1,481,287
At January 1	$ 334,885	$ 1,146,402	$ 1,481,287
Amortization	(114,549)	-	(114,549)
Net exchange differences	(293)	(132)	(425)
At December 31	$ 220,043	$ 1,146,270	$ 1,366,313
At December 31			
Cost	$ 334,847	$ 1,146,270	$ 1,481,117
Accumulated amortization	(114,804)	-	(114,804)
	$ 220,043	$ 1,146,270	$ 1,366,313

A. As of December 31, 2022 and 2021, goodwill allocated to the cash-generating units of production and sales of mechanical components' operating segments amounted to $1,920,455 and $1,146,270, respectively.

B. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are as follows:

	Years ended December 31,	
	2022	2021
Gross margin	19.93%	15.71%
Growth rate	3%	2%
Discount rate	16.03%	19.65%

Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant operating segments.

(13) Short-term loans

Type of loans	December 31, 2022	Interest rate range	Collateral
Bank loans			
Unsecured loans	$ 9,021,660	0.24%~4.92%	None
Other short-term loans	96,951	4.35%	"
	$ 9,118,611		

Type of loans	December 31, 2021	Interest rate range	Collateral
Bank loans			
Unsecured loans	$ 22,413,210	0.41%~0.77%	None
Other short-term loans	95,790	4.35%	"
	$ 22,509,000		

(14) Other payables

	December 31, 2022	December 31, 2021
Awards and salaries payable	$ 1,257,281	$ 1,773,809
Payable on module expense	1,177,400	1,163,722
Employees' compensation payable	857,922	1,063,452
Consumption goods expense payable	709,832	988,488
Payable for purchases made by parties on behalf of others	629,272	3,236,021
Others	2,567,148	2,680,751
	$ 7,198,855	$ 10,906,243

(15) Pensions

A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognized in the balance sheet are as follows (shown as 'other non-current liabilities'):

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 199,309)	($ 74,402)
Fair value of plan assets	34,441	34,137
Net defined benefit liability	($ 164,868)	($ 40,265)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance at January 1	($ 74,402)	$ 34,137	($ 40,265)
Past service cost	(1,999)	-	(1,999)
Interest income	(558)	263	(295)
	(76,959)	34,400	(42,559)
Remeasurements			
Return on plan assets (Note)	-	2,714	2,714
Change in financial assumptions	9,901	-	9,901
Experience adjustments	(136,154)	-	(136,154)
	(126,253)	2,714	(123,539)
Pension fund contribution	-	1,230	1,230
Paid pension	3,903	(3,903)	-
	3,903	(2,673)	1,230
Balance at December 31	($ 199,309)	$ 34,441	($ 164,868)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
Balance at January 1	($ 67,933)	$ 34,299	($ 33,634)
Past service cost	(972)	-	(972)
Interest income	(238)	123	(115)
	(69,143)	34,422	(34,721)
Remeasurements			
Return on plan assets (Note)	-	486	486
Change in demographic assumptions	(4,072)	-	(4,072)
Change in financial assumptions	2,634	-	2,634
Experience adjustments	(6,005)	-	(6,005)
	(7,443)	486	(6,957)
Pension fund contribution	-	1,413	1,413
Paid pension	2,184	(2,184)	-
	2,184	(771)	1,413
Balance at December 31	($ 74,402)	$ 34,137	($ 40,265)

Note: The amount included in interest income or expense is excluded.

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after approval by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	Years ended December 31,	
	2022	2021
Discount rate	1.40%	0.75%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increase	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	$ 3,888	($ 4,009)	($ 3,845)	$ 3,748
December 31, 2021				
Effect on present value of defined benefit obligation	$ 1,680	($ 1,733)	($ 1,666)	$ 1,623

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

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 are $1,800.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries in mainland China have defined contribution pension plans and the Group contributes an amount monthly based on 14%~20% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.

C. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were $390,707 and $424,628, respectively.

(16) Share capital

As of December 31, 2022, the Company's authorized capital was $20,000,000 (including subscription warrant or 50 million shares reserved for convertible bonds issued by the Company), and the paid-in capital was $14,144,852, consisting of 1,414,485 thousand ordinary shares with a par value of $10 (in dollars) per share.

A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period (in thousands) is as follows:

	2022	2021
January 1 (December 31)	1,414,485	1,414,485

(17) Capital surplus

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

(18) Retained earnings

A. In accordance with the Company's Articles of Incorporation, current year's earnings must be distributed in the following order:

(a) Covering accumulated deficit;

(b) Setting aside as legal reserve equal to 10% of current year's net income after tax and distribution pursuant to clause;

(c) Setting aside a special reserve in accordance with applicable legal and regulatory requirements.

The remaining earnings along with the unappropriated earnings at the beginning of the period are considered as accumulated distributable earnings. In accordance with the dividend policy, the proposal of earnings appropriation is prepared by the Board of Directors and resolved by the shareholders.

The Company authorized the Board of Directors to resolve by the presence of more than two-thirds of the Directors and voting by a majority of the Directors present to distribute all or part of dividends and bonuses, capital surplus or legal reserve to be distributed by way of cash, without prejudice to the preceding requirement that a resolution shall be resolved at the shareholder's meeting.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's current and future investment environment, capital needs, local and foreign competition situation and capital budget, along with shareholders' profit and the Company's long-term financial plans. The shareholders' dividends are appropriated based on accumulated distributable earnings, which shall not be lower than 15% of the distributable earnings for the period and the cash dividends shall not be less than 10% of the shareholders' dividends.

B. According to related regulations, 10% of the balance of earnings after tax less the accumulated loss of prior years should be set aside as legal reserve, until such legal reserve amount reaches the total authorized capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

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

D. The appropriations of earnings for 2021 and 2020 had been resolved at the stockholders' meeting on May 31, 2022 and July 23, 2021, respectively. Details are summarized below:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 489,943		$ 470,572	
Cash dividends	2,404,625	$ 1.7	2,546,073	$ 1.8
	$ 2,894,568		$ 3,016,645	

The appropriations of earnings for 2022 as approved at the Board of Directors' meeting on March 14, 2023 are as follows:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 416,761	
Special capital reserve	3,823,676	
Cash dividends	2,263,176	$ 1.6
	$ 6,503,613	

The information on distribution of earnings will be posted in the "Market Observation Post System" of the TWSE.

(19) Other equity items

	2022		
	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1	$ 15,284,218	($ 9,509,327)	$ 5,774,891
Revaluation of fair value	(15,886,869)	-	(15,886,869)
Currency translation differences:			
- Group	-	5,843,617	5,843,617
- Associates	-	444,685	444,685
At December 31	($ 602,651)	($ 3,221,025)	($ 3,823,676)

	2021		
	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1	$ 15,172,642	($ 7,862,833)	$ 7,309,809
Revaluation of fair value	527,662	-	527,662
Sale transferred to retained earnings	(416,086)	-	(416,086)
Currency translation differences:			
- Group	-	(1,534,488)	(1,534,488)
- Associates	-	(112,006)	(112,006)
At December 31	$ 15,284,218	($ 9,509,327)	$ 5,774,891

(20) Non-controlling interests

	Years ended December 31,	
	2022	2021
At January 1	($ 121,172)	($ 46,742)
Shares attributable to non-controlling interests:		
Loss for the year	(68,281)	(74,270)
Currency translation differences	(10,277)	(160)
Changes in non-controlling interests	9,861	-
At December 31	($ 189,869)	($ 121,172)

A. The increase in non-controlling interest for the year ended December 31, 2022 arose from the Group acquiring a 53.93% equity interest in Sotera Wireless, Inc. in the amount of USD 45 thousand in July 2022. The transaction resulted in an increase in the Group’s non-controlling interest. Refer to Note 6(29) for details of related transactions.

B. The increase in non-controlling interest for the year ended December 31, 2022 arose from the Group acquiring a 91.12% equity interest in PKM Corporation in the amount of JPY 527,838 thousand in November 2022. The transaction resulted an increase in the Group’s non-controlling interest. Refer to Note 6(29) for details of related transactions.

(21) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 90,469,506	$ 104,082,031

The Group derives revenue from the transfer of goods and services at a point in time in the following categories:

	Year ended December 31, 2022			
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	$ 73,388,324	$ 16,394,396	$ 686,786	$ 90,469,506

	Year ended December 31, 2021			
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	$ 80,584,937	$ 23,294,718	$ 202,376	$ 104,082,031

(22) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 1,790,146	$ 1,330,064
Interest income from financial assets at amortized cost	240,516	276,716
	$ 2,030,662	$ 1,606,780

(23) Other income

	Years ended December 31,	
	2022	2021
Rental income	$ 258,708	$ 262,761
Government grants revenue	164,318	146,971
Dividend income	890,728	607,796
Others	436,621	233,057
	$ 1,750,375	$ 1,250,585

(24) Other gains and loss

	Years ended December 31,	
	2022	2021
Gains on disposal of property, plant and equipment through profit or loss	$ 210,208	$ 85,378
Net currency exchange gains	696,344	120,240
Losses on financial assets (liabilities) at fair value through loss	(368,898)	(266,078)
Impairment loss of property, plant and equipment	(2,965)	-
Others	(224,221)	(209,209)
	$ 310,468	($ 269,669)

(25) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	$ 5,660,241	$ 6,810,979
Depreciation	1,383,275	1,360,958
Amortization	116,603	114,549
	$ 7,160,119	$ 8,286,486

(26) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	$ 4,515,610	$ 5,525,192
Pension costs	393,001	425,715
Labor and health insurance fees	250,637	254,278
Other personnel expenses	500,993	605,794
	$ 5,660,241	$ 6,810,979

A. According to the Company's Articles of Incorporation, if the Company accrues profit (referring to profit before tax prior to deducting the appropriation of employees' compensation and directors' remuneration), 4%~6% should be appropriated as employees' compensation.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $204,225 and $215,257, respectively. The aforementioned amounts were recognized in salary expenses. For the years ended December 31, 2022 and 2021, the employees' compensation was estimated and accrued based on 4% of profit of current year distributable as of the end of reporting year.

C. Employees' compensation for 2022 and 2021 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 and 2021 financial statements. In 2022 and 2021, the employees' compensation was distributed in the form of cash amounting to $204,225 and $215,257, respectively.

D. Information about employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 3,016,839	$ 1,396,731
Tax on undistributed surplus earnings	100,243	84,454
Prior year income tax overestimation	(294,324)	(177,153)
Total current tax	2,822,758	1,304,032
Deferred tax:		
Origination and reversal of temporary differences	(431,812)	(112,421)
Income tax expense	$ 2,390,946	$ 1,191,611

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2022	Years ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 1,030,290	$ 1,710,528
Change in estimated deferred tax	1,986,549	-
Exempt income according to tax law	(431,812)	(426,218)
Additional tax on undistributed earnings	100,243	84,454
Prior year income tax overestimation	(294,324)	(177,153)
Income tax expense	2,390,946	1,191,611
Origination and reversal of temporary differences	431,812	112,421
Prior year income tax overestimation	(1,692,225)	177,153
Prepaid income tax	(164,660)	(529,338)
Prior year income tax payable	(465)	49,855
Net exchange differences	10,306	16
Current income tax liabilities	$ 975,714	$ 1,001,718

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	2022				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Net exchange differences	December 31
Temporary differences:					
Deferred tax assets:					
Reserve for inventory obsolescence and market price decline	$ 3,146	$ 22,490	$ -	$ -	$ 25,636
Permanent loss on market value decline of long-term equity investments	16,222	-	-	-	16,222
Differences in useful lifes of property, plant and equipment	513,570	(56,304)	-	6,423	463,689
Unused compensated absences for employees	10,522	1,094	-	70	11,686
Net investment income or loss accounted for using equity method	240,891	33,060	-	2,805	276,756
Unrealized valuation loss on financial instruments	68,357	32,413	-	791	101,561
Others	78,474	(2,300)	24,708	851	101,733
	$ 931,182	$ 30,453	$ 24,708	$ 10,940	$ 997,283
Deferred tax liabilities:					
Foreign investment income using equity method	($ 687,287)	$ 456,405	$ -	($ 30,274)	($ 261,156)
Long-term investment	-	(27,015)	-	94	(26,921)
Differences in useful lifes of property, plant and equipment	-	(25,247)	-	80	(25,167)
Unrealized exchange gain	-	(22,802)	-	-	(22,802)
Others	(135,013)	20,018	-	(1,716)	(116,711)
	($ 822,300)	$ 401,359	$ -	($ 31,816)	($ 452,757)
	$ 108,882	$ 431,812	$ 24,708	($ 20,876)	$ 544,526

	2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Net exchange differences	December 31
Temporary differences:					
Deferred tax assets:					
Reserve for inventory obsolescence and market price decline	$ 3,146	$ -	$ -	$ -	$ 3,146
Permanent loss on market value decline of long-term equity investments	16,222	-	-	-	16,222
Differences in useful lifes of property, plant and equipment	490,959	22,621	-	(10)	513,570
Unused compensated absences for employees	10,354	170	-	(2)	10,522
Net investment income or loss accounted for using equity method	-	240,354	-	537	240,891
Unrealized valuation loss on financial instruments	-	68,205	-	152	68,357
Others	50,965	25,963	1,391	155	78,474
	$ 571,646	$ 357,313	$ 1,391	$ 832	$ 931,182
Deferred tax liabilities:					
Foreign investment income using equity method	($ 346,077)	($ 341,210)	$ -	$ -	($ 687,287)
Unrealized exchange gain	(62,875)	62,875	-	-	-
Others	(165,552)	33,443	-	(2,904)	(135,013)
	($ 574,504)	($ 244,892)	$ -	($ 2,904)	($ 822,300)
	($ 2,858)	$ 112,421	$ 1,391	($ 2,072)	$ 108,882

D. The Company did not recognize taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the temporary differences unrecognized as deferred tax liabilities were $72,144,929 and $88,220,140, respectively. Above mentioned taxable temporary differences arose from the differences between the estimated carrying amounts of long-term investments in foreign subsidiaries and tax payable. The Company will not dispose the subsidiaries in the foreseeable future nor remit back the earnings, and accordingly, deferred tax liabilities were not recognized.

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

(28) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,266,446	1,414,485	$ 3.02
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,266,446		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,702	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,266,446	1,419,187	$ 3.01

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,488,906	1,414,485	$ 3.17
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,488,906		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,053	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,488,906	1,418,538	$ 3.16

(29) Business combinations

A. The Company acquired a 53.93% equity interest in Sotera Wireless, Inc. in the amount of USD 45 thousand and obtained control over the subsidiary on July 11, 2022. The subsidiary is primarily engaged in the sales of wireless vital sign monitoring system in America. As a result of the acquisition, the Group is expected to enter international OEM of biotechnology medical devices market. It also expects to reduce costs through economies of scale.

B. The Company acquired a 91.12% equity interest in PKM Corporation in the amount of JPY

527,383 thousand and obtained control over the subsidiary on November 1, 2022. The subsidiary is primarily engaged in the sales of various gaming consoles and expendables in Japan. As a result of the acquisition, the Group is expected to integrate channels and reduce costs.

C. The following table summarizes the consideration paid for the above acquisitions and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	July 11, 2022 Sotera Wireless, Inc.	November 1, 2022 PKM Corporation
Purchase consideration		
Cash paid	$ 1,335	$ 115,075
Fair value of the non-controlling interest	1,141	11,215
Recognized amount of identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	35,598	323,113
Accounts receivable	15,989	13,722,935
Inventories	-	50,064
Other current assets	7,397	202,581
Property, plant and equipment	5,784	11,220
Right-of-use assets	21,594	-
Other non-current assets	715	63
Short-term loans	-	(218,200)
Accounts payable	(2,139)	(13,827,994)
Lease liabilities	(22,692)	-
Conversion of convertible bonds	(640,373)	-
Bonds payable	-	(1,996)
Other current liabilities	(131,045)	(121,727)
Other non-current liabilities	(48,640)	-
Total identifiable net assets	(757,812)	140,059
Goodwill(Gain recognized in bargain - purchase transaction)	$ 760,288	($ 13,769)

D. The acquisition of Sotera Wireless, Inc. is still in the process of purchase price allocation, and the Group commissioned experts to assist in identifying and evaluating the fair value of the assets acquired and liabilities assumed. The allocation of acquisition price will be completed in the duration of acquisition price allocation (within one year from the acquisition date).

E. The operating revenue included in the consolidated statement of comprehensive income since July 11, 2022 contributed by Sotera Wireless, Inc. was $90,370. Sotera Wireless, Inc. also contributed loss before income tax of $16,037 over the same period. Had Sotera Wireless, Inc. been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of $90,558,395 and loss before income tax of $6,520,197 for the year ended December 31, 2022.

F. The operating revenue included in the consolidated statement of comprehensive income since November 1, 2022 contributed by PKM Corporation was $15,381. PKM Corporation also contributed loss before income tax of $36,809 over the same period. Had PKM Corporation been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of $90,526,553 and profit before income tax of $6,633,320 for the year ended December 31, 2022.

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31, 2022	Years ended December 31, 2021
Purchase of property, plant and equipment	$ 751,166	$ 1,373,862
Add: Opening balance of payable on equipment	194,191	190,814
Less: Ending balance of payable on equipment	(71,489)	(194,191)
Cash paid during the year	$ 873,868	$ 1,370,485

	Years ended December 31, 2022	Years ended December 31, 2021
Disposal of property, plant and equipment	$ 290,418	$ 743,397
Add: Opening balance of receivable on equipment	2,175	27,520
Less: Ending balance of receivable on equipment	(102,673)	(2,175)
Cash received during the year	$ 189,920	$ 768,742

(31) Changes in liabilities from financing activities

2022	Short-term loans	Lease liabilities	Total liabilities from financing activities
At January 1	$ 22,509,000	$ 455,680	$ 22,964,680
Changes in cash flows from financing activities	(13,665,436)	(180,929)	(13,846,365)
Acquired from a business combination	218,200	22,692	240,892
Amortization of interest expense	-	33,720	33,720
Additions	-	337,680	337,680
Impact of changes in foreign exchange rate	56,847	3,213	60,060
At December 31	$ 9,118,611	$ 672,056	$ 9,790,667

2021	Short-term loans	Lease liabilities	Total liabilities from financing activities
At January 1	$ 15,946,381	$ 330,922	$ 16,277,303
Changes in cash flows from financing activities	6,563,860	(195,648)	6,368,212
Amortization of interest expense	-	38,869	38,869
Additions	-	269,209	269,209
Impact of changes in foreign exchange rate	(1,241)	12,328	11,087
At December 31	$ 22,509,000	$ 455,680	$ 22,964,680

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and Subsidiaries (Hon Hai and Subsidiaries)	Entities with significant influence to the Group
Fulian Technology (Shanxi) Co., Ltd. (Fulian Technology (Shanxi)) (fromly name: Shanxi Yuding Precision Technology Co., Ltd.)	Entities with significant influence to the Group's Subsidiaries
Hong Fu Jin Precision Electornics (Yantai) Co., Ltd. (Hong Fu Jin (Yantai))	〃
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	〃
Fast Victor Limited	〃
Pan-International Industrial Corporation and Subsidiaries	Other related party
Eson Precision Ind. Co., Ltd. and Subsidiaries	〃
Sharp Corporation and Subsidiaries	〃
Innolux Corporation	〃
CyberTAN Technology Inc. and Subsidiaries	〃
Foxsemicon Integrated Technology (Kunshan) Inc. (Original Name: Fuyao Precision Component (Kunshan) Co., Ltd.)	〃
General Interface Solution Holding Limited and Subsidiaries	〃
SIO International Holdings Limited Taiwan Branch	〃
Ennoconn Corporation and Subsidiaries	〃
Garuda International Limited and Subsidiaries	〃
Hebi Gengde Electronics Co., Ltd.	〃
Cheng Uei Precision Industry Co., Ltd.	〃
Fitipower Integrated Tech	〃
Foxstar Technolgoy Co., Ltd.	〃
Amax Engineering Corporation	〃
iCare Diagnostics International Co. Ltd.	〃
Evershine Biotech Corp.	〃
Yonglin Life Technology Fund I, LP	〃
Regain Biotech Corp.	〃
ZAP Medical System, Ltd.	〃

(2) Significant related party transactions

A. Sales

	Years ended December 31,	
	2022	2021
Sales of goods and services:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	$ 8,097,589	$ 14,720,213
Other related parties	326,577	335,360
	$ 8,424,166	$ 15,055,573

Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days. For transactions involving the sale of raw materials to the aforementioned related party and subsequent repurchase of goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

B. Purchases

	Years ended December 31,	
	2022	2021
Purchases of goods and services:		
Entities with significant influence to the Group		
-Hong Fu Jin (Yantai)	$ 57,817,381	$ 64,225,235
-Hon Hai and Subsidiaries	1,589,149	4,489,705
Other related parties	5,302,656	7,471,566
	$ 64,709,186	$ 76,186,506

Except for circumstances in which there are no similar transactions for reference and the prices and payment terms are negotiated by both parties, the Group makes purchases from the aforementioned related party at the prevailing market price, with payment periods of 30 to 90 days.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	$ 2,074,203	$ 2,452,058
-Fulian Technology (shanxi)	3,681,945	3,945,740
-Fast Victor Limited	-	1,511,913
Other related parties	109,112	49,700
	5,865,260	7,959,411
Less: Allowance for uncollectible accounts	(65,003)	(2,152)
	5,800,257	7,957,259
Other receivables-purchases made on behalf of associates:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	3,076,245	2,878,773
Other related parties	1,034,614	372,609
Other receivables-other:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	155,636	264,025
Other related parties	720	-
	4,267,215	3,515,407
	$ 10,067,472	$ 11,472,666

The receivables from related parties arise mainly from sales transactions. The amount is due three months after the invoice date. The receivables are unsecured and non-interest bearing.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	$ 2,309,568	$ 1,288,855
-Hong Fu Jin (Yantai)	20,739,951	14,992,512
-Fast Victor Limited	-	3,303,545
Other related parties	1,274,640	1,092,548
	24,324,159	20,677,460
Other payables:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries		
Payables for equipment	26	9,594
Purchases made by associates on behalf of the Group	-	3,915
Others	323,370	356,710
Other related parties		
Others	1,885	7,944
	325,281	378,163
	$ 24,649,440	$ 21,055,623

The payables to related parties arise mainly from purchase transactions and are at arm's-length, non-interest bearing and payable within 30 to 90 days.

E. Raw materials purchased on behalf of others

	Years ended December 31,	
	2022	2021
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries		
Raw materials purchased on behalf of associates	$ 34,454,600	$ 34,732,572
Associates purchasing raw materials on behalf of the Group	19	10,094
Other related parties		
Raw materials purchased on behalf of associates	2,018,031	2,693,649
	$ 36,472,650	$ 37,436,315

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Years ended December 31, 2022		Years ended December 31, 2021	
Acquisition of property, plant and equipment:				
Entities with significant influence to the Group				
-Hon Hai and Subsidiaries	$	62,871	$	80,580
Other related parties		33		1,044
	$	62,904	$	81,624

(b) Proceeds from sale of property, plant and equipment:

	Years ended December 31, 2022				Years ended December 31, 2021			
Sale of property, plant and equipment:	Proceeds from sale of property, plant and equipment		Gain on sale		Proceeds from sale of property, plant and equipment		Gain on sale	
Entities with significant influence to the Group								
-Hon Hai and Subsidiaries	$	249,621	$	161,764	$	469,377	$	188,362

(c) Acquisition of financial assets:

Related Party Categories	Accounts	No. of shares	Objects	Year ended December 31, 2022 Amount	
Other related parties	Note	-	Convertible bonds of Sotera Wireless, Inc.	$	517,942
Other related parties	Note	10,003 thousand	Perference shares of Sotera Wireless, Inc.		1,335
Other related parties	Financial assets at fair value though profit and loss	10,033 thousand	Convertible preference shares of ZAP medical system, Ltd.		449,025
				$	968,302

Note: On July 11, 2022, the Company acquired a 53.93% equity interest in Sotera Wireless, Inc. The Company obtained control over the subsidiary and the subsidiary was included in the consolidated financial statements since the business combination date. Refer to Note 6(29) for more details.

G. Lease transactions - lessee

(a) The Group leases plant from entities with significant influence to the Group. Rental contracts are typically made for periods of 1 to 5 years. Rents are paid at the beginning or end of each month.

(b) Additions to right-of-use assets:

The Group acquired right-of-use assets from related parties amounting to $288,043 and $79,625 for the years ended December 31, 2022 and 2021, respectively.

(c) Lease liabilities:

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Current:		
Entities with significant influence to the Group	$ 124,150	$ 27,282
Non-current:		
Entities with significant influence to the Group	$ 130,176	$ 57,979

ii. Interest expense

	Years ended December 31,	
	2022	2021
Entities with significant influence to the Group	$ 19,979	$ 7,685

H. Loans to/ from related parties:

Loans from related parties

(a) Outstanding balance (listed in "short-term loans"):

	December 31, 2022	December 31, 2021
Other related parties	$ 96,951	$ 95,790

(b) Interest expense

	Years ended December 31,	
	2022	2021
Other related parties	$ 4,291	$ 4,314

I. Rental income

Foxconn Precision Electronics (Taiyuan) Co., Ltd. (referred herein as "Foxconn (Taiyuan)"), a subsidiary of Hon Hai, leases part of plants, offices and dormitories in Taiyuan. Lease price is agreed upon by both parties and the Group collects rent monthly from Foxconn (Taiyuan) in accordance with the agreement. The rental income under operating leases for the years ended December 31, 2022 and 2021 were $106,915 and $116,963, respectively.

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 22,753	$ 26,477
Post-employment benefits	402	560
Share-based payments	8,866	38,665
	$ 32,021	$ 65,702

8. PLEDGED ASSETS

On December 31, 2022 and 2021, the book value of the Group's assets pledged as collateral is as follows:

	Book value		
Pledge assets	December 31, 2022	December 31, 2021	Purpose
Land use right (shown as 'right-of-use assets')	$ 105,771	$ 107,441	Sealed up by creditors (Note)
Pledged time deposits (shown as 'financial assets at amortized cost - current')	$ 10,367	$ 18,080	Customs guarantee

Note: Our subsidiary's creditors proposed a request for property preservation and proceeded a seal-up. See Note 7(2)8 for loans from related parties.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

On June 12, 2019, Masimo Corporation filed a patent infringement against Sotera Wireless, Inc. The case is tried by the United States District Court for the Southern District of California. Currently, the Group has insured sufficient defensive patent insurance and has no significant unrecognized liabilities as of the financial report issuance date.

(2) Commitments

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

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 31,227	$ 15,507

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. On March 9, 2023, a subsidiary of the Group, Qingdao Haiyuan Alloy New Materials Co., Ltd. resolved at a shareholders' meeting to approve a government land acquisition proposal and signed a relocation compensation agreement for a total transaction price of RMB319,931 thousand.

B. On March 14, 2023, the Board of Directors has approved the proposal for the appropriation of earnings in 2022, as described in Note 6(18).

C. On March 14, 2023, the Group's Board of Directors resolved to increase its subscription in the private fund investment of GTM CAPITAL HEALTHCARE FUND L.P. amounting to USD 10 million. Along with the signed and subscribed amount of USD 20 million on June 13, 2022, the total accumulated subscribed amount was USD 30 million.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to operate with the goal to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans (including "current and non-current loans" as shown in the consolidated balance sheet) less cash and cash equivalents. Total is calculated as "equity" as shown in the consolidated balance sheet less total intangible assets.

During 2022, the Group's strategy, which was unchanged from 2021, was to maintain the gearing ratio below 70%.

(2) Financial instruments

A. Financial instruments by category

Financial assets of the company and its subsidiaries (financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive income and losses, financial assets measured at amortized cost, cash and cash equivalents, accounts receivable (Including related parties), other receivables and refundable deposits) and financial liabilities (short-term loans, financial liabilities measured at fair value through profit and loss, accounts payable (including related parties), other payables, lease liabilities, and guarantee deposit received) is provided in Note 6 and consolidated balance sheet.

B. Risk management policies

(a) Risk categories:

The Group employs a comprehensive financial risk management and control system to clearly identify, measure and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Management objectives:

i.Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.

ii.As for market risk, the goal is to optimize its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.

iii.The Group's overall risk management policy focuses on the unpredictable items in financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.

iv.For the information on the derivative financial instruments that the Group entered into, refer to Note 6(2).

(c) Management system:

i.Risk management is executed by the Group's finance department by following policies approved by the Board. Through cooperation with the Group's operating units, finance department is responsible for identifying, evaluating and hedging financial risks.

ii.The Board has a written policy covering overall risk management. It also has written policies covering specific issues, such as exchange rate risk, interest rate risk, credit risk, derivative and non-derivative financial instruments used, and the investment of excess working capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i.Nature:

The Group is a multinational group in the Electronic manufacturing services industry. Most of the exchange rate risk from operating activities comes from:

(i) Foreign exchange risk arises from different exchange rates to functional currency as the invoice dates of accounts receivable and payable denominated in non-functional foreign currency are different. Because the amount after the assets and liabilities are offset is insignificant, income/loss is insignificant as well. (Note: The Group has several sites in various countries and thus is exposed to various foreign exchange risks. The main risk arises from USD and RMB.)

(ii) Changes in exchange rates of functional currencies to presentation currency at different timing will cause another foreign exchange risk.

(iii) Except for the above transactions (operating activities) recognized in the income statement, assets and liabilities recognized in the balance sheet and the net investment in foreign operations also result in the exchange rate risk.

ii. Management:

(i) For such risks, the Group has set up policies requiring companies in the Group to manage its exchange rate risks.

(ii) As to the exchange rate risk arising from the difference between various functional currencies and the reporting currency in the consolidated financial statements, it is managed by the Group's finance department.

iii. Sources of risk:

(i) U.S. dollars and NT dollars:
Foreign exchange risk arises primarily from gains or losses from translating U.S. dollar-denominated assets, such as cash, cash equivalents, accounts receivable, other receivables and time deposits with maturity in excess of three months, and U.S. dollar-denominated liabilities, such as loans, accounts payable and other payables, into New Taiwan dollars.

(ii) U.S. dollars and RMB:
Foreign exchange risk arises primarily from gains or losses from translating U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables, which results in exchange loss or gain when they are translated into RMB.

iv. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	1,106,545	30.71	$ 33,981,987	1%	$ 339,820
USD：RMB	152,142	6.9646	4,672,281	1%	46,723
USD：JPY	498,723	131.5789	15,315,783	1%	153,158
Non-monetary items					
Foreign operations					
USD：NTD	3,270,826	30.71	100,447,075		
Financial liabilities					
Monetary items					
USD：NTD	833,043	30.71	25,582,736	1%	255,827
USD：RMB	29,030	6.9646	891,511	1%	8,915
USD：JPY	482,452	131.5789	14,816,101	1%	148,161

	December 31, 2021				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	928,012	27.68	$ 25,687,372	1%	$ 256,874
USD：RMB	305,904	6.3757	8,467,423	1%	84,674
Non-monetary items					
Foreign operations					
USD：NTD	4,357,627	27.68	120,619,108		
Financial liabilities					
Monetary items					
USD：NTD	776,707	27.68	21,499,250	1%	214,992
USD：RMB	210,978	6.3757	5,839,871	1%	58,399

v. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to $696,344 and $120,240, respectively.

Price risk

i. Nature

The Group primarily invests in domestic and foreign publicly traded and unlisted equity instruments, which are accounted for as financial assets at fair value through other comprehensive income. The price of those equity instruments will be affected by the uncertainty of the future value of the investment.

ii. Extent

If the price of such equity instrument rises or falls by 1%, with all other factors held constant, the impact on other comprehensive income due to equity instruments measured at fair value through other comprehensive income would increase/decrease $252,223 and $383,458 for the years ended December 31, 2022 and 2021, respectively.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term loans. Short-term loans with floating rates expose the Group to cash flow interest rate risk, but most of the risks are offset by cash and cash equivalents with variable interest rates.

If short-term loans interest rates rise or fall by 1%, with all other factors held constant, profit after tax would decrease/increase by $6,244 and $19,716 for the years ended December 31, 2022 and 2021, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience and other factors to conduct its internal risk management.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored. Major credit risk arises from cash and cash equivalents, derivative financial instruments, deposits and short-term investments with banks and financial institutions, and other financial instruments. The counterparties are banks with good credit quality, financial institutions with investment grade credit ratings and government agencies, so there is no significant default concerns and credit risk.

ii. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 90 days based on the terms, there has been deemed that a breach of contract has occurred.

iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

iv. The ageing analysis of accounts receivable (including related parties and receivables transferred to other receivables) is as follows:

	December 31, 2022	December 31, 2021
Not past due	$ 7,400,027	$ 21,558,011
0 to 90 days	12,269,895	3,741,842
91 to 180 days	11,197	57,825
181 to 270 days	202,016	1,884
271 to 360 days	697	476
Over 361 days	297	656
	$ 19,884,129	$ 25,360,694

The above ageing analysis was based on past due date.

v. As of December 31, 2022 and 2021, accounts receivable (including related parties) and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables (including related parties) from contracts with customers amounted to $29,647,737.

vi. The Group assesses the expected credit losses of accounts receivable (including those from related parties) as follows:

(i) Assess the estimates expected credit losses on an individual basis if a significant default has occurred to certain customers.

(ii) Accounts receivable are divided into segments according to the Group’s credit rating standards; expected credit losses for each segment are assessed based on the specific loss rate or provision matrix for the segment.

(iii) Loss rates are calculated based on past and current information, taking into account forward-looking information provided by the Business Indicators Database of the

National Development Council and the Basel Committee on Banking Supervision.

(iv) As of December 31, 2022 and 2021, the loss allowance for accounts receivable (including related parties), assessed using loss rate or provision matrix, is as follows:

	Individual	Group 1 and 2	Group 3	Group 4	Total
December 31, 2022					
Expected loss rate	100%	0.0330%	0.0770%	0.0770%	
Total book value	$ 64,663	$ 18,575,277	$ 384,778	$ 859,411	$ 19,884,129
Allowance for uncollectible accounts	$ 64,663	$ 14,316	$ 289	$ 661	$ 79,929

	Group 1 and 2	Group 3	Group 4	Total
December 31, 2021				
Expected loss rate	0.0270%	0.0630%	0.0630%	
Total book value	$ 23,347,044	$ 1,069,011	$ 944,639	$ 25,360,694
Allowance for uncollectible accounts	$ 6,633	$ 710	$ 628	$ 7,971

Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.

Group 4: Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including related parties) is as follows:

	2022	2021
At January 1	$ 7,971	$ 9,181
Loss on provision for impairment	71,837	-
Gain on reversal of expected credit impairment loss	-	(1,186)
Effect of foreign exchange	121	(24)
At December 31	$ 79,929	$ 7,971

(c) Liquidity risk

i. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. The Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

Except for lease liabilities listed below, as of December 31, 2022 and 2021, the Group's non-derivative financial liabilities (including short-term loans, accounts payable and other payables) and derivative financial liabilities (including foreign exchange contracts, cross currency swap contracts and forward foreign exchange contracts) will expire within 1 year.

	Less than 1 year	Between 1 to 2 years	Over 2 years	Total
December 31, 2022				
Lease liability	$ 194,891	$ 184,170	$ 428,932	$ 807,993
December 31, 2021				
Lease liability	$ 67,816	$ 66,540	$ 484,966	$ 619,322

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in stocks without active market, stocks with active market which are in the lockup period and convertible bonds is included in Level 3

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

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

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss-non-current				
Fund	$ -	$ -	$ 219,077	$ 219,077
Hybrid instrument	-	-	283,453	283,453
	$ -	$ -	$ 502,530	$ 502,530
Financial assets at fair value through other comprehensive income				
Equity instruments	$ 20,609,787	$ -	$ 4,612,562	$ 25,222,349
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ -	($ 9,364)	($ 9,364)

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 22,357	$ -	$ 22,357
Financial assets at fair value through profit or loss-non-current				
Fund	$ -	$ -	$ 272,437	$ 272,437
Hybrid instrument	-	-	14,451	14,451
	$ -	$ -	$ 286,888	$ 286,888
Financial assets at fair value through other comprehensive income				
Equity instruments	$ 34,414,490	$ -	$ 3,931,329	$ 38,345,819
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 6,015)	$ -	($ 6,015)

(b) The methods and assumptions the Group used to measure fair value are as follows:

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

	Listed shares
Market quoted price	Closing price

ii. The fair value of foreign investment fund is measured by reference to counterparty quotes.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, liquidity risk and etc. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. For the years ended December 31, 2022 and 2021, transfers into or out from Level 3 are as follows:

	2022	2021
At January 1	$ 4,218,217	$ 4,729,260
Gains and losses recognized in loss	(209,566)	(251,690)
Gains and losses recognized in other comprehensive income	427,212	4,622,551
Acquired from a business combination	(272)	-
Additions	531,043	2,548,716
Disposal	(46,320)	-
Redemption of conversion of convertible bonds	(35,012)	-
Transferred to level 1	-	(7,414,609)
Effect of foreign exchange	220,426	(16,011)
At December 31	$ 5,105,728	$ 4,218,217

For the years ended December 31, 2022 and 2021, there was no transfer into or out of Level 3.

E. The Group invested in the equity interest of Vizio Holding Corp. through the subsidiary, Q-Run Holdings Ltd., for the year ended December 31, 2021 and transferred it from Level 3 to Level 1 as the lockup period has expired.

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December, 31, 2022	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	$ 219,077	Net asset value	Composite discount rate	5%	The higher the composite discount rate, the 1ower the fair value.
Lock-up period listed company shares	2,400,200	Market price method	Discount for lack of marketability	29.04%	The higher the discount for marketability, the 1ower the fair value.
Unlisted shares	2,160,553	Net asset value	Composite discount rate	1%	The higher the composite discount rate, the 1ower the fair value.
Unlisted shares	51,809	Market price method	Liquidity discount rate	20%~25%	The higher the liquidity discount rate, the 1ower the fair value.
Hybrid instrument:					
Unlisted preference shares	283,453	Market price method	Expected equity value volatility	50.51%	The higher the expected equity value volatility, the 1ower the fair value.
Derivative					
Derivative-Convertible Bonds	(9,364)	Discounted Cash Flow	Expected equity value volatility	52.16%	The higher the expected equity value volatility, the 1ower the fair value.

	Fair value at December, 31, 2021	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	$ 272,437	Net asset value	Not applicable	Not applicable	Not applicable
Lock-up period listed company shares	1,898,600	Market price method	Discount for lack of marketability	38.08%	The higher the discount for marketability, the 1ower the fair value.
Unlisted shares	2,014,714	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	18,015	Market price	The latest capital	NT10~55	Not applicable
Hybrid instrument:					
Convertible Bonds	14,451	Discounted Cash Flow	Discount rate	14.84%	The higher the discount rate, the lower the fair value.

G. The Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. The following is the effect on profit (loss), other comprehensive income (loss) from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2022 Recognized in profit or loss Favourable change	Unfavourable change	Recognized in other comprehensive income Favourable change	Unfavourable change
Financial assets						
Hybrid instrument and Derivative	Expected equity value volatility	±1%	$ 1	($ 1)	$ -	$ -
Equity instrument	Composite discount rate or Discount from lack of marketability	±1%	$ -	$ -	$ 57,316	($ 57,316)

	Input	Change	December 31, 2021 Recognized in profit or loss Favourable change	Unfavourable change	Recognized in other comprehensive income Favourable change	Unfavourable change
Financial assets						
Debt instrument	Discount Rate	±1%	$ 1,358	($ 1,282)	$ -	$ -
Equity instrument	Discount for lack of marketability	±1%	$ -	$ -	$ 30,685	($ 30,641)

(4) Other

The Group has adopted appropriate epidemic prevention measures to cope with the spread of the new coronavirus (COVID-19). The government has also implemented several epidemic prevention measures. The pandemic has not caused any significant effect on the Group's operations and business for the years ended December 31, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost reaching $300 million or 20% of paid-in capital or more: Refer to table 3.

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

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

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

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

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Notes 6(2), 6(24) and 12(3).

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Information of major shareholders

Major shareholders information: Refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in the assembly and sales of cases, heat dissipation modules and consumer electronics products. The chief operating decision-maker manages abovementioned items by business activities. Currently, business activities can be categorized into trading services of electronic products and manufacturing and sales of mechanism and components.

Revenue and operating income of operating segments are used by the Group's chief operating decision-maker for imputation of internal costs and allocation of expenses to segment profit (loss) and are used as an indication for assessment of performance and allocation of resources.

(2) Measurement of segment information

The financial information of reportable segments provided to the chief operating decision maker is as follows:

	Year ended December 31, 2022		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 73,388,324	$ 16,394,396	$ 89,782,720
Inter-segment revenue	1,006,376	3,627,570	4,633,946
Segment revenue	$ 74,394,700	$ 20,021,966	$ 94,416,666
Measurement of segment profit or loss	$ 1,553,133	$ 2,110,477	$ 3,663,610
Depreciation and amortization	$ 2,256	$ 1,497,622	$ 1,499,878
Interest income	$ 65,416	$ 1,965,246	$ 2,030,662
Interest expense	$ 142,227	$ 67,246	$ 209,473
Total segment assets (Note)	$ -	$ -	$ -

	Year ended December 31, 2021		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 80,584,937	$ 23,294,718	$ 103,879,655
Inter-segment revenue	1,011,729	3,113,453	4,125,182
Segment revenue	$ 81,596,666	$ 26,408,171	$ 108,004,837
Measurement of segment profit or loss	$ 2,451,728	$ 1,461,667	$ 3,913,395
Depreciation and amortization	$ 3,473	$ 1,472,034	$ 1,475,507
Interest income	$ 2,365	$ 1,604,415	$ 1,606,780
Interest expense	$ 86,224	$ 60,988	$ 147,212
Total segment assets (Note)	$ -	$ -	$ -

Note: The measurement of operating segment assets is not provided to the operating decision-maker; thus, the measurement that shall be disclosed is zero.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

A reconciliation of reportable segment profit or loss to the profit/ (loss) before tax and discontinued operations for the years ended December 31, 2022 and 2021 is provided as follows:

	Years ended December 31,	
Operating revenue	2022	2021
Reportable segments revenue	$ 94,416,666	$ 108,004,837
Other segments revenue	686,786	202,376
Elimination of inter-segment revenue	(4,633,946)	(4,125,182)
Total corporate revenue	$ 90,469,506	$ 104,082,031

	Years ended December 31,	
Profit and loss	2022	2021
Profit of reportable segment	$ 3,663,610	$ 3,913,395
Profit of other operating segments	534,555	501,241
Post-tax profit	$ 4,198,165	$ 4,414,636

(4) Information on product

	Years ended December 31,	
Operating revenue	2022	2021
Electronic products	$ 73,388,324	$ 80,584,937
Mechanism and components	16,394,396	23,294,718
Others	686,786	202,376
	$ 90,469,506	$ 104,082,031

(5) Geographical information

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

	Years ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
China	$ 13,758,429	$ 7,905,875	$ 22,845,025	$ 8,450,841
Japan	64,362,891	11,880	75,406,217	-
Taiwan	2,224,673	957,611	2,414,029	622,813
USA	3,066,371	24,024	1,844,744	-
Others	7,057,142	2	1,572,016	6
	$ 90,469,506	$ 8,899,392	$ 104,082,031	$ 9,073,660

(6) Major customer information

Details of customers contributing more than 10% of operating revenue of the Group for the years ended December 31, 2022 and 2021 are as follows:

	Years ended December 31,			
	2022		2021	
Customer	Revenue	%	Revenue	%
A Group	$ 48,869,790	54%	$ 74,383,762	71%
C Group	17,236,873	19%	-	-
B Group	8,097,591	9%	14,720,213	14%
	$ 74,204,254		$ 89,103,975	

Foxconn Technology Co., Ltd. and Subsidiaries

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
1	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Fuzhun Precision Industy (Shenyang) Co., Ltd.	Other receivables	Y	$ 144,192	$ 141,056	$ 141,056	3.285%	Short-term financing	$ -	Business operation	$ -	None	$ -	$ 66,382,800	$ 132,765,600	Note 1
2	FOXCONN TECHNOLOGY PTE. LTD.	YanTai Fuzhun Precision Electronics Co., Ltd.	Other receivables	Y	608,800	-	-	-	Short-term financing	-	Business operation	-	None	-	40,225,221	80,450,442	Note 1

Note 1: Limit on loans granted for a single foreign company whose voting rights are 100% owned directly and indirectly by the Company is 200% of the net assets of the creditor's subsidiary and 400% for ceiling on total loans.

Foxconn Technology Co., Ltd. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022 Number of shares	Book value	Ownership (%)	Fair value	Note
Foxconn Technology Co., Ltd.	Common stock of CyberTAN Technology Inc.	None	Financial assets at fair value through other comprehensive income - non-current	10,035,348	$ 230,311	3.04	$ 230,311	
〃	Common stock of Pan-International Industrial Corp.	〃	〃	1,079,986	40,284	0.21	40,284	
〃	Common stock of Innolux Corporation	〃	〃	115,438,495	1,275,595	1.21	1,275,595	
〃	Common stock of Advanced Optoelectronic Technology, Inc.	〃	〃	1,000	17	-	17	
〃	Common stock of Modest Benefits Taiwan E Chain Co., Ltd.	〃	〃	150,000	892	0.25	892	
〃	Common stock of H2U Corporation	〃	〃	273,000	12,613	1.13	12,613	
〃	Common stock of Eirgenix, Inc.	〃	〃	27,500,000	2,400,200	9.03	2,400,200	
〃	Common stock of ROOTILABS LTD.	〃	〃	14,553	37,412	5.00	37,412	
〃	Convertible preference share of ZAP Medical System Ltd.	〃	Financial assets at fair value through profit and loss - non-current	10,032,773	283,453	5.65	283,453	
〃	Convertible Bonds of Sotera Wireless, Inc.	Subsidiaries	〃	-	689,530	-	689,530	
Huazhun Investment Co., Ltd.	Common stock of Innolux Corporation	None	Financial assets at fair value through other comprehensive income - non-current	109,538,304	1,210,398	1.15	1,210,398	
〃	Common stock of Advanced Optoelectronic Technology, Inc.	〃	〃	7,672,000	130,808	5.31	130,808	
〃	Common stock of Modest Benefits Taiwan E Chain Co., Ltd.	〃	〃	150,000	892	0.25	892	
Q-Run Holdings Ltd.	Common stock of CHINA HARMONY AUTO HOLDING	〃	〃	38,452,340	185,789	2.49	185,789	
〃	Common stock of FE HOLDINGS USA, INC.	〃	〃	8,040	2,160,553	11.42	2,160,553	
〃	Common stock of VIZIO HOLDING CORP.	〃	〃	14,412,115	3,279,637	7.48	3,279,637	
Foxconn Technology Pte. Ltd.	Common stock of SHARP CORPORATION	〃	〃	64,640,000	14,256,948	9.96	14,256,948	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Jinan Fujie Industrial Investment Fund Partnership (limited partnership)	〃	Financial assets at fair value through profit or loss - non-current	-	219,077	6.66	219,077	
〃	Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust	〃	Financial assets at amortized cost - non-current	-	2,203,442	-	2,203,442	

Foxconn Technology Co., Ltd. and Subsidiaries

Aggregate purchases or sale of the same securities reaching $300 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2022		Addition		Disposal				Balance as at December 31, 2022	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares (In thousands)	Amount	Number of shares (In thousands)	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Foxconn Technology Co., Ltd.	Convertible preferred stock of ZAP Medical System Ltd.	Note 1	ZAP Medical System Ltd.	-	-	$ -	10,033 thousand	USD 15,000 thousand	-	$ -	$ -	$ -	10,033 thousand	USD 15,000 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Note 2	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Note 3	-	-	-	RMB 643,500 thousand	-	-	-	-	-	RMB 643,500 thousand

Note 1：Recorded in “Financial assets at fair value through profit or loss - non-current”, the ending amount is presented at fair value.

Note 2：Recorded in “Investments accounted for under equity method”.

Note 3：The investee and the counterparties of the investee were both indirect subsidiaries of the Company.

Foxconn Technology Co., Ltd. and Subsidiaries

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

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Foxconn Technology Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	$ 1,553,700	2	90 days	Note 1	Note 1	$ 767,992	5	
〃	HIGH TEMPO INTERNATIONAL Ltd.	The investee is an indirect subsidiary of the Company	Sales	187,435	-	90 days	Note 1	Note 1	29,376	-	
〃	Champ Tech Optical (Foshan) Corporation	〃	Sales	447,249	1	90 days	Note 1	Note 1	230,986	1	Note 2
〃	PKM Coporation	〃	Sales	16,791,564	22	50 days	Note 1	Note 1	14,388,780	85	Note 3
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	2,806,894	71	90 days	Note 1	Note 1	3,931,866	92	
〃	FOXCONN TECHNOLOGY PTE. LTD.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	565,406	14	90 days	Note 1	Note 1	177,363	4	
Fu Yu Precision Components (Kunshan) Co., Ltd.	FOXCONN TECHNOLOGY PTE. LTD.	〃	Sales	4,482,625	94	60 days	Note 1	Note 1	1,064,952	85	
FOXCONN TECHNOLOGY PTE. LTD.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	428,099	5	90 days	Note 1	Note 1	18,607	1	
〃	FTP TECHNOLOGY INC.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	619,229	7	90 days	Note 1	Note 1	224,746	13	
〃	Hon Hai Precision Industry Co., Ltd.	The counterparties of the investee is investment Company that use the equity method to evaluate the Company	Sales	593,218	7	90 days	Note 1	Note 1	6,425	-	
〃	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	267,909	3	90 days	Note 1	Note 1	130,358	7	
〃	CHENG UEI PRECISION INDUSTRY CO., LTD.	Other related parties	Sales	109,980	1	45 days	Note 1	Note 1	-	-	
FTP TECHNOLOGY INC.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	453,869	71	90 days	Note 1	Note 1	165,480	86	

Foxconn Technology Co., Ltd. and Subsidiaries

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

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Champ Tech Optical (Foshan) Corporation	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	$ 151,476	100	90 days	Note 1	Note 1	-	-	
Nanning Funing Precision Electronics Co., Ltd.	FOXCONN TECHNOLOGY PTE. LTD.	〃	Sales	454,297	11	90 days	Note 1	Note 1	155,758	13	
YanTai Fuzhun Precision Electronics Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	1,178,816	83	90 days	Note 1	Note 1	369,027	78	
Champ Tech Optical (Foshan) Corporation	FOXCONN (FAR EAST) LTD. and subsidiaries	〃	Sales	638,680	8	90 days	Note 1	Note 1	330,817	12	
Champ Tech Optical (Foshan) Corporation	FOXCONN TECHNOLOGY PTE. LTD.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	2,213,563	28	90 days	Note 1	Note 1	124,561	4	
〃	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	〃	Sales	124,021	2	90 days	Note 1	Note 1	72,675	3	
Foxconn Technology Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	58,330,650	82	90 days	Note 1	Note 1	(20,854,005)	81	
〃	Nanning Funing Precision Electronics Co., Ltd.	The investee is an indirect subsidiary of the Company	Purchases	2,928,351	4	30 days	Note 1	Note 1	(857,129)	3	
〃	Champ Tech Optical (Foshan) Corporation	〃	Purchases	3,125,469	4	30 days	Note 1	Note 1	(1,133,504)	4	
〃	YanTai Fuzhun Precision Electronics Co., Ltd.	〃	Purchases	104,284	-	60 days	Note 1	Note 1	(18,480)	-	
〃	INNOLUX CORPORATION	Other related parties	Purchases	347,444	-	60 days	Note 1	Note 1	(29,129)	-	
〃	SHARP CORPORATION	〃	Purchases	3,871,775	5	60 days	Note 1	Note 1	(813,057)	3	
〃	Pan-International Industrial Corp. and subsidiaries	〃	Purchases	356,874	1	90 days	Note 1	Note 1	(141,903)	1	

Foxconn Technology Co., Ltd. and Subsidiaries

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

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Foxconn Technology Co., Ltd.	Hebi Gengde Electronics Co., Ltd.	Other related parties	Purchases	$ 286,236	-	90 days	Note 1	Note 1	($ 105,115)	-	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	563,111	16	90 days	Note 1	Note 1	(2,065,089)	83	
FOXCONN TECHNOLOGY PTE. LTD.	FOXCONN (FAR EAST) LTD. and subsidiaries	〃	Purchases	205,664	3	90 days	Note 1	Note 1	(28,106)	1	
Champ Tech Optical (Foshan) Corporation	Pan-International Industrial Corp. and subsidiaries	Other related parties	Purchases	217,531	3	90 days	Note 1	Note 1	(94,919)	6	

Note 1:Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days.

Note 2:For transactions involving the sale of raw materials to the aforementioned related party and subsequent repurchase of goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

Note 3:On November 1, 2022, the Company acquired a 91.12% equity interest in PKM Coporation. The Company obtained control over the company and the company was included in the consolidated financial statements since the business combination date. Please refer to Note 6(29) for more details.

Foxconn Technology Co., Ltd. and Subsidiaries

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Foxconn Technology Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	$ 767,992	2.38	$ 54,194	Subsequent collection	$ 54,194	$ -
〃	〃	〃	2,897,163 (shown as other receivables)(Note 1)	Not applicable				
〃	SHARP CORPORATION and subsidiaries	Other related parties	346,500 (shown as other receivables)(Note 1)	Not applicable				
〃	Pan-International Industrial Corp. and subsidiaries	〃	688,114 (shown as other receivables)(Note 1)	Not applicable				
〃	Champ Tech Optical (Foshan) Corporation	The investee is an indirect subsidiary of the Company	230,986	1.46	80,076	Subsequent collection	294	-
〃	PKM Coporation	〃	14,388,780	4.58	-		-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	3,931,866	0.58	555,051	Subsequent collection	555,051	-
〃	FOXCONN TECHNOLOGY PTE. LTD.	The investee is an indirect subsidiary of the Company and its subsidiaries	177,363	4.18	12,039	〃	12,039	-
Fu Yu Precision Components (Kunshan) Co., Ltd.	〃	〃	1,064,952	2.76	-		-	-
FOXCONN TECHNOLOGY PTE. LTD.	FTP TECHNOLOGY INC.	〃	224,746	3.74	1,289	Subsequent collection	1,289	-
〃	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	〃	130,358	2.59	880	〃	880	-
FTP TECHNOLOGY INC.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	165,480	3.69	-		-	-

Foxconn Technology Co., Ltd. and Subsidiaries

Receivables from related parties reaching $100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Nanning Funing Precision Electronics Co., Ltd.	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	$ 857,129	4.02	$ 404	Subsequent collection	$ -	$ -
〃	FOXCONN TECHNOLOGY PTE. LTD.	The investee is an indirect subsidiary of the Company and its subsidiaries	155,758	5.35	505	〃	505	-
YanTai Fuzhun Precision Electronics Co., Ltd.	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	369,027	3.09	-	-	-	-
Champ Tech Optical (Foshan) Corporation	FOXCONN (FAR EAST) LTD. and subsidiaries	〃	330,817	1.70	6,034	Subsequent collection	6,034	-
〃	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	1,133,504	3.49	1,315	〃	1,315	-
〃	FOXCONN TECHNOLOGY PTE. LTD.	The investee is an indirect subsidiary of the Company	124,561	5.46	-		-	-
PKM Coporation	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	5,509,905 (shown as other receivables)(Note 1)	Not applicable				
〃	FOXCONN (FAR EAST) LTD. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	179,082 (shown as other receivables)(Note 1)	Not applicable				

Note 1: Receivables from purchases of materials by investees on behalf of the ultimate parent company.

Foxconn Technology Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
0	Foxconn Technology Co., Ltd.	Nanning Funing Precision Electronics Co., Ltd.	1	Purchases	$ 2,928,351	Note 4	3
0	〃	〃	1	Accounts payable	857,129	〃	1
0	〃	Champ Tech Optical (Foshan) Corporation	1	Purchases	3,125,469	〃	3
0	〃	〃	1	Sales	447,249	〃	-
0	〃	〃	1	Accounts receivable	230,986	〃	-
0	〃	〃	1	Accounts payable	1,133,504	〃	1
0	〃	YanTai Fuzhun Precision Electronics Co., Ltd.	1	Purchases	104,284	〃	-
0	〃	High Tempo International LTD.	1	Sales	187,435	〃	-
0	〃	PKM Coporation	1	Sales	16,791,564	〃	19
0	〃	〃	1	Accounts receivable	14,388,780	〃	10
0	〃	〃	1	Other payable	5,509,905	〃	4
1	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	FOXCONN TECHNOLOGY PTE. LTD.	3	Sales	565,406	〃	1
1	〃	〃	3	Accounts receivable	177,363	〃	-
2	Fu Yu Precision Components (Kunshan) Co., Ltd.	FOXCONN TECHNOLOGY PTE. LTD.	3	Sales	4,482,625	〃	5
2	〃	〃	3	Accounts receivable	1,064,952	〃	1
3	FOXCONN TECHNOLOGY PTE. LTD.	FTP TECHNOLOGY INC.	3	Sales	619,229	〃	1
3	〃	〃	3	Accounts receivable	224,746	〃	-
3	〃	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	3	Sales	267,909	〃	-
3	〃	〃	3	Accounts receivable	130,358	〃	-
4	Nanning Funing Precision Electronics Co., Ltd.	FOXCONN TECHNOLOGY PTE. LTD.	3	Sales	454,297	〃	1
4	〃	〃	3	Accounts receivable	155,758	〃	-
5	Champ Tech Optical (Foshan) Corporation	FOXCONN TECHNOLOGY PTE. LTD.	3	Sales	2,213,563	〃	2
5	〃	〃	3	Accounts receivable	124,561	〃	-
5	〃	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	3	Sales	124,021	〃	-
6	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Champ Tech Optical (Foshan) Corporation	3	Sales	151,476	〃	-

Note 1: The information of transactions between the Company and the subsidiaries should be noted in "Number" column.
(1) Number 0 represents the Company.
(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationship with counterparties are as follows:
(1) The Company to the consolidated subsidiary.
(2) The consolidated subsidiaries to the Company.
(3) The consolidated subsidiaries to other consolidated subsidiaries.

Note 3: Disclosure standard of transactions between the Company and subsidiaries is when purchases, sales and receivables (payables) from (to) related parties account for at least $100,000 or 20% of capital. Relative related are not disclosed.

Note 4: Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: For information of loans to others, refer to table 1.

Foxconn Technology Co., Ltd. and Subsidiaries

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognized by the Company for the year ended December 31, 2022	Note
Foxconn Technology Co., Ltd.	Q-RUN HOLDINGS LTD.	Cayman Islands	Investment holding	$ 1,971,512	$ 9,851,192	96,077,600	100	$ 87,362,499	$ 1,679,592	$ 1,679,592	Note 1
Foxconn Technology Co., Ltd.	FOXCONN PRECISION COMPONENTS HOLDING CO., LTD.	Cayman Islands	Investment holding	97,358	492,742	26,839,643	100	13,117,873	(6,572)	(6,572)	Note 1
Foxconn Technology Co., Ltd.	Huazhun Investment Co., Ltd.	Taiwan	Investment	1,254,780	1,254,780	125,478,000	100	1,638,142	131,897	131,897	
Foxconn Technology Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail of office machinery and equipment and electronic appliances, and information software services	490,322	490,322	49,032,250	20	279,926	22,652	4,524	
Foxconn Technology Co., Ltd.	Sotera Wireless, Inc.	United States	Sales of wireless vital sign monitoring system	1,335	-	10,003,082	53.93	(33,299)	(83,834)	(18,970)	
Foxconn Technology Co., Ltd.	FTC Health Corporation	Taiwan	Medical equipment and precision instruments wholesale and retail	1,000	-	100,000	100	1,000	-	-	
Foxconn Technology Co., Ltd.	PKM Coporation	Japan	Game consoles reselling business	115,075	-	8,200	91.12	112,258	(25,428)	(23,170)	
Foxconn Technology Co., Ltd.	FTC JAPAN CO., LTD.	Japan	Electronic products and medicalsupplies production and sales,Health management service business,Long term care equipment purchaseand lease services	-	-	-	-	-	-	-	Note 2

Note1: Besides Foxconn Precision Components Holding Co., Ltd., Q-Run Holdings Ltd., Huazhun Investment Co., Ltd., Sotera Wireless, Inc., FTC Health Corporation, PKM Corporation and FTC Japan Co,. Ltd. are subsidiaries of the Company, Atkinson Holdings Ltd., Q-Run Far East Corporation, World Trade Trading Ltd., High Tempo International Ltd., FTC Technology Inc., Foxconn Technology Pte. Ltd., Kenny International Ltd., Double Wealth Profits Ltd., Precious Star International Ltd., Eastern Star Limited., Gold Glory International Ltd., New Glory Holdings Ltd., FTP Technology Inc., Fuzhun Precision (Shenzhen) Industry Co., Ltd., Champ Tech Optical (Foshan) Corporation, Hon Fujin Precision Industry (Taiyuan) Co., Ltd., Fuzhun Precision (Hebi) Electronics Co., Ltd., Qingdao Hiyn Materials Co., Ltd., Fuhuigang Industrial (Shenzhen) Co., Ltd., Fu Yu Precision Components (Kunshan) Co., Ltd., YanTai Fuzhun Precision Electronics Co., Ltd., Nanning Funing Precision Electronics Co., Ltd., Hon Fujin Precision Industry(Jincheng) Co., Ltd. and Fuzhun Precision (Shenyang) Industry Co., Ltd. are subsidiaries of the Company as well.

Note2: FTC JAPAN CO., LTD. was registered on December 26, 2022, but has not been capitalized as of December 31, 2022.

Foxconn Technology Co., Ltd. and Subsidiaries

Information on investees in Mainland China

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Note
Fuhuigang Industrial (Shenzhen) Co., Ltd.	Computer case – electronic and electrical components	$ 238,217	2	$ 238,217	$ -	$ -	$ 238,217	($ 12,585)	100	($ 12,585)	$ 470,095	$ –	
Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	1,203,034	2	846,675	-	-	846,675	380,704	100	380,704	5,660,783	–	
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	598,845	2	61,420	-	-	61,420	289,745	100	289,745	1,219,144	–	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping	12,591,100	2	4,284,045	-	-	4,284,045	1,102,371	100	1,102,371	33,191,400	–	
Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	300,958	2	-	-	-	-	408,530	100	408,530	1,731,732	–	
YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case - electronic and electrical components	2,456,800	2	1,213,045	-	-	1,213,045	70,123	100	70,123	1,943,389	–	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	4,535,867	2	1,526,287	-	-	1,526,287	267,961	100	267,961	4,444,498	–	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Foxconn Technology Co., Ltd.	$ 8,169,689	$ 23,148,154	$ -

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in Q-Run Holdings Ltd. or Foxconn Precision Components Holding Co., Ltd., which then invested in Mainland China.

(3) Others.

Note 2: The investment income (loss) recognized by all other investees in Mainland China for the year ended December 31, 2022 were audited or attested by R.O.C. parent company's CPA.

Note 3: Pursuant to the amended ‘Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area’ dated on December 30, 2020, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company from October 27, 2022 to October 26, 2024.

Note 4: The Company needs no approval by Investment Commission of the Ministry of Economic Affairs for investment in Qingdao Hiyn Materials Co., Ltd., Fuzhun Precision (Shenyang) Industry Co., Ltd., Hon Fujin Precision Industry (Jincheng) Co., Ltd. and Champ Tech Optical (Foshan) Corporation and which were reinvested through an existing company in Mainland China.

Foxconn Technology Co., Ltd. and Subsidiaries

Major shareholders information

Year ended December 31, 2022

Table 9

Name of major shareholders	Shares held as at December 31, 2022	
	Number of shares	Ownership (%)
Hon Hai Precision Industry Co., Ltd.	139,725,801	9.87
Bao Xin International Investment Co., Ltd.	126,181,274	8.92
Hung Yang Venture Investment Co., Ltd.	85,003,766	6.00