

**CHENG UEI PRECISION INDUSTRY CO.,
LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REPORT
DECEMBER 31, 2021 AND 2020**

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

CHENG UEI PRECISION INDUSTRY CO.,LTD.
DECEMBER 31, 2021 AND 2020 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 21000523

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

Opinion

We have audited the accompanying parent company only balance sheets of Cheng Uei Precision Industry Co., Ltd. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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.

Emphasis of matter-significant unresolved litigation involving investments accounted for under the equity method

As described in Note 9(1) to the parent company only financial statements, Fugang Electric (Maanshan) Co., Ltd., an equity-method investment of the Company, has a lawsuit with Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. On November 19, 2021, Ma'anshan Intermediate People's Court in Anhui Province rendered a first-instance decision, affirming that Fugang Electric (Maanshan) Co., Ltd. shall pay the principal amounting to RMB 274,450 thousand and interest amounting to RMB 139,489 thousand, based on the amount agreed in the court's judgement and interest calculated until the date when the principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement. On December 7, 2021, Fugang Electric (Maanshan) Co., Ltd. filed a second instance appeal with the Higher People's Court of Anhui Province to request to modify or remand the decision in accordance with the laws. On March 17, 2022, Fugang Electric (Maanshan) Co., Ltd. filed an administrative litigation with the Ma'anshan Intermediate People's Court in Anhui Province against the People's Government of Ma'anshan Municipality, the Administrative Committee of Ma'anshan Economic and Technological Development Zone and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. pursuant to Article 12 of the "Administrative Procedure Law of the People's Republic of China". As of the financial reporting date, the possible result of this litigation cannot be determined, therefore our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matters for the Company's parent company only financial statements of the year ended December 31, 2021 are stated as follows:

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

Description

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

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

How our audit addressed the matter

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

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

Assessment of allowance for inventory valuation losses

Description

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

As of December 31, 2021, the balances of inventory and allowance for inventory valuation losses were NT\$1,096,292 thousand and NT\$29,872 thousand, respectively; and the balance of investments accounted for under the equity method was NT\$33,925,134 thousand.

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

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

How our audit addressed the matter

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

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Company's operation and industry.
- B. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.

- C. Verified whether the systematic logic used in the Company's inventory aging report is appropriate and in line with its policies.
- D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter- Reference to the reports of other auditors

We did not audit the parent company only financial statements of certain investees accounted for under the equity method which reflect the balance of investments of NT\$167,302 thousand and NT\$45,762 thousand as at December 31, 2021 and 2020, constituting 0.29% and 0.08% of total assets; total comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method) of NT\$4,362 thousand and NT\$4,847 thousand, for the years ended December 31, 2021 and 2020, constituting 1.13% and 0.21% of total comprehensive income, respectively. Those financial statements and the information disclosed in Note 13 were audited by other auditors whose report thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other auditors.

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

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

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

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

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

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

Lin, Se-Kai

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 24, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 235,283	-	\$ 472,041	1
1150	Notes receivable, net		1,984	-	585	-
1170	Accounts receivable, net	6(2) and 12(2)	10,022,762	17	10,226,181	17
1180	Accounts receivable, net - related parties	7	3,839,075	7	3,312,220	5
1200	Other receivables	6(3)	89,502	-	103,883	-
1210	Other receivables - related parties	7	6,581,812	11	9,890,802	16
130X	Inventories	6(4)	1,066,420	2	1,545,671	3
1410	Prepayments	7	432,553	1	398,186	1
11XX	TOTAL CURRENT ASSETS		<u>22,269,391</u>	<u>38</u>	<u>25,949,569</u>	<u>43</u>
NON-CURRENT ASSETS						
1550	Investments accounted for under the equity method	6(5)	33,925,134	58	32,050,674	53
1600	Property, plant and equipment	6(6)	1,837,627	3	1,857,292	3
1755	Right-of-use assets	6(7)	92,990	-	99,887	-
1760	Investment property, net	6(8)	156,407	-	160,318	-
1780	Intangible assets	6(9)	20,234	-	11,771	-
1840	Deferred income tax assets	6(26)	259,183	1	214,905	1
1900	Other non-current assets	8	23,926	-	43,714	-
15XX	TOTAL NON-CURRENT ASSETS		<u>36,315,501</u>	<u>62</u>	<u>34,438,561</u>	<u>57</u>
1XXX	TOTAL ASSETS		<u>\$ 58,584,892</u>	<u>100</u>	<u>\$ 60,388,130</u>	<u>100</u>

(Continued)

CHENG UEI PRECISION INDUSTRY CO.,LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
CURRENT LIABILITIES						
2100	Current borrowings	6(10)	\$ 1,138,848	2	\$ -	-
2130	Current contract liabilities	6(19)	104,902	-	352,463	1
2170	Accounts payable		705,448	1	588,181	1
2180	Accounts payable - related parties	7	8,334,148	14	7,876,954	13
2200	Other payables	6(11)(28) and 7	8,713,215	15	10,762,201	18
2230	Current income tax liabilities	6(26)	139,372	-	450,385	1
2280	Current lease liabilities	7	41,650	-	31,003	-
2365	Current refund liabilities		226,274	1	234,142	-
2399	Other current liabilities, others		8,919	-	7,910	-
21XX	TOTAL CURRENT LIABILITIES		<u>19,412,776</u>	<u>33</u>	<u>20,303,239</u>	<u>34</u>
NON-CURRENT LIABILITIES						
2530	Corporate bonds payable	6(12)	6,578,570	11	6,574,982	11
2540	Long-term borrowings	6(13)	8,401,250	14	8,781,250	15
2570	Deferred income tax liabilities	6(26)	645,577	1	597,970	1
2580	Non-current lease liabilities	7	54,191	-	70,489	-
2600	Other non-current liabilities	6(14)	208,251	1	297,647	-
25XX	TOTAL NON-CURRENT LIABILITIES		<u>15,887,839</u>	<u>27</u>	<u>16,322,338</u>	<u>27</u>
2XXX	TOTAL LIABILITIES		<u>35,300,615</u>	<u>60</u>	<u>36,625,577</u>	<u>61</u>
EQUITY						
Capital stock						
3110	Common stock	6(15)	5,123,269	9	5,123,269	8
Capital reserve						
3200	Capital surplus	6(16)	10,252,875	17	9,828,746	16
Retained earnings						
3310	Legal reserve	6(17)	3,197,654	5	3,002,026	5
3320	Special reserve		2,036,346	4	2,334,534	4
3350	Unappropriated earnings		5,547,850	10	5,782,390	10
Other equity						
3400	Other equity interest	6(18)	(2,601,651)	(5)	(2,036,346)	(4)
Treasury shares						
3500	Treasury shares	6(15)	(272,066)	-	(272,066)	-
3XXX	TOTAL EQUITY		<u>23,284,277</u>	<u>40</u>	<u>23,762,553</u>	<u>39</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 58,584,892</u>	<u>100</u>	<u>\$ 60,388,130</u>	<u>100</u>

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

CHENG UEI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 58,674,859	100	\$ 69,135,238	100
5000	Operating costs	6(4)(24)(25) and 7	(56,728,576)	(96)	(65,741,027)	(95)
5900	Gross profit		<u>1,946,283</u>	<u>4</u>	<u>3,394,211</u>	<u>5</u>
	Operating expenses	6(24)(25) and 7				
6100	Sales and marketing expenses		(155,617)	-	(130,194)	(1)
6200	General and administrative expenses		(715,720)	(1)	(660,488)	(1)
6300	Research and development expenses		(756,458)	(2)	(757,174)	(1)
6450	Expected credit (loss) gain	12(2)	(12,567)	-	1,884	-
6000	Total operating expenses		<u>(1,640,362)</u>	<u>(3)</u>	<u>(1,545,972)</u>	<u>(3)</u>
6900	Operating income		<u>305,921</u>	<u>1</u>	<u>1,848,239</u>	<u>2</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	31,274	-	27,004	-
7010	Other income	6(8)(21) and 7	388,365	1	317,615	-
7020	Other gains and losses	6(22)	(99,870)	-	51,427	-
7050	Finance costs	6(23)	(212,326)	(1)	(241,029)	-
7070	Share of profit of the subsidiaries, associates and joint ventures accounted for under the equity method	6(5)				
			<u>705,095</u>	<u>1</u>	<u>357,576</u>	<u>1</u>
7000	Total non-operating income and expenses					
			<u>812,538</u>	<u>1</u>	<u>512,593</u>	<u>1</u>
7900	Income before income tax		<u>1,118,459</u>	<u>2</u>	<u>2,360,832</u>	<u>3</u>
7950	Income tax expense	6(26)	(197,417)	-	(393,400)	-
8200	Net income		<u>\$ 921,042</u>	<u>2</u>	<u>\$ 1,967,432</u>	<u>3</u>
	Other comprehensive (loss) income, net					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans	6(14)	\$ 35,043	-	(\$ 15,509)	-
8330	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		2,135	-	1,277	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(7,008)	-	3,102	-
8310	Total components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>30,170</u>	<u>-</u>	<u>(11,130)</u>	<u>-</u>
8361	Exchange differences arising on translation of foreign operations		(506,125)	(1)	414,743	-
8380	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss					
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	(158,910)	-	(29,221)	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>99,730</u>	<u>-</u>	<u>(87,333)</u>	<u>-</u>
8300	Other comprehensive (loss) income, net		<u>(\$ 565,305)</u>	<u>(1)</u>	<u>298,189</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 385,907</u>	<u>1</u>	<u>\$ 2,254,491</u>	<u>3</u>
	Basic earnings per share (in dollars)	6(27)				
9750	Basic earnings per share		<u>\$ 1.90</u>		<u>\$ 4.06</u>	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		<u>\$ 1.89</u>		<u>\$ 4.02</u>	

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

CHENG UEI PRECISION INDUSTRY CO.,LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings					Other equity interest			Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	
Year ended December 31, 2020										
Balance at January 1, 2020		\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 6,030,302	(\$ 2,079,456)	(\$ 255,079)	(\$ 272,066)	\$ 22,431,878
Net income for the year		-	-	-	-	1,967,432	-	-	-	1,967,432
Other comprehensive (loss) income		-	-	-	-	(11,130)	349,333	(51,144)	-	287,059
Total comprehensive income (loss)		-	-	-	-	1,956,302	349,333	(51,144)	-	2,254,491
Appropriation of 2019 earnings	6(16)									
Legal reserve		-	-	198,736	-	(198,736)	-	-	-	-
Special reserve		-	-	-	724,633	(724,633)	-	-	-	-
Cash dividends		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)
Changes in ownership interests in subsidiaries	6(15)	-	(38)	-	-	-	-	-	-	(38)
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(15)	-	163,668	-	-	(27)	-	-	-	163,641
Changes in net equity of associates and joint ventures accounted for under the equity method	6(15)	-	167,141	-	-	-	-	-	-	167,141
Cash dividends distributed to subsidiaries	6(15)	-	26,258	-	-	-	-	-	-	26,258
Balance at December 31, 2020		<u>\$ 5,123,269</u>	<u>\$ 9,828,746</u>	<u>\$ 3,002,026</u>	<u>\$ 2,334,534</u>	<u>\$ 5,782,390</u>	<u>(\$ 1,730,123)</u>	<u>(\$ 306,223)</u>	<u>(\$ 272,066)</u>	<u>\$ 23,762,553</u>
Year ended December 31, 2021										
Balance at January 1, 2021		\$ 5,123,269	\$ 9,828,746	\$ 3,002,026	\$ 2,334,534	\$ 5,782,390	(\$ 1,730,123)	(\$ 306,223)	(\$ 272,066)	\$ 23,762,553
Net income for the year		-	-	-	-	921,042	-	-	-	921,042
Other comprehensive (loss) income		-	-	-	-	30,170	(398,919)	(166,386)	-	(535,135)
Total comprehensive income (loss)		-	-	-	-	951,212	(398,919)	(166,386)	-	385,907
Appropriation of 2020 earnings	6(17)									
Legal reserve		-	-	195,628	-	(195,628)	-	-	-	-
Special reserve		-	-	-	(298,188)	298,188	-	-	-	-
Cash dividends		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)
Changes in ownership interests in subsidiaries	6(16)	-	493	-	-	-	-	-	-	493
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(16)	-	393,228	-	-	-	-	-	-	393,228
Changes in net equity of associates and joint ventures accounted for under the equity method	6(16)	-	4,150	-	-	(7,494)	-	-	-	(3,344)
Cash dividends distributed to subsidiaries	6(16)	-	26,258	-	-	-	-	-	-	26,258
Balance at December 31, 2021		<u>\$ 5,123,269</u>	<u>\$ 10,252,875</u>	<u>\$ 3,197,654</u>	<u>\$ 2,036,346</u>	<u>\$ 5,547,850</u>	<u>(\$ 2,129,042)</u>	<u>(\$ 472,609)</u>	<u>(\$ 272,066)</u>	<u>\$ 23,284,277</u>

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

CHENG UEI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,118,459	\$ 2,360,832
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(6)(7)(8)(22)(24)	186,269	145,054
Amortisation	6(9)(24)	10,519	9,131
Expected credit loss (gain)	12(2)	12,567	(1,884)
Interest expense	6(23)	212,326	241,029
Interest income	6(20)	(31,274)	(27,004)
Gain on long-term equity investment accounted for under the equity method	6(5)	(705,095)	(357,576)
Gain on disposal of property, plant and equipment	6(22)	142	(3,912)
Loss from disposal of investments accounted for under the equity method	6(22)	-	15,849
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(1,400)	(585)
Accounts receivable		190,852	125,845
Accounts receivable - related parties		(526,854)	(679,481)
Other receivables		17,761	28,433
Other receivables - related parties		(694,390)	1,415,997
Inventories		479,251	1,194,412
Prepayments		(57,890)	442,729
Other non-current assets		19,788	(22,959)
Changes in operating liabilities			
Current contract liabilities		(247,561)	(24,960)
Accounts payable		117,267	133,062
Accounts payable - related parties		457,194	(3,022,541)
Other payables		(2,014,064)	1,174,713
Current refund liabilities		(7,869)	(4,744)
Other current liabilities, others		1,010	495
Other non-current liabilities		(54,352)	1,483
Cash (outflow) inflow generated from operations		(1,517,344)	3,143,418
Interest received		31,274	27,004
Interest paid		(207,448)	(223,399)
Income tax paid		(412,379)	(53,036)
Dividend received		55,706	69,757
Net cash flows (used in) from operating activities		(2,050,191)	2,963,744
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other receivables - related parties		4,000,000	(4,000,000)
Acquisition of long-term equity investment- subsidiary		(1,471,337)	(492,115)
Proceeds from liquidation of investments accounted for under the equity method		-	27,066
Prepayments for long-term investments	6(5)	-	(73,672)
Acquisition of property, plant and equipment	6(28)	(116,941)	(181,904)
Proceeds from disposal of property, plant and equipment and investment property		1,879	91,639
Acquisition of intangible assets	6(9)	(18,982)	(6,380)
Net cash flows from (used in) investing activities		2,394,619	(4,635,366)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	26,552,276	-
Repayment of short-term borrowings	6(29)	(25,413,428)	-
Increase in other payables - related parties	6(29)	(24,280)	(856,522)
Repayments of lease liabilities	6(29)	(34,936)	(22,676)
Proceeds from issuance of bonds	6(12)	-	3,600,000
Increase in long-term borrowings	6(29)	10,493,000	18,482,000
Repayment of long-term borrowings	6(29)	(10,873,000)	(18,030,750)
Cash dividends paid	6(17)	(1,280,818)	(1,280,818)
Net cash flows (used in) from financing activities		(581,186)	1,891,234
Net (decrease) increase in cash and cash equivalents		(236,758)	219,612
Cash and cash equivalents at beginning of year	6(1)	472,041	252,429
Cash and cash equivalents at end of year	6(1)	\$ 235,283	\$ 472,041

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

CHENG UEI PRECISION INDUSTRY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

Cheng Uei Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on July 14, 1986 and has begun operations on July 31, 1986. The Company is engaged in the manufacture of cable assemblies, connectors, battery packs, and power modules. Effective September 1999, the shares of the Company were listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 24, 2022.

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”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform-Phase 2’	January 1, 2021
Amendments to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 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 Company's financial condition and financial performance based on the Company's assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- b) Financial assets at fair value through other comprehensive income.
- c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and

liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

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

B. Translation of foreign operations

a) The operating results and financial position of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

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

c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

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

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

b) Assets held mainly for trading purposes;

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

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

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

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

b) Liabilities arising mainly from trading activities;

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

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

(5) Cash and cash equivalents

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

(6) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(7) Impairment of financial assets

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

(8) Derecognition of financial assets

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

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(9) Inventories

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

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

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

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

- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- M. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	1~5 years
Office equipment	3 years
Miscellaneous equipment	3~8 years

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

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

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

Lease payments are comprised of the following:

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

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

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

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

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

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

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

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

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

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

(13) Investment property

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

(14) Intangible assets

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

(15) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. Goodwill for impairment testing purpose is allocated to cash generating units. This allocation is identified based on operating segments. Goodwill is allocated to a cash generating unit or a Group of cash generating units that expects to benefit from business combination that will produce goodwill.

(16) Borrowings

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

(17) Notes and accounts payable

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

(18) Bonds payable

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

(19) Derecognition of financial liabilities

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

(20) Offsetting financial instruments

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

(21) Employee benefits

A. Pensions

a) Defined contribution plans

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

b) Defined benefit plans

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

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

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

(22) Income tax

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

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

(23) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

(24) Dividends

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

(25) Revenue recognition

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

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

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

Critical accounting estimates and assumptions

A. Evaluation of inventories

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 920	\$ 857
Checking accounts and demand deposits	230,054	467,368
Time deposits	4,309	3,816
Total	<u>\$ 235,283</u>	<u>\$ 472,041</u>

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

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

(2) Accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable	\$ 10,057,338	\$ 10,248,190
Less: Loss allowance	(34,576)	(22,009)
	<u>\$ 10,022,762</u>	<u>\$ 10,226,181</u>

- A. The information on the Company's ageing analysis of accounts receivable is provided in Note 12(2).
- B. As of December 31, 2021 and 2020, accounts and notes receivable were all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$10,374,035.
- C. The quality information of accounts receivable is based on customers' credit ranking and recoverable period of receivables in order to calculate the accrual of impairment. The Company's internal credit ranking policy is that the Company's business and management segment assesses periodically whether the credit ranking of existing customers is appropriate and adjusts to obtain the latest information when necessary. Customers' credit ranking assessment is based on industrial operating scale, profitability and ranking assessed by financial insurance institutions. The Company has insured accounts receivable of certain customers and the Company will receive 80%~90% compensation if bad debts occur.
- D. The Company does not hold any collateral as security.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Transfer of financial assets

- A. The Company entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the transferred accounts receivable, and the related information is as follows:

<u>December 31, 2021</u>								
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount advanced for advance</u>	<u>Interest rate of amount advanced</u>	<u>Collateral Provided</u>	
Citibank	\$ 434,486	\$ 434,486	\$ 434,486	\$ 434,486	\$ -	1.08%~1.20%	None	
Mega International Commercial Bank	550,224	550,224	1,384,000	495,202	55,022	0.95%	None	
Bank of Taiwan	293,306	293,306	3,321,600	263,975	29,331	0.52%	None	

December 31, 2020

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided
Citibank	\$ 686,806	\$ 686,806	\$ 686,806	\$ 686,806	\$ -	1.11%~1.22%	None
Mega International Commercial Bank	456,848	456,848	1,424,000	411,163	45,685	0.9%~1.1%	None
Bank of Taiwan	564,295	564,295	3,417,600	507,865	56,430	0.74%	None

B. For the years ended December 31, 2021 and 2020, the Company issued promissory notes to some banks for the factoring agreements signed.

(4) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
	\$	(\$)	\$
Raw materials	143,233	6,920	136,313
Work in progress	34,896	873	34,023
Finished goods	918,163	22,079	896,084
	<u>\$ 1,096,292</u>	<u>(\$ 29,872)</u>	<u>\$ 1,066,420</u>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
	\$	(\$)	\$
Raw materials	28,757	7,260	21,497
Work in progress	13,771	1,125	12,646
Finished goods	1,543,160	31,632	1,511,528
	<u>\$ 1,585,688</u>	<u>(\$ 40,017)</u>	<u>\$ 1,545,671</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of inventories sold	\$ 56,741,684	\$ 65,770,133
Gain on reversal of decline in market value	(10,145)	(28,792)
Others (revenue from sale of scraps)	(2,963)	(314)
	<u>\$ 56,728,576</u>	<u>\$ 65,741,027</u>

The Company reversed a previous inventory write-down because inventories with net realisable value lower than its cost were partially sold by the Company for the years ended December 31, 2021 and 2020.

(5) Investments accounted for under the equity method

Investee	December 31, 2021		December 31, 2020	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
CU INTERNATIONAL LTD.	\$ 23,132,826	100%	\$ 22,397,403	100%
Foxlink International Investment Ltd.	3,662,947	100%	3,321,768	100%
Fu Uei International Investment Ltd.	2,528,381	100%	1,774,257	100%
Well Shin Technology Co., Ltd.	1,157,286	18.84%	1,154,245	18.84%
CULINK INTERNATIONAL LTD.	1,010,256	100%	901,356	100%
Foxlink Technology Ltd.	819,914	100%	861,843	100%
Darts Technologies Corporation	772,985	97%	772,831	97%
Sinobest Brothers Limited	422,713	91.19%	598,341	100%
Suntain Co., Ltd.	217,009	100%	68,440	100%
DU Precision Industry Co., Ltd.	48,910	100%	48,283	100%
	<u>33,773,227</u>		<u>31,898,767</u>	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	151,907		151,907	
Total	<u>\$ 33,925,134</u>		<u>\$ 32,050,674</u>	

A. Please refer to Note 4(3) in the 2021 consolidated financial statements for the information regarding the Company's subsidiaries.

B. The gain on investments accounted for under the equity method amounted to \$705,095 and \$357,576 for the years ended December 31, 2021 and 2020, respectively, and were valued based on the investees' audited financial statements for the corresponding period.

C. Associates

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Well Shin Technology Co., Ltd.	Taiwan	18.84%	18.84%	Note	Equity method

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

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

Balance sheet

	<u>Well Shin Technology Co., Ltd.</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 2,506,723	\$ 2,174,993
Non-current assets	5,889,561	5,881,825
Current liabilities	(1,888,571)	(1,565,431)
Non-current liabilities	(559,919)	(559,732)
Total net assets	<u>\$ 5,947,794</u>	<u>\$ 5,931,655</u>
Share in associate's net assets	\$ 1,120,697	\$ 1,117,656
Goodwill	36,589	36,589
Carrying amount of the associates	<u>\$ 1,157,286</u>	<u>\$ 1,154,245</u>

Statement of comprehensive income

	<u>Well Shin Technology Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	<u>\$ 4,069,703</u>	<u>\$ 3,540,586</u>
Profit for the year from continuing operations	\$ 345,312	\$ 424,076
Other comprehensive income (loss), net of tax	(33,535)	29,294
Total comprehensive income	<u>\$ 311,777</u>	<u>\$ 453,370</u>
Dividends received from associates	<u>\$ 55,706</u>	<u>\$ 66,847</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Well Shin Technology Co., Ltd.	<u>\$ 1,074,013</u>	<u>\$ 1,129,719</u>

E. As of December 31, 2021, the registration of the Company's prepayment for investments- JOURN TA BROTHERS LIMITED amounting to \$151,907 has not yet been completed.

F. Central Motion Picture Corporation, an equity-method investment of the Company, was a litigating party contesting the decision No. 107007 rendered by Ill-gotten Party Assets Settlement Committee on October 9, 2018. Please refer to Note 9 (1)(a) for details on the lawsuit.

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

(6) Property, plant and equipment

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

	2020					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
At January 1						
Cost	\$ 412,428	\$ 1,837,910	\$ 220,266	\$ 18,063	\$ 159,836	\$ 2,648,503
Accumulated depreciation and impairment	-	(479,972)	(166,715)	(6,581)	(114,280)	(767,548)
	<u>\$ 412,428</u>	<u>\$ 1,357,938</u>	<u>\$ 53,551</u>	<u>\$ 11,482</u>	<u>\$ 45,556</u>	<u>\$ 1,880,955</u>
Opening net book amount	\$ 412,428	\$ 1,357,938	\$ 53,551	\$ 11,482	\$ 45,556	\$ 1,880,955
Additions	-	-	124,004	4,191	35,510	163,705
Disposals	-	(34,128)	(35,274)	(599)	(2,960)	(72,961)
Reclassifications	-	(16,381)	695	-	18,171	2,485
Depreciation charge	-	(36,929)	(51,772)	(4,685)	(23,506)	(116,892)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 1,270,500</u>	<u>\$ 91,204</u>	<u>\$ 10,389</u>	<u>\$ 72,771</u>	<u>\$ 1,857,292</u>
At December 31						
Cost	\$ 412,428	\$ 1,774,021	\$ 144,706	\$ 21,286	\$ 152,535	\$ 2,504,976
Accumulated depreciation and impairment	-	(503,522)	(53,502)	(10,896)	(79,764)	(647,684)
	<u>\$ 412,428</u>	<u>\$ 1,270,499</u>	<u>\$ 91,204</u>	<u>\$ 10,390</u>	<u>\$ 72,771</u>	<u>\$ 1,857,292</u>

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

(7) Leasing arrangements-lessee

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 34,592	\$ 45,743
Buildings	58,398	54,144
	<u>\$ 92,990</u>	<u>\$ 99,887</u>
	<u>Year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation</u>	<u>Depreciation</u>
	<u>expense</u>	<u>expense</u>
Land	\$ 13,674	\$ 13,492
Buildings	22,508	10,180
	<u>\$ 36,182</u>	<u>\$ 23,672</u>

C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets amounted to \$31,130 and \$54,896, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,642	\$ 1,091
Expense on short-term lease contracts	12,893	2,629
Expense on leases of low-value assets	639	-

E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases amounted to \$50,110 and \$26,396 respectively.

(8) Investment property

	<u>2021</u>	<u>2020</u>
	<u>Buildings and structures</u>	<u>Buildings and structures</u>
At January 1		
Cost	\$ 198,101	\$ 218,652
Accumulated depreciation and impairment	(37,783)	(39,079)
	<u>\$ 160,318</u>	<u>\$ 179,573</u>
Opening net book amount	\$ 160,318	\$ 179,573
Disposals	-	(14,765)
Depreciation charge	(3,911)	(4,490)
Closing net book amount	<u>\$ 156,407</u>	<u>\$ 160,318</u>
At December 31		
Cost	\$ 198,101	\$ 198,101
Accumulated depreciation and impairment	(41,694)	(37,783)
	<u>\$ 156,407</u>	<u>\$ 160,318</u>

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental income from the lease of the investment property	<u>\$ 24,235</u>	<u>\$ 23,210</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>\$ 3,911</u>	<u>\$ 4,490</u>

- B. Investment property is stated initially at its cost and is depreciated on a straight-line basis over its estimated useful life. The fair value of the investment property held by the Company as at December 31, 2021 and 2020 was \$261,506 and \$277,601, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, market prices did not change significantly.
- C. There was no impairment loss on investment property.
- D. The investment property was not pledged to others as collateral.

(9) Intangible assets

	<u>2021</u>	<u>2020</u>
	<u>Software</u>	<u>Software</u>
At January 1		
Cost	\$ 19,927	\$ 31,621
Accumulated amortisation and impairment	(8,156)	(17,099)
	<u>\$ 11,771</u>	<u>\$ 14,522</u>
Opening net book amount	\$ 11,771	\$ 14,522
Additions	18,982	6,380
Amortisation charge	(10,519)	(9,131)
Disposals	-	-
Closing net book amount	<u>\$ 20,234</u>	<u>\$ 11,771</u>
At December 31		
Cost	\$ 35,530	\$ 19,927
Accumulated amortisation and impairment	(15,296)	(8,156)
	<u>\$ 20,234</u>	<u>\$ 11,771</u>

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loan			
Credit loan	<u>\$ 1,138,848</u>	0.64%~0.72%	-
<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loan			
Credit loan	<u>\$ -</u>	-	-

(11) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Payable for purchases made by related parties on behalf of the Company	\$ 7,863,637	\$ 9,804,719
Financing payable to related parties	170,720	195,000
Payables on salary and bonus	294,050	290,819
Employees' compensation and remuneration for supervisors and directors	139,422	231,694
Payables on equipment	20,086	32,018
Others	225,300	207,951
	<u>\$ 8,713,215</u>	<u>\$ 10,762,201</u>

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

(12) Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured corporate bonds	\$ 6,600,000	\$ 6,600,000
Less: Discount on bonds payable	(21,430)	(25,018)
	<u>\$ 6,578,570</u>	<u>\$ 6,574,982</u>

A. The main terms of the \$3,600,000 2nd secured corporate bonds issued by the Company on July 29, 2020 are as follows:

- (a) Total initial issue amount: \$3,600,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- (d) Coupon rate: 0.65% fixed per annum.
- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
- (f) Principal repayment method: Pay entire amount at the maturity date.
- (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.

- (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

- i. Current assets to current liabilities ratio of at least 1:1;
- ii. Liabilities not exceeding 200% of tangible net equity;
- iii. Interest coverage of at least 400%; and
- iv. Tangible net equity of at least NT\$15,000,000 thousand.

B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:

- a) Total initial issue amount: \$3,000,000.
- b) Issue price: Issue at par value, \$1,000 each.
- c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
- d) Coupon rate: 0.80% fixed per annum.
- e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
- f) Principal repayment method: Pay entire amount at the maturity date.

g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd. Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.

h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual parent company only and annual parent company only financial statements:

- i. Current assets to current liabilities ratio of at least 1:1;
- ii. Liabilities not exceeding 200% of tangible net equity;
- iii. Interest coverage of at least 400%; and
- iv. Tangible net equity of at least NT\$15,000,000 thousand.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2021
Long-term loan borrowings				
Bank's unsecured borrowings				
- including covenants	Borrowing period is from April 2021 to April 2024 pay entire amount when due	0.85%	\$ 3,500,000	\$ 500,000
- without covenants	Borrowing period is from March 2021 to July 2024 pay entire amount when due	0.77%~0.92%	2,304,750	4,701,250
Medium-term and long-term syndicated loans	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	1.01%	4,800,000	3,200,000
				8,401,250
Less: Current portion				-
				<u>\$ 8,401,250</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
- including covenants	Borrowing period is from September 2017 to March 2023 pay entire amount when due	0.99%~1%	\$ 1,400,000	\$ 2,600,000
- without covenants	Borrowing period is from December 2017 to November 2023 pay entire amount when due	0.87%~1.4%	2,235,500	2,981,250
Medium-term and long-term syndicated loans	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	1.79%	4,800,000	3,200,000
				8,781,250
Less: Current portion				-
				<u>\$ 8,781,250</u>

A. In November 2020, the Company signed a medium-term syndicated revolving NTD credit facility agreement with the Bank of Taiwan as the lead bank. The terms of agreement are summarised below:

- (a) Duration of loan: The loan period of the agreement was 5 years from the agreement signing date.
- (b) Credit line and draw-down: The credit line was \$8,000,000, which can be drawn down in installments of at least NT\$100,000 thousand per draw-down.
- (c) Principal repayment: The duration of each loan drawn down is either 90 days or 180 days at the Company's option. The Company, if without any default, may submit an application to the banks to draw down a new loan with principal equal to the old one before its maturity, and the new loan is directly used to repay the original loan. The banks and the Company are not required to make remittances for such draw-down and repayment, which is viewed that the Company has received the new loan on the maturity of original loan.
- (d) Commitment: The Company should maintain the following financial ratios during the contract duration for semi-annual parent company only and annual parent company only financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.

B. The Company entered into the borrowing contracts with Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,000,000. As of December 31, 2021, the borrowings that have been used amounted to \$500,000. In the duration period of these contracts, the financial ratios in the semi-annual parent company only and annual parent company only

financial statements shall be as follows:

- (a) Current assets to current liabilities ratio of at least 1:1;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 400%; and
 - (d) Tangible net equity of at least NT\$15,000,000 thousand.
- C. As of December 31, 2021, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
The Company	E.Sun Bank	\$ 300,000	\$ -
The Company	Mizuho Bank	USD 30,000,000	800,000
The Company	First Bank	600,000	600,000
The Company	Jih Sun International Bank	300,000	300,000
The Company	DBS Bank	USD 35,000,000	900,000
The Company	Export-Import Bank of Republic of China	480,000	301,250
The Company	Cathay Bank	500,000	500,000
The Company	Yuanta Commercial Bank	450,000	400,000
The Company	En Tie Commerical Bank	500,000	500,000
The Company	Taiwan Cooperative Bank	500,000	-
The Company	United Overseas Bank	USD 10,000,000	-
The Company	KGI Commercial Bank Co., Ltd.	1,000,000	400,000
The Company	Panhsin Bank	300,000	-

(14) Pensions

- A.(a) The Company has a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labour standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 314,531)	(\$ 359,082)
Fair value of plan assets	<u>110,060</u>	<u>64,298</u>
Net defined benefit liability	<u>(\$ 204,471)</u>	<u>(\$ 294,784)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 359,082)	\$ 64,298	(\$ 294,784)
Current service cost	(2,097)	-	(2,097)
Interest (expense) income	(1,077)	193	(884)
Past service cost	-	-	-
	<u>(362,256)</u>	<u>64,491</u>	<u>(297,765)</u>
Remeasurements:			
Change in demographic assumptions	(264)	-	(264)
Change in financial assumptions	12,105	-	12,105
Experience adjustments	<u>22,249</u>	<u>953</u>	<u>23,202</u>
	<u>34,090</u>	<u>953</u>	<u>35,043</u>
Pension fund contribution	-	49,593	49,593
Number of benefits paid	4,977	(4,977)	-
Paid pension	<u>8,658</u>	<u>-</u>	<u>8,658</u>
	<u>13,635</u>	<u>44,616</u>	<u>58,251</u>
Balance at December 31	<u>(\$ 314,531)</u>	<u>\$ 110,060</u>	<u>(\$ 204,471)</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 338,787)	\$ 59,231	(\$ 279,556)
Current service cost	(2,626)	-	(2,626)
Interest (expense) income	(2,372)	415	(1,957)
Past service cost	(22,567)	-	(22,567)
	<u>(366,352)</u>	<u>59,646</u>	<u>(306,706)</u>
Remeasurements:			
Change in financial assumptions	(13,862)	-	(13,862)
Experience adjustments	<u>(3,829)</u>	<u>2,182</u>	<u>(1,647)</u>
	<u>17,691</u>	<u>2,182</u>	<u>(15,509)</u>
Pension fund contribution	-	2,470	2,470
Paid pension	<u>24,961</u>	<u>-</u>	<u>24,961</u>
Balance at December 31	<u>(\$ 359,082)</u>	<u>\$ 64,298</u>	<u>(\$ 294,784)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2021	2020
Discount rate	0.7%	0.3%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	\$ 7,087	(\$ 7,326)	(\$ 6,374)	(\$ 6,210)
December 31, 2020				
Effect on present value of defined benefit obligation	\$ 8,754	(\$ 9,066)	(\$ 7,919)	(\$ 7,703)

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

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

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to \$2,473.

(g) As of December 31, 2021, the weighted average duration of that retirement plan is 9 years.

B. Effective July 1, 2005, the Company has established a funded defined contribution pension plan (the “New Plan”) under the Labour Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

The pension costs under the abovementioned defined contribution pension plan for the years ended December 31, 2021 and 2020 were \$37,811 and \$34,569, respectively.

(15) Share capital

A. As of December 31, 2021, the Company’s authorised common stock was \$7,000,000 (including 50,000,000 shares reserved for the issuance of employees’ warrants), and the issued and outstanding shares were both 512,326,940 shares, with a par value of \$10 (in dollars) per share.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held parent’s capital stock for general investment purpose. The company did not purchase more equity instruments after acquiring control over Foxlink Image on October 1, 2018. As of December 31, 2021 and 2020, the detailed information of Foxlink Image’s parent equity shares is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
In thousand shares	<u>27,503</u>	<u>27,503</u>
Book value	<u>\$ 272,066</u>	<u>\$ 272,066</u>

(16) Capital surplus

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

	2021					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
At January 1	\$ 9,337,850	\$ 45,078	\$ 196,481	\$ 3,336	\$ 246,001	\$ 9,828,746
Cash dividends distributed to subsidiaries	-	26,258	-	-	-	26,258
Adjustments due to not participating in the capital increase of investees proportionately	-	-	393,228	493	4,150	397,871
At December 31	<u>\$ 9,337,850</u>	<u>\$ 71,336</u>	<u>\$ 589,709</u>	<u>\$ 3,829</u>	<u>\$ 250,151</u>	<u>\$ 10,252,875</u>
	2020					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
At January 1	\$ 9,337,850	\$ 18,820	\$ 32,813	\$ 3,374	\$ 78,860	\$ 9,471,717
Cash dividends distributed to subsidiaries	-	26,258	-	-	-	26,258
Adjustments due to not participating in the capital increase of investees proportionately	-	-	163,668	(38)	167,141	330,771
At December 31	<u>\$ 9,337,850</u>	<u>\$ 45,078</u>	<u>\$ 196,481</u>	<u>\$ 3,336</u>	<u>\$ 246,001</u>	<u>\$ 9,828,746</u>

(17) Retained earnings/Subsequent events

A. Based on the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of remainder shall be proposed by the Board of Directors and be resolved by the shareholders.

B. According to the Company's Articles of Incorporation, no more than 90% of the distributable

retained earnings shall be distributed as stockholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- (c) As of January 1, 2018, the amounts previously set aside by the Company as special reserve for the initial application of IFRSs amounted to \$665,206. Furthermore, the Company did not reverse special reserve to retained earnings for the years ended December 31, 2021 and 2020 as a result of the use, disposal or reclassification of related assets. As of December 31, 2021, and 2020, the amount of special reserve set aside all amounted to \$665,206.
- E. (a) Details of the appropriation of 2020's and 2019's net income which was resolved at the stockholders' meeting on July 15, 2021 and June 19, 2020 are as follows:

	<u>Year ended December 31, 2020</u>		<u>Year ended December 31, 2019</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 195,628	\$ -	\$ 198,736	\$ -
Special reserve	(298,188)	-	724,633	-
Cash dividends	<u>1,280,818</u>	<u>2.5</u>	<u>1,280,818</u>	<u>2.5</u>
Total	<u>\$ 1,178,258</u>	<u>\$ 2.5</u>	<u>\$ 2,204,187</u>	<u>\$ 2.5</u>

- (b) The appropriation of 2021 earnings had been proposed by the Board of Directors on March 24, 2022. Details are summarized below:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 94,372	\$ -
Special reserve	565,304	-
Cash dividends	<u>768,490</u>	<u>1.50</u>
Total	<u>\$ 1,428,166</u>	<u>\$ 1.50</u>

(18) Other equity items

	2021		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 306,223)	(\$ 1,730,123)	(\$ 2,036,346)
Valuation adjustment	(166,386)	-	(166,386)
Currency translation differences:			
- Company	-	(404,899)	(404,899)
- Associates	-	5,980	5,980
At December 31	<u>(\$ 472,609)</u>	<u>(\$ 2,129,042)</u>	<u>(\$ 2,601,651)</u>

	2020		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 255,079)	(\$ 2,079,456)	(\$ 2,334,535)
Valuation adjustment	(51,144)	-	(51,144)
Currency translation differences:			
- Company	-	331,794	331,794
- Associates	-	17,539	17,539
At December 31	<u>(\$ 306,223)</u>	<u>(\$ 1,730,123)</u>	<u>(\$ 2,036,346)</u>

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods over time and at a point in time in the following major product lines and generates related revenue in each reportable segment:

	Years ended December 31,	
	2021	2020
3C component	\$ 24,667,759	\$ 31,110,857
Systems and peripheral products	34,007,100	38,024,381
Total revenue from external customer contracts	<u>\$ 58,674,859</u>	<u>\$ 69,135,238</u>

B. Contract liabilities

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Contract liabilities:		
Contract liabilities-advance sales receipts	\$ <u>104,902</u>	\$ <u>352,463</u>

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	\$ <u>352,463</u>	\$ <u>377,423</u>

(20) Interest income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	\$ <u>31,274</u>	\$ <u>27,004</u>

(21) Other income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue from technical service compensation	\$ 303,451	\$ 231,596
Revenue from management service fees	37,218	28,558
Rental revenue	36,515	36,867
Others	11,181	20,594
	\$ <u>388,365</u>	\$ <u>317,615</u>

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

(22) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Net currency exchange (losses) gains	(\$ 95,079)	\$ 57,446
Loss on disposal of investments	-	(15,849)
Depreciation charge on investment property	(3,911)	(4,490)
Net (loss) gain on disposal of property, plant and equipment	(142)	3,912
Others	(738)	10,408
	\$ <u>99,870</u>	\$ <u>51,427</u>

(23) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 110,226	\$ 169,728
Lease liabilities	100,458	70,210
Corporate bonds	1,642	1,091
	<u>\$ 212,326</u>	<u>\$ 241,029</u>

(24) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 1,147,602	\$ 1,211,109
Depreciation expense	182,358	140,564
Amortisation charges	10,519	9,131
Transportation expenses	220,213	324,648
Operating lease payments	13,532	2,629

(25) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 971,396	\$ 1,013,906
Labour and health insurance fees	74,835	66,235
Pension costs	40,792	61,720
Directors' remuneration	6,000	10,000
Other personnel expenses	54,579	59,248
	<u>\$ 1,147,602</u>	<u>\$ 1,211,109</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$130,000 and \$220,000, respectively; directors' and supervisors' remuneration was accrued at \$6,000 and \$10,000, respectively. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current year for the year ended December 31, 2020 and percentage as prescribed by the Company's Articles of Incorporation. The Board of Directors resolved the actual appropriation amounts of \$130,000 and \$6,000 and appropriated in cash in March 24, 2022.

- D. Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2021.
- E. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Tax payable incurred in current period	\$ 41,888	\$ 436,887
Tax on undistributed surplus earnings	38,901	-
Prior year income tax under (over) estimation	20,577	(40,283)
Total current tax	<u>101,366</u>	<u>396,604</u>
Deferred tax:		
Origination and reversal of temporary differences	96,051	(3,204)
Income tax expense	<u>\$ 197,417</u>	<u>\$ 393,400</u>

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

	Years ended December 31,	
	2021	2020
Currency translation differences	(\$ 99,730)	\$ 87,333
Remeasurement of defined benefit obligations	7,008	(3,102)
	<u>(\$ 92,722)</u>	<u>\$ 84,231</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 223,692	\$ 472,166
Effect from items disallowed by tax regulation	(85,753)	(38,483)
Tax on undistributed surplus earnings	38,901	
Prior year income tax under (over) estimation	20,577	(40,283)
Income tax expense	<u>\$ 197,417</u>	<u>\$ 393,400</u>

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

	2021			
	January 1	Recognised in profit or loss	Recognised in other	December 31
			comprehensive income	
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	8,003	(2,028)	-	5,975
Unrealised profit from sales	17,667	(14,058)	-	3,609
Pension costs	3,862	(3,862)	-	-
Remeasurement of defined benefit plan	17,481	-	(7,008)	10,473
Unused compensated absences	7,293	511	-	7,804
Unrealised exchange loss	37,623	(24,772)	-	12,851
Currency translation differences	115,179	-	99,730	214,909
Others	4,235	(4,235)	-	-
Subtotal	<u>\$ 214,905</u>	<u>(\$ 48,444)</u>	<u>\$ 92,722</u>	<u>\$ 259,183</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(\$ 597,970)	(\$ 40,163)	\$ -	(\$ 638,133)
Pension costs	-	(7,192)	-	(7,192)
Others	-	(252)	-	(252)
Subtotal	<u>(\$ 597,970)</u>	<u>(\$ 47,607)</u>	<u>\$ -</u>	<u>(\$ 645,577)</u>
Total	<u>(\$ 383,065)</u>	<u>(\$ 96,051)</u>	<u>\$ 92,722</u>	<u>(\$ 386,394)</u>
	2020			
	January 1	Recognised in profit or loss	Recognised in other	December 31
			comprehensive income	
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	13,762	(5,759)	-	8,003
Unrealised profit from sales	43,689	(26,022)	-	17,667
Pension costs	3,919	(57)	-	3,862
Rent expense	122	(122)	-	-
Remeasurement of defined benefit plan	14,379	-	3,102	17,481
Unused compensated absences	8,235	(942)	-	7,293
Tax losses	-	37,623	-	37,623
Currency translation differences	202,512	-	(87,333)	115,179
Others	3,825	410	-	4,235
Subtotal	<u>\$ 294,005</u>	<u>\$ 5,131</u>	<u>(\$ 84,231)</u>	<u>\$ 214,905</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(\$ 15,273)	\$ 15,273	\$ -	\$ -
Gain on investments	(580,770)	(17,200)	-	(597,970)
Subtotal	<u>(\$ 596,043)</u>	<u>(\$ 1,927)</u>	<u>\$ -</u>	<u>(\$ 597,970)</u>
Total	<u>(\$ 302,038)</u>	<u>\$ 3,204</u>	<u>(\$ 84,231)</u>	<u>(\$ 383,065)</u>

D. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 921,042	484,824	\$ 1.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 921,042	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,287	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 921,042	488,111	\$ 1.89
	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,967,432	484,824	\$ 4.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,967,432	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,671	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,967,432	489,495	\$ 4.02

(28) Supplemental cash flow information

Investment activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 105,009	\$ 163,705
Add: Opening balance of payable on equipment	32,018	50,217
Less: Ending balance of payable on equipment	(20,086)	(32,018)
Cash paid during the year	<u>\$ 116,941</u>	<u>\$ 181,904</u>

(29) Changes in liabilities from financing activities

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

	2020				
	Corporate bonds payable	Long-term borrowings	Lease liabilities	Other payables to related parties	Liabilities from financing activities - gross
At January 1	\$ 2,987,655	\$ 8,330,000	\$ 69,272	\$ 1,051,522	\$ 12,438,449
Changes in cash flow from financing activities	3,584,462	451,250	(23,767)	(856,522)	3,155,423
Interest expense paid	-	-	1,091	-	1,091
Changes in other non-cash items	2,865	-	54,896	-	57,761
At December 31	<u>\$ 6,574,982</u>	<u>\$ 8,781,250</u>	<u>\$ 101,492</u>	<u>\$ 195,000</u>	<u>\$ 15,652,724</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

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

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

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
- Subsidiaries		
FOXLINK	\$ 15,017,512	\$ 14,660,823
Others	16,156	74,098
- Other related parties	<u>1,078,566</u>	<u>1,450,887</u>
	<u>\$ 16,112,234</u>	<u>\$ 16,185,808</u>

(a) All the credit terms on sales to related parties were 120 to 180 days after monthly billings. The credit terms on sales to third parties were 30 to 120 days after monthly billing or upon shipment of goods, except for receivables arising from the sales of tooling that are collectible upon acceptance by customers.

(b) The Company purchased goods from the abovementioned subsidiaries and sold to the customers after selling raw materials to the factories located in Mainland China for finished goods production for the years ended December 31, 2021 and 2020. Revenue and operating cost of sales of raw materials amounting to \$33,064,425 and \$40,394,110, respectively, were excluded from purchase or sales of goods as they were offset in the aforementioned transactions. The collections depend on the financial situation after offsetting the receivables against the payables.

B. Purchases of goods

	Years ended December 31,	
	2021	2020
Purchases of goods:		
- Subsidiaries		
DGFQ	\$ 23,100,651	\$ 25,932,277
FGEDG	14,008,282	13,145,389
FG XuZhou	7,772,509	5,622,875
FGEKS	1,802,928	2,441,043
Others	4,402,649	3,221,643
- Associates	183,344	335,935
- Other related parties	<u>815,679</u>	<u>695,476</u>
	<u>\$ 52,086,042</u>	<u>\$ 51,394,638</u>

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

C. Research and development expense - Technical Service Compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Technical service compensation:		
- Subsidiaries	\$ -	\$ 28,322
- Associates	-	1,153
	<u>\$ -</u>	<u>\$ 29,475</u>

The Company entered into technical service contracts with related parties for providing the Company with research and development services. The payment terms are based on mutual agreement.

D. Non-operating income - other income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other income		
- Subsidiaries		
DGFQ	\$ 303,451	\$ 231,596
Suntain	20,235	25,264
Others	54,506	46,054
	<u>\$ 378,192</u>	<u>\$ 302,914</u>

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

E. Receivables from related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable:		
- Subsidiaries		
FOXLINK	\$ 3,577,247	\$ 3,071,851
Others	16,722	38,742
- Associates	420	427
- Other related parties	244,686	201,200
	<u>\$ 3,839,075</u>	<u>\$ 3,312,220</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables-purchases on behalf of others		
- Subsidiaries		
FG XuZhou	\$ 2,052,881	\$ 2,180,418
DGFQ	1,415,872	1,135,780
FSNK	1,182,010	1,492,710
FIE	863,655	266,362
Others	998,731	644,072
Other receivables- capital transaction receivables		
- Subsidiaries		
Foxwell Energy	-	4,000,000
Other receivables-revenue from technical service compensation and management service fees		
- Subsidiaries	22,069	89,740
Other receivables, others		
- Subsidiaries	44,407	79,533
- Associates	2,187	2,187
	<u>\$ 6,581,812</u>	<u>\$ 9,890,802</u>

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

F. Prepayments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments:		
- Subsidiaries		
CU	\$ 385,519	\$ 345,878
- Other related parties	140	140
	<u>\$ 385,659</u>	<u>\$ 346,018</u>

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

G. Payables to related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts payable:		
- Subsidiaries		
FGEDG	\$ 3,597,151	\$ 3,306,302
FG XuZhou	1,965,593	1,658,738
FSNK	1,146,640	1,412,157
FENC	1,138,373	1,171,748
Others	326,410	179,886
- Associates	58,060	46,460
- Other related parties	101,921	101,663
	<u>\$ 8,334,148</u>	<u>\$ 7,876,954</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other payables-other financing payable		
- Subsidiaries		
FT	\$ 110,720	\$ -
FUII	-	95,000
Zhi De Investment	-	100,000
VALUE SUCCESS	60,000	-
Other payables-Receipts under custody		
- Subsidiaries	42,984	56,236
- Associates	14,144	15,612
	<u>\$ 227,848</u>	<u>\$ 266,848</u>

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

H. Lease transactions - lessee

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

(b) Acquisition of right-of-use assets

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ -	\$ 54,896
Other related parties	26,763	-
	<u>\$ 26,763</u>	<u>\$ 54,896</u>

(d) Lease liability

i. Outstanding balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 37,446	\$ 54,932
Other related parties	<u>22,391</u>	<u>-</u>
	<u>\$ 59,837</u>	<u>\$ 54,932</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ 758	\$ -
Other related parties	<u>200</u>	<u>-</u>
	<u>\$ 958</u>	<u>\$ -</u>

I. Property transactions

(a) Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
- Subsidiaries		
Glory Science	\$ -	\$ 68,041
Others	<u>204</u>	<u>12,794</u>
	<u>\$ 204</u>	<u>\$ 80,835</u>

The Company purchased equipment from subsidiaries for the years ended December 31, 2021 and 2020. The payment terms are based on mutual agreement.

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

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

	<u>Year ended December 31, 2020</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Subsidiaries	<u>\$ 91,567</u>	<u>\$ 4,656</u>

For the years ended December 31, 2021 and 2020, the Company sold equipment to subsidiaries, the collection terms were based on mutual agreement.

J. Loans to related parties

Interest income:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
- Subsidiaries		
Foxwell Energy	<u>\$ 29,753</u>	<u>\$ 22,126</u>

K. Endorsements and guarantees

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
- Subsidiaries		
DGFQ	\$ 1,303,200	\$ 1,313,100
Studio A Hong Kong	1,190,240	1,224,640
Studio A	1,107,200	1,139,200
KFET	855,760	1,053,760
FOXLINK	896,832	922,752
Others	<u>968,800</u>	<u>854,400</u>
	<u>\$ 6,322,032</u>	<u>\$ 6,507,852</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$ 86,921	\$ 112,385
Post-employment benefits	<u>1,889</u>	<u>1,621</u>
Total	<u>\$ 88,810</u>	<u>\$ 114,006</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Refundable deposits (Shown as other non-current assets)	<u>\$ 12,228</u>	<u>\$ 12,219</u>	Customs deposit

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1)Contingencies

(a) Central Motion Picture Corporation (the “Central Motion Picture”), an equity-method investment of the Company, was determined to be an affiliate organisation of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the “Ill-gotten Party”) in its written disposition, Dang-Chan-Chu-Zi No. 107007, issued on October 9, 2018. Under paragraph 1, Article 5 and Article 9 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organisations (the “Act”), properties were held by the Central Motion Picture when the Act was released on August 10, 2016 are considered as an unjustly received properties. The presumed ill-gotten party assets as prescribed in the preceding paragraph 1 of Article 5 are prohibited from being transferred or disposed since from the date of promulgation of this Act. However, this limit is not applicable if it is necessary to perform its legal duties or other justifiable reasons. The properties held by the Central Motion Picture are considered as unjustly received properties; however, their existing rights in leases, superficies, mortgage or pawnage are not affected if Ill-gotten Party considers such assets as unjustly received assets and then orders the bona fide third party to transfer such assets to the State, local self-governing bodies, or original owners. Under Article 16, the Central Motion Picture may file an administrative litigation (an action for revocation) in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, the Central Motion Picture may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However, Ill-gotten Party subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020.

Meanwhile, the Central Motion Picture filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. The Central Motion Picture and the Ill-gotten Party entered into an administrative contract on August 24, 2021 and settled at the Taipei High Court on September 17, 2021. The original copy of the written disposition will be cancelled if the Central Motion Picture remits \$950 million to an account designated by the Ill-gotten Party by October 23, 2021. The Central Motion Picture remitted the payment on September 24, 2021, and the litigation procedure was terminated.

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

principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement. On December 7, 2021, Fugang Electric (Maanshan) Co., Ltd. filed a second instance appeal with the Higher People’s Court of Anhui Province to request to modify or remand the decision in accordance with the laws. On March 17, 2022, Fugang Electric (Maanshan) Co., Ltd. filed an administrative litigation with the Ma’anshan Intermediate People’s Court in Anhui Province against the People’s Government of Ma’anshan Municipality, the Administrative Committee of Ma’anshan Economic and Technological Development Zone and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. pursuant to Article 12 of the “Administrative Procedure Law of the People’s Republic of China”. According to the opinion of a lawyer appointed by FG MAANSHAN, the investment agreement and related supplementary agreements signed with the People’s Government of Ma’anshan Municipality and the Administrative Committee of Ma’anshan Economic and Technological Development Zone are an executive agreement to attract investments. Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. shall extend the loan period according to these agreements. However, the possible result of this litigation cannot be determined as of the financial reporting date.

(2)Commitments

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property, plant and equipment	\$ 18,824	\$ 22,746

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

- (1) On January 21, 2022, the Board of Directors of the Company resolved to grant short-term financings to the subsidiary, Foxwell Energy Corporation Ltd., to meet working capital needs. The loan facility is \$3,000,000. The loan is repayable according to the agreement, and interest is repayable at an annual interest of 1.6%.
- (2) Details of the appropriation of 2021 earnings as resolved by the Board of Directors on March 24, 2022 are provided in Note 6(17).
- (3) On March 24, 2022, the Board of Directors of the Company resolved to increase capital in the subsidiary, FOXLINK ARIZONA Inc., in the amount of USD 7 million.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the actual financial condition.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	\$ 235,283	\$ 472,041
Notes receivable	1,984	585
Accounts receivable	13,861,837	13,538,401
Other receivables	6,671,314	9,994,685
Guarantee deposits paid	12,228	12,219
	<u>\$ 20,782,646</u>	<u>\$ 24,017,931</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,138,848	\$ -
Accounts payable	9,039,596	8,465,135
Other accounts payable	8,713,215	10,762,201
Bands payable	6,578,570	6,574,982
Long-term borrowings (including current portion)	8,401,250	8,781,520
Lease liability	95,841	101,492
Guarantee deposits received	2,953	2,864
	<u>\$ 32,831,425</u>	<u>\$ 34,688,194</u>

B. Risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and

hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require Company entities to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2021

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

December 31, 2020			
	Foreign currency		Book value (NTD)
	amount (In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 469,645	28.48	\$ 13,375,490
RMB : NTD	2,683	4.38	11,743
HKD : NTD	2,273	3.67	8,349
EUR : NTD	4,569	35.02	160,006
JPY : NTD	85,886	0.28	23,730
SGD : NTD	31	21.56	668
<u>Non-monetary items</u>			
USD : NTD	31,973	28.48	910,597
HKD : NTD	\$ 6,517,309	3.67	\$ 23,938,076
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 514,969	28.48	\$ 14,666,317
RMB : NTD	556	4.38	2,434
HKD : NTD	4,447	3.67	16,334
EUR : NTD	101	35.02	3,537
JPY : NTD	7,990	0.28	2,208

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for years ended December 31, 2021 and 2020 amounted to (\$95,079) and \$57,446, respectively.

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

		Year ended December 31, 2021		
		Sensitivity Analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	166,528	\$ -
RMB : NTD	1%		26	-
HKD : NTD	1%		14	-
EUR : NTD	1%		108	-
JPY : NTD	1%		23	-
SGD : NTD	1%		3	-
GBP : NTD	1%		1	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	219,195	\$ -
RMB : NTD	1%		107	-
HKD : NTD	1%		55	-
EUR : NTD	1%		129	-
JPY : NTD	1%		60	-

Year ended December 31, 2020

Sensitivity Analysis

	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	133,755	\$ -
RMB : NTD	1%		117	-
HKD : NTD	1%		83	-
EUR : NTD	1%		1,600	-
JPY : NTD	1%		237	-
SGD : NTD	1%		7	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	146,663	\$ -
RMB : NTD	1%		24	-
HKD : NTD	1%		163	-
EUR : NTD	1%		35	-
JPY : NTD	1%		22	-

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's interest rates of borrowings are fixed and floating rate. For the years ended December 31, 2021 and 2020, the Company's borrowings issued by floating rate are priced in New Taiwan dollars.
- ii. As of December 31, 2021 and 2020, if interest rates on borrowings at that date had been 1% lower/higher with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been \$67,210 and \$70,250 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. Company treasury manages credit risk of cash in banks and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
The Company adopts the assumptions under IFRS 9 and considers the industry characteristics, the default occurs when the contract payments are past due over 120 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) A breach of contract.
- vi. The Company classifies customers' accounts receivable in accordance with customer types. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vii. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2021 and 2020, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2021</u>					
Expected loss rate	0.07%	1.41%	17.63%	100.00%	
Total book value	\$ 9,616,265	\$ 408,241	\$ 8,195	\$ 24,637	\$ 10,057,338
Loss allowance	\$ 4,679	\$ 4,205	\$ 1,055	\$ 24,637	\$ 34,576
	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2020</u>					
Expected loss rate	0.10%	1.44%	17.29%	100.00%	
Total book value	\$ 9,826,628	\$ 390,175	\$ 30,172	\$ 1,215	\$ 10,248,190
Loss allowance	\$ 9,652	\$ 5,778	\$ 5,364	\$ 1,215	\$ 22,009

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

	2021	2020
	Accounts receivable	Accounts receivable
At January 1	\$ 22,009	\$ 23,893
Provision for impairment (gain on reversal of impairment loss)	12,567 (1,884)
Effect of foreign exchange	-	-
At December 31	\$ 34,576	\$ 22,009

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
December 31, 2021					
Short-term borrowings	\$ 1,143,415	\$ -	\$ -	\$ -	\$ -
Lease liabilities	42,883	41,378	8,898	-	-
Long-term borrowings (including current portion)	-	3,926,383	1,309,800	3,232,320	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
December 31, 2020					
Lease liabilities	\$ 31,618	\$ 33,204	\$ 31,847	\$ 7,717	\$ -
Long-term borrowings (including current portion)	-	4,100,744	1,212,000	3,584,051	-

- iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Other matters

The Group's financial condition and financial performance were not affected by the Covid-19 outbreak and various preventive measures which were imposed by the government in 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

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

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

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

(2) Information on investees

For the information on investees, except for current profit (loss) for the year ended December 31, 2021 is translated using the monthly average exchange rate in 2021, others are translated using the spot rate at December 31, 2021.

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

(3) Information on investments in Mainland China

A. Processing on order plant invested in Mainland China:

In 1997, the Company rented plants located in Shenzhen and Dongguan, Guangdong Province, Mainland China, respectively, through the investee, CU International Ltd. and operated the plants through processing on order. The plants were primarily engaged in the manufacture of electronic telecommunication components and electric wire, under Cu International Ltd. without their own corporate entity for the operating period ended December 2017. As of March 24, 2022, the plants are still under the cancellation process.

B. Investee in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of December 31, 2020, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:

- (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

Company name	General ledger account	Year ended December 31, 2021	
		Amount	Ownership (%)
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 23,100,651	44%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 14,008,282	27%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 7,772,509	15%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 3,648,336	7%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 1,802,928	3%
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 288,992	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 214,651	-

Company name	General ledger account	December 31, 2021	
		Amount	Ownership (%)
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 3,597,151	17%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,965,593	9%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 1,146,640	5%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,138,373	5%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 245,936	1%
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 115	-

- (b) Balance and purpose of provision of endorsements/guarantees or collateral at the end of the period: Please refer to table 2.
- (c) Maximum balance, ending balance, interest rate range and interest for financing during the period and at December 31, 2021: Please refer to table 1.

(d) Other transactions that have a significant impact on the profit/loss of current period or on the financial condition, such as the rendering or receiving of service:

		<u>Year ended December 31, 2021</u>	
<u>Company name</u>	<u>General ledger account</u>	<u>Amount</u>	<u>Ownership (%)</u>
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 13,156,972</u>	<u>40%</u>
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 9,250,647</u>	<u>28%</u>
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 6,016,887</u>	<u>18%</u>
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 2,161,887</u>	<u>7%</u>
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 1,348,724</u>	<u>4%</u>
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 250,834</u>	<u>1%</u>
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	<u>\$ 192,513</u>	<u>1%</u>

		<u>Year ended December 31, 2021</u>	
<u>Company name</u>	<u>General ledger account</u>	<u>Amount</u>	<u>Ownership (%)</u>
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 52,005</u>	<u>10%</u>
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 39,206</u>	<u>7%</u>
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 17,262</u>	<u>3%</u>
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 5,962</u>	<u>1%</u>
Fugang Electric (Maanshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 100</u>	<u>-</u>
Fugang Electric (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	<u>\$ 36</u>	<u>-</u>

Company name	General ledger account	December 31, 2021	
		Amount	Ownership (%)
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 2,052,881	29%
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 1,415,872	20%
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 1,182,010	16%
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	\$ 365,654	5%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 220,007	3%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	\$ 108,413	2%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	\$ 57,676	1%
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 11,768	-
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 431	-

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

None.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021

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

Item	Description	Amount
Cash on hand and petty cash		\$ 920
Checking accounts		
NTD deposits		3,893
HKD deposits	HKD 241 thousand; conversion rate was 3.55	855
Demand deposits		
NTD deposits		124,546
USD deposits	USD 3.381 thousand; conversion rate was 27.68	93,580
JPY deposits	JPY 9,080 thousand; conversion rate was 0.24	2,184
RMB deposits	RMB 547 thousand; conversion rate was 4.34	2,377
EUR deposits	EUR 40 thousand; conversion rate was 31.32	1,242
HKD deposits	HKD 300 thousand; conversion rate was 3.55	1,064
SGD deposits	SGD 15 thousand; conversion rate was 20.46	313
Time deposits		
NTD deposits		600
USD deposits	USD 134 thousand; conversion rate was 27.68	3,709
		<u>\$ 235,283</u>

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2021

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

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
GOERTEK TECHNOLOGY VINA CO., LTD.		\$ 1,023,935	
Luxshare Precision Limited		917,664	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.		853,980	
Pegatron Corporation		566,722	
Avary Holding (Shenzhen) Co., Limited		559,485	
Others		6,135,552	Balance of each client has not exceeded 5% of total account balance
		<u>10,057,338</u>	
Less: Allowance for bad debts		(34,576)	
		<u>10,022,762</u>	
<u>Related parties</u>			
FOXLINK		3,577,247	
Hon Hai		244,686	
Others		17,142	
		<u>3,839,075</u>	
		<u>\$ 13,861,837</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021

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

Item	Amount		Note
	Cost	Market Value	
Manufactures	\$ 918,163	\$ 935,424	Net realisable value
Work in progress	34,896	31,908	"
Material	143,233	127,865	"
	<u>1,096,292</u>	<u>\$ 1,095,197</u>	
Less: Allowance for loss on slow-moving inventories and valuation loss	(29,872)		
	<u>\$ 1,066,420</u>		

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investee	Opening Balance		Addition		Decrease		Ending Balance			Net Assets Value		Valuation Basis	For collateralize and pledge
	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount (Note 1)	No. of shares (in thousands)	Amount (Note 2)	No. of shares (in thousands)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount		
CU INTERNATIONAL LTD.	451,007	\$ 22,397,403	9,743	\$ 902,169	-	(\$ 166,746)	460,750	0%	\$ 23,132,826	-	\$ 23,220,188	Equity method	None
CULINK INTERNATIONAL LTD.	32,228	901,356	-	203,186	-	(94,286)	32,228	0%	1,010,256	-	1,010,256	Equity method	None
Foxlink International Investment Ltd.	368,750	3,321,768	40,000	557,600	-	(216,421)	408,750	0%	3,662,947	-	3,935,013	Equity method	None
Fu Uei International Investment Ltd.	285,000	1,774,257	70,000	965,266	-	(211,142)	355,000	0%	2,528,381	-	2,540,664	Equity method	None
Well Shin Technology Co., Ltd.	22,282	1,154,245	-	65,369	-	(62,328)	22,282	0.00%	1,157,286	-	1,074,013	Equity method	None
Darts Technologies Corporation	35,995	772,831	6,091	64,092	-	(63,938)	42,086	0%	772,985	-	772,985	Equity method	None
SINOBEST BROTHERS LIMITED	20,704	598,341	-	-	-	(175,628)	20,704	0.00%	422,713	-	422,713	Equity method	None
DU Precision Industry Co., Ltd.	60,000	48,283	-	627	-	-	60,000	0%	48,910	-	70,613	Equity method	None
FOXLINK TECHNOLOGY LTD.	86,700	861,843	10,000	6,538	-	-	96,700	0%	868,381	-	808,307	Equity method	None
Suntain Co., Ltd.	9,500	68,440	-	148,569	-	(48,467)	9,500	0%	168,542	-	217,009	Equity method	None
		31,898,767		2,913,416		(1,038,956)			33,773,227		34,071,761		
Current prepayments for investments		151,907		-		-			151,907		-		
-JOURN TA		<u>\$ 32,050,674</u>		<u>\$ 2,913,416</u>		<u>(\$ 1,038,956)</u>			<u>\$ 33,925,134</u>		<u>\$ 34,071,761</u>		

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

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

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Item	Opening Balance	Addition	Decrease	Transfers	Ending Balance	For collateralize and pledge	Note
Lands	\$ 412,428	\$ -	\$ -	\$ -	\$ 412,428	None	
Buildings and structures	1,774,021	-	-	-	1,774,021	"	
Machinery and equipment	144,706	37,143	(81,801)	11,051	111,099	"	
Office equipment	21,286	24,999	(3,710)	-	42,575	"	
Other equipment	152,535	42,867	(32,290)	12,472	175,584	"	
	<u>\$ 2,504,976</u>	<u>\$ 105,009</u>	<u>(\$ 117,801)</u>	<u>\$ 23,523</u>	<u>\$ 2,515,707</u>		
<u>Investment property</u>							
Buildings and structures	<u>\$ 198,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,101</u>	"	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
MOVEMENT SUMMARY OF ACCUMULATED DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND
INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Opening Balance	Addition	Decrease	Transfers	Ending Balance	Note
Buildings and structures	\$ 503,522	\$ 35,589	\$ -	\$ -	\$ 539,111	
Machinery and equipment	53,502	77,370	(80,693)	-	50,179	
Office equipment	10,896	9,096	(3,710)	-	16,282	
Other equipment	79,764	24,121	(31,377)	-	72,508	
	<u>\$ 647,684</u>	<u>\$ 146,176</u>	<u>(\$ 115,780)</u>	<u>\$ -</u>	<u>\$ 678,080</u>	
<u>Investment property</u>						
Buildings and structures	<u>\$ 37,783</u>	<u>\$ 3,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,694</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2021

<u>Type of borrowings</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of Interest</u>		<u>Collateral</u>	<u>Note</u>
				<u>Rate</u>	<u>Credit Line</u>		
Unsecured		<u>\$ 1,138,848</u>		0.64%~0.72%	\$ -	None	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021

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

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
DSM Engineering Plastics (Jiangsu) Co., Ltd		\$ 34,818	
Others		670,630	Balance of each client has not exceeded 5% of total account balance
		<u>705,448</u>	
<u>Related parties</u>			
FGEDG		3,597,151	
FG XuZhou		1,965,593	
FSNK		1,146,640	
FENC		1,138,373	
Others		486,391	
		<u>8,334,148</u>	
		<u>\$ 9,039,596</u>	

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

DECEMBER 31, 2021

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

Creditor	Description	Amount	Contract Period	Interest Rate	and pledge	Note
Bank of Taiwan	Unsecured syndicate credit long-term borrowing	\$ 320,000	2020/11/23~2025/11/22	0.00%	None	
Taiwan Cooperative Bank	"	240,000	"	"	"	
Land Bank	"	240,000	"	"	"	
Taipei Fubon Bank	"	240,000	"	"	"	
BANK SINOPAC CO., LTD.	"	240,000	"	"	"	
Yuanta Commercial Bank	"	240,000	"	"	"	
Hua Nan Commercial Bank	"	240,000	"	"	"	
Cathay Bank	"	240,000	"	"	"	
Mega Bank	"	240,000	"	"	"	
Agricultural Bank of Taiwan	"	160,000	"	"	"	
E.SUN BANK	"	200,000	"	"	"	
KGI Commercial Bank Co., Ltd.	"	240,000	"	"	"	
Far Eastern International Bank	"	120,000	"	"	"	
The Shanghai Commercial & Savings Bank, Ltd.	"	240,000	"	"	"	
		<u>3,200,000</u>				
Far Eastern International Bank	Mid and long term unsecured borrowings	\$ 500,000	2021/4/22~2024/4/22	0.85%	None	
KGI Commercial Bank Co., Ltd.	"	400,000	2021/10/19~2023/10/19	0.89%	"	
Mizuho Bank	"	800,000	2021/12/13~2025/12/13	0.77%	"	
Cathay Bank	"	500,000	2021/3/31~2023/3/31	0.86%	"	
DBS Bank	"	900,000	2021/2/25~2023/2/25	0.83%	"	
First Bank	"	600,000	2021/12/1~2023/12/1	0.85%	"	
Yuanta Commercial Bank	"	400,000	2021/12/27~2023/12/16	0.85%	"	
Export-Import Bank of Republic of China	"	143,750	2015/11/29~2023/11/29	0.92%	"	
Export-Import Bank of Republic of China	"	157,500	2019/7/11~2024/7/11	0.87%	"	
Jih Sun International Bank	"	300,000	2021/5/3~2023/5/13	0.85%	"	
En Tie Commerical Bank	"	500,000	2021/3/10~2024/3/10	0.86%	"	
		<u>5,201,250</u>				
Total		<u>\$ 8,401,250</u>				

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<u>Item</u>	<u>Volume</u>	<u>Amount</u>	<u>Note</u>
Electronic equipment (including components and other electronic related products)		\$ 58,798,656	
Less: Sales returns		(4,477)	
Sales discounts and allowances		(119,320)	
		<u>\$ 58,674,859</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Item	Amount	Note
Raw materials at the beginning	\$ 28,757	
Add: Materials purchased for the year	4,849,103	
Less: Raw materials at the end	(143,233)	
Transferred to expenses	(1,580)	
Raw materials used in the year	4,733,047	
Direct labor	44,824	
Manufacturing Expenses	<u>322,853</u>	
Manufacturing costs	5,100,724	
Add: Work in progress at the beginning	13,771	
Less: Work in progress at the end	(34,896)	
Transferred to expenses	(87)	
Cost of finished goods	5,079,512	
Add: Finished goods at the beginning	1,543,160	
Finished goods purchased for the year	51,037,175	
Less: Finished goods at the end	(918,163)	
Manufacturing and selling costs	56,741,684	
Less: Revenue from sales of scraps	(2,963)	
Gain on reversal of decline in market value	(10,145)	
Total operating costs	<u>\$ 56,728,576</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Freight	\$ 145,118	
Indirect labor	96,156	
Depreciation expense	36,264	
Processing fees	22,515	
Others	22,800	
	<u>\$ 322,853</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF SALES AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and Salaries	\$ 75,430	
Freight	38,729	
Taxes	19,480	
Others	21,978	
	<u>\$ 155,617</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and Salaries	\$ 301,079	
Depreciation expense	122,679	
Donation expense	37,011	
Insurance expense	31,482	
Freight	31,253	
Professional service fee	23,317	
Others	168,899	
	<u>\$ 715,720</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries	\$ 496,224	
Insurance expense	41,437	
Depreciation expense	23,375	
Research and development expenses	27,328	
Others	168,094	
	<u>\$ 756,458</u>	

CHENG UEI PRECISION INDUSTRY CO.,LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Function Nature	Year ended December 31, 2021			Year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and Salaries	98,663	872,733	971,396	90,974	922,932	1,013,906
Labour and health insurance fees	8,038	66,797	74,835	6,565	59,670	66,235
Pension costs	4,057	36,735	40,792	2,369	59,351	61,720
Directors' remuneration	-	6,000	6,000	-	10,000	10,000
Other personnel expenses	6,623	47,956	54,579	5,749	53,499	59,248
Depreciation expense (Note 1)	36,264	146,094	182,358	57,271	83,293	140,564
Amortisation charge	253	10,266	10,519	195	8,936	9,131

Note 1: For the years ended December 31, 2021 and 2020, the Company's depreciation expense recognised in non-operating expenses and loss amounted to \$3,911 and \$4,490, respectively.

Note 2: For the years ended December 31, 2021 and 2020, the Company had 840 and 782 employees, including 5 and 5 non-employee directors, respectively.

Note 3: For the years ended December 31, 2021 and 2020, the average employee benefit expense amounted to \$1,368 and \$1,546, respectively.

Note 4: For the years ended December 31, 2021 and 2020, the average employee salary expenses amounted to \$1,163 and \$1,305, respectively. For the year ended December 31, 2021, the average change in adjustments on salary expenses was (11%).

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

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

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Cheng Uei Precision Industry Co., Ltd.

Loans to others

Year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	Cheng Uei Precision Industry Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Yes	\$ 4,000,000	\$ -	\$ -	1.5%	2	\$ -	Operations	\$ -	-	\$ -	\$ 4,656,856	\$ 9,313,711	
1	Fugang Electric (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	Other receivables-related parties	Yes	35,016	-	-	-	2	-	"	-	-	-	3,267,839	3,267,839	
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	Yes	26,112	26,064	26,064	-	2	-	"	-	-	-	3,267,839	3,267,839	
2	World Circuit Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	55,000	-	-	-	2	-	"	-	-	-	259,904	259,904	
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	Other receivables	Yes	60,000	60,000	60,000	-	2	-	"	-	-	-	259,904	259,904	
2	World Circuit Technology Co., Ltd.	Suntain Co., Ltd.	"	Yes	40,000	40,000	40,000	-	2	-	"	-	-	-	259,904	259,904	
3	Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	217,600	217,200	217,200	-	2	-	"	-	-	-	232,956	232,956	
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	169,728	169,416	169,416	-	2	-	"	-	-	-	174,294	174,294	
5	Foxlink International Investment Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	55,000	55,000	-	2	-	"	-	-	-	3,996,642	3,996,642	
5	Foxlink International Investment Ltd.	FOXLINK VIETNAM CO., LTD	"	Yes	55,860	55,360	8,304	1%	2	-	"	-	-	-	3,996,642	3,996,642	
6	Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	95,000	-	-	-	2	-	"	-	-	-	2,562,191	2,562,191	
6	Fu Uei International Investment Ltd.	Foxlink International Investment Ltd.	"	Yes	30,000	30,000	30,000	-	2	-	"	-	-	-	2,562,191	2,562,191	
7	FOXLINK TECHNOLOGY LIMITED	Cheng Uei Precision Industry Co., Ltd.	"	Yes	111,400	110,720	110,720	-	2	-	"	-	-	-	808,306	808,306	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	102,860	-	-	-	2	-	"	-	-	-	808,306	808,306	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	624,917	606,192	606,192	-	2	-	"	-	-	-	808,306	808,306	
8	Foxlink Tianjin Co., Ltd.	Fugang Electronic (Kunshan) Co., Ltd.	"	Yes	390,960	390,960	390,960	-	2	-	Operations	-	-	-	1,934,192	1,934,192	
8	Foxlink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	391,680	-	-	-	2	-	"	-	-	-	1,934,192	1,934,192	
8	Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Yes	130,560	130,320	130,320	-	2	-	"	-	-	-	1,934,192	1,934,192	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
9	Zhi De Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	\$ 100,000	\$ -	\$ -	-	2	\$ -	Group's capital management	\$ -	-	\$ -	\$ 559,771	\$ 559,771	
9	Zhi De Investment Co., Ltd.	CU INTERNATIONAL LTD.	"	Yes	100,000	100,000	100,000	1%	2	-	Operations	-	-	-	559,771	559,771	
10	Foxlink Automotive Technology (Kunshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	43,050	-	-	-	2	-	"	-	-	-	331,395	331,395	
11	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	590,895	195,480	195,480	-	2	-	"	-	-	-	9,201,300	9,201,300	
11	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	218,850	162,900	162,900	-	2	-	"	-	-	-	9,201,300	9,201,300	
12	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	253,866	251,952	251,952	-	2	-	"	-	-	-	5,839,717	5,839,717	
13	Fuzhan Electronics (Shanghai) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	48,147	47,784	47,784	-	2	-	"	-	-	-	51,733	51,733	
14	Fushineng Electronics (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	"	Yes	34,816	34,752	34,752	-	2	-	"	-	-	-	1,206,242	1,206,242	
14	Fushineng Electronics (Kunshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	21,525	-	-	-	2	-	"	-	-	-	1,206,242	1,206,242	
15	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	110,190	70,980	70,980	2%	2	-	"	-	-	-	459,713	459,713	
15	Studio A Technology Limited	AShop Co., Ltd.	"	Yes	277,900	113,488	58,128	2%	2	-	"	-	-	-	459,713	459,713	
16	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	131,520	-	-	0.98%~1.20%	2	-	"	-	-	-	2,273,143	3,030,857	
16	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	289,344	-	-	0.98%~1.20%	2	-	"	-	-	-	2,273,143	3,030,857	
16	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	"	Yes	600,000	-	-	1.56%	2	-	"	-	-	-	2,273,143	3,030,857	
17	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	Yes	300,000	300,000	300,000	1.2%	2	-	"	-	-	-	1,074,528	1,074,528	
17	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	218,000	217,200	217,200	1.5%	2	-	"	-	-	-	1,074,528	1,074,528	
17	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	Yes	600,000	-	-	0.89-1.23%	2	-	"	-	-	-	1,074,528	1,074,528	
18	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	254,272	-	-	1.5%	2	-	"	-	-	-	152,457	152,457	
19	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	28,058	27,802	27,802	3%	2	-	"	-	-	-	369,064	369,064	
19	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	219,200	217,200	173,760	5%	2	-	"	-	-	-	369,064	369,064	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
20	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Yes	\$ 300,000	\$ 300,000	\$ -	Average borrowing interest rate plus 0.1%	2	\$ -	Group's capital management	\$ -	-	\$ -	\$ 2,354,170	\$ 2,354,170	
20	Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	"	Yes	50,000	-	-	Average borrowing interest rate plus 0.1%	2	-	"	-	-	-	2,354,170	2,354,170	
20	Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	"	Yes	60,000	-	-	Average borrowing interest rate plus 0.1%	2	-	"	-	-	-	2,354,170	2,354,170	
21	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	523,200	521,280	521,280	1.5%	2	-	"	-	-	-	693,916	693,916	

Note 1: The numbers as follows represent the nature of loan:

- (1) Business transaction is labelled as "1".
- (2) Short-term financing is labelled as "2".

Note 2: (1) Limit on loans granted to a single party is 20% of the Company's net asset value.

- (2) Limit on loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding Co., Ltd. is 40% of their net asset value.
- (3) Limit on loans granted to direct or indirect holding foreign subsidiaries is 100% of their net asset value.
- (4) Limit on loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Limit on loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 30% of FIT Holding Co., Ltd.'s net asset value on recent financial report.

Note 3: (1) Ceiling on total loans granted to the company is 40% of the Company's net asset value.

- (2) Ceiling on total loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding is 40% of their net asset value.
- (3) Ceiling on total loans granted to the direct or indirect holding subsidiaries is 100% of their net asset value.
- (4) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Ceiling on total loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 40% of their net asset value on recent financial report.

Cheng Uei Precision Industry Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INCORPORATION	The Company's third-tier subsidiary	\$ 11,642,139	\$ 924,534	\$ 896,832	\$ 144,960	\$ -	3.85	\$ 23,284,277	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	11,642,139	1,313,100	1,303,200	1,303,200	-	5.60	23,284,277	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	The Company's third-tier subsidiary	9,313,711	428,025	415,200	142,713	-	1.78	23,284,277	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	ASHOP Co., Ltd.	The Company's fourth-tier subsidiary	9,313,711	557,000	553,600	204,278	-	2.38	23,284,277	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	9,313,711	1,141,400	1,107,200	479,493	-	4.76	23,284,277	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	9,313,711	1,227,005	1,190,240	326,624	-	5.11	23,284,277	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	9,313,711	1,055,795	885,760	241,646	-	3.80	23,284,277	Y	N	Y	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subsidiary	9,313,711	73,984	73,848	-	-	0.32	23,284,277	Y	N	Y	
1	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subing company	11,642,139	1,201,268	1,192,211	1,192,211	-	5.12	23,284,277	N	N	Y	
2	Studio A Inc.	Studio A Technology Limited	Studio A Inc.'s subsidiary	9,313,711	265,335	262,960	-	-	1.13	23,284,277	Y	N	N	
3	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	11,365,716	735,642	535,638	215,638	-	7.07	11,365,716	Y	N	N	
3	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	"	11,365,716	1,419,270	1,020,320	683,320	-	13.47	11,365,716	Y	N	N	
3	FIT Holding Co., Ltd.	FIT Holding Co., Ltd.	"	10,608,001	3,000,000	3,000,000	-	-	39.59	11,365,716	Y	N	N	
3	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	FIT Holding Co., Ltd.'s third-tier subsidiary	10,608,001	515,020	-	-	-	-	11,365,716	Y	N	N	

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
4	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s sibling company	\$ 3,760,849	\$ 600,000	\$ 600,000	\$ 500,000	\$ -	7.92	\$ 4,029,482	N	N	N	
4	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	3,760,849	600,000	300,000	300,000	-	3.96	4,029,482	N	N	N	
5	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	8,828,139	4,700,000	4,700,000	4,700,000	-	62.03	8,828,139	Y	N	N	

Note 1: Calculation for limit on endorsements/guarantees provided for a single party is as follows:

- (1) For subsidiaries whose shares are 90% or above held by the Company, ceiling on total amount of endorsements and guarantees provided by the Company is 50% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 40% of the Company's net asset value.
- (2) For FIT Holding Co.,Ltd., limit on endorsements and guarantees for a single party is 140% of FIT Holding Co.,Ltd.'s current net asset value and for subsidiary whose equity is no less than 90% held by FIT Holding Co.,Ltd., is 150% of FIT Holding Co.,Ltd.'s net asset value.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Note 2: Calculation for limit on endorsements/guarantees provided is as follows:

- (1) The Company's and subsidiaries' endorsements and guarantees to others should not exceed 100% of the Company's net asset value.
- (2) FIT Holding Co.,Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 150% of FIT Holding Co., Ltd.'s net asset value in the latest financial statements.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Cheng Uei Precision Industry Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	
Fu Uei International Investment Ltd.	Trinity Investment Corporation	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	3,000	\$ 30,000	10.00	\$ 30,000	
Fu Uei International Investment Ltd.	ADE TECHNOLOGY INC.	"	"	500	11,500	1.45	11,500	
CULINK INTERNATIONAL Ltd.	Gamma 2 Robotics, Inc.	"	"	862	-	9.00	-	
CULINK INTERNATIONAL Ltd.	Occipital, Inc.	"	"	389	-	2.50	-	
CULINK INTERNATIONAL Ltd.	V5 Systems, Inc.	"	"	1,460	-	4.63	-	
CULINK INTERNATIONAL Ltd.	Motiv Inc.	"	"	273	-	1.70	-	
CULINK INTERNATIONAL Ltd.	LeadSun WINION Limited	"	"	3,000	83,040	40.07	83,040	
CULINK INTERNATIONAL Ltd.	MedWand Solutions Inc.	"	"	63	-	3.18	-	
FOXLINK TECHNOLOGY LIMITED	LEADSUN NEW STAR CORP.	"	"	875	17,323	12.50	17,323	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Dongguan PowerWise Technology Co., Ltd.	"	"	1,250	43,440	4.00	43,440	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Hebei Gellec New Energy Science&technology Co.,Ltd.	"	"	3,333	86,880	0.81	86,880	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Changzhou Qitai No.1 Venture Capital Partnership (Limited Partnership)	"	"	20,000	86,880	6.67	86,880	
Foxlink Tianjin Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	"	"	-	4,127	9.50	4,127	
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd.	N/A	"	21,000	210,529	14.00	210,529	
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	"	"	50,000	225,400	0.91	225,400	
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	"	"	1,500	18,375	15.56	18,375	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	
Power Quotient International Co., Ltd.	SAINT SONG CORP.	N/A	Financial assets at fair value through other comprehensive income-non-current	127	\$ -	1.05	\$ -	
Power Quotient International Co., Ltd.	OURS TECHNOLOGY INC.	"	"	13	-	0.21	-	
Power Quotient International Co., Ltd.	INNOPLUS Co., Ltd.	"	"	160	-	12.00	-	
Power Quotient International Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	"	"	50,000	225,400	0.91	225,400	
Power Quotient International Co., Ltd.	STACK DEVICES CORPORATION	"	"	70	-	0.11	-	
POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	"	"	-	73,417	12.90	73,417	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	"	"	22	-	0.04	-	
Shinfox Energy Co., Ltd.	SEC INTERNATIONAL INC.	"	"	54	-	9.00	-	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	"	"	300	-	3.00	-	

Cheng Uei Precision Industry Co., Ltd.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal			Balance as at December 31, 2021		
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Investment accounted for using equity method	C&C INVESTMENT CORPORATION	Non-related party	95,000	\$ 1,000,903	-	\$ -	57,500	\$ 690,000	\$ 612,793	\$ -	37,500	\$ 386,629
power Quouient International Co, Ltd.	Shinfo Energy Co., Ltd.	Investment accounted for using equity method	Note 1	Subsidiary	58,743	740,111	15,861	1,364,012	1,085	112,809	42,633	70	73,519	2,953,307

Note 1 : Capital increase by cash.

Cheng Uei Precision Industry Co., Ltd.

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

Year ended December 31, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	Sales	(\$ 15,017,512)	(26)	Note 1	Note 1	Note 1	\$ 3,577,247	10	
The Company	Hon Hai Precision Industry Co., Ltd..	This company's director is the second-degree relative of the Company's chairman	Sales	(1,078,566)	(2)	Note 1	Note 1	Note 1	244,686	1	
The Company	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	Purchases	23,100,651	44	Note 2	Note 2	Note 2	-	-	
The Company	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	14,008,282	27	Note 2	Note 2	Note 2	(3,597,151)	(17)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	1,802,928	3	Note 2	Note 2	Note 2	-	-	
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	3,648,336	7	Note 2	Note 2	Note 2	(1,146,640)	(5)	
The Company	Fugang Electric (Maanshan) Co., Ltd.	"	Purchases	288,992	1	Note 2	Note 2	Note 2	(245,936)	(1)	
The Company	Well Shin Technology Co., Ltd.	The investee of the company's investment accounted for using equity method	Purchases	183,344	-	Note 2	Note 2	Note 2	(58,018)	(0)	
The Company	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company's second-tier subsidiary	Purchases	7,772,509	15	Note 2	Note 2	Note 2	(1,965,593)	(9)	
The Company	Hon Hai Precision Industry Co., Ltd..	This company's chairman is the second-degree relative of the Company's chairman	Purchases	815,679	2	Note 2	Note 2	Note 2	(101,921)	(0)	
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	214,651	-	Note 2	Note 2	Note 2	-	-	
The Company	SINOBEST BROTHERS LIMITED	"	Purchases	200,826	-	Note 2	Note 2	Note 2	(97,656)	(0)	
FOXLINK INTERNATIONAL INC.	The Company	This company is the ultimate parent company of the company	Purchases	15,017,512	100	Note 2	Note 2	Note 2	(3,577,247)	(87)	
Dongguan Fuqiang Electronics Co., Ltd.	The Company	"	Sales	(23,100,651)	(85)	Note 1	Note 1	Note 1	-	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Fugang Electronic (Dongguan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	Sales	(\$ 14,008,282)	(72)	Note 1	Note 1	Note 1	\$ 3,597,151	62	
Fugang Electric (Kunshan) Co., Ltd.	The Company	"	Sales	(1,802,928)	(64)	Note 1	Note 1	Note 1	-	-	
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	"	Sales	(3,648,336)	(78)	Note 1	Note 1	Note 1	1,146,640	81	
Fugang Electric (Maanshan) Co., Ltd.	The Company	"	Sales	(288,992)	(66)	Note 1	Note 1	Note 1	245,936	92	
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company	"	Sales	(7,772,509)	(83)	Note 1	Note 1	Note 1	1,965,593	89	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company	"	Sales	(214,651)	(20)	Note 1	Note 1	Note 1	-	-	
SINOBEST BROTHERS LIMITED	The Company	"	Sales	(200,826)	(90)	Note 1	Note 1	Note 1	97,656	98	
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	(2,123,660)	(11)	Note 1	Note 1	Note 1	-	-	
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	2,123,660	11	Note 2	Note 2	Note 2	-	-	
Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	"	Sales	(494,785)	(2)	Note 1	Note 1	Note 1	-	-	
DU Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Purchases	494,785	100	Note 2	Note 2	Note 2	-	-	
Suntain Co., Ltd.	Hon Hai Precision Industry Co., Ltd..	This company's director is the second-degree relative of the Company's chairman	Purchases	217,116	114	Note 2	Note 2	Note 2	(5,805)	(100)	
Straight A Inc.	Studio A Inc	Affiliated company	Sales	(124,144)	(12)	Note 1	Note 1	Note 1	1,601	6	
Studio A Inc	Straight A Inc.	"	Purchase	124,144	3	Note 2	Note 2	Note 2	(1,601)	-	
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	"	Sales	(1,134,537)	(60)	Note 1	Note 1	Note 1	388,273	100	
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Purchases	1,134,537	63	Note 2	Note 2	Note 2	(388,273)	(100)	
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(203,883)	(58)	Note 1	Note 1	Note 1	50,694	58	
ACCU-IMAGE TECHNOLOGY	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	203,883	100	Note 2	Note 2	Note 2	(50,694)	(100)	
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	(771,631)	(91)	Note 1	Note 1	Note 1	253,110	48	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Foxlink Image Technology Co., Ltd.	Dongguan Fu Wei Electronics Co., Ltd.	Affiliated company	Purchases	\$ 771,631	78	Note 2	Note 2	Note 2	(\$ 253,110)	(53)	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	(179,685)	(96)	Note 1	Note 1	Note 1	182,406	84	
Foxlink Image Technology Co., Ltd.	Dong Guan Fu Zhang Precision Industry Co., Ltd.	"	Purchases	179,685	18	Note 2	Note 2	Note 2	(182,406)	(40)	
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	(142,634)	(41)	Note 1	Note 1	Note 1	40,068	44	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	142,634	4	Note 2	Note 2	Note 2	(40,068)	(9)	
Shinfox Energy Co. Ltd.	Shinfox Power Co., Ltd.	"	Sales	(391,510)	(9)	Note 1	Note 1	Note 1	-	-	Note 3
Shinfox Power Co., Ltd.	Shinfox Energy Co. Ltd.	"	Purchases	391,510	8	Note 1	Note 1	Note 1	-	-	Note 3
Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.	"	Sales	(131,767)	43	Note 1	Note 1	Note 1	43,186	57	
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Purchases	131,767	31	Note 2	Note 2	Note 2	(43,186)	(38)	

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

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

Note 3: Shinfox Power Co., Ltd. became a non-related party since May 20, 2021. Please refer to Note 7(1) for the details.

Cheng Uei Precision Industry Co., Ltd.

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

December 31, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	\$ 3,577,247	4.20	None	N/A	\$ 3,329,051	None
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	1,182,010	Note 1	"	"	2,828	"
The Company	Hon Hai Precision Industry Co., Ltd.	The directors of the company are within the second degree relatives of the Chairman of the Company	244,686	3.36	"	"	-	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	220,007	Note 1	"	"	16,968	"
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	108,413	Note 1	"	"	8,484	"
The Company	FUGANG ELECTRIC (XUZHOU) CO., Ltd.	"	2,052,881	Note 1	"	"	-	"
The Company	Fugang Electronic (MAANSHAN) Co., Ltd.	"	365,654	Note 1	"	"	-	"
The Company	Dongguan Fuqiang Electronics Co., Ltd.	"	1,415,872	Note 1	"	"	1,415,872	"
The Company	Sinobest Brothers Limited	The Company's subsidiary	187,333	Note 1	"	"	-	"
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company's second-tier subsidiary	863,655	Note 1	"	"	-	"
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,146,640	3.18	"	"	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	1,138,373	0.00	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	3,597,151	3.89	"	"	-	"
Fugang Electronic (MAANSHAN) Co., Ltd.	The Company	"	245,936	1.18	"	"	-	"
FUGANG ELECTRIC (XUZHOU) CO., Ltd.	The Company	"	1,965,593	3.95	"	"	-	"
Zhi De Investment Co., Ltd.	CU INTERNATIONAL Ltd.	Affiliated company	100,000	Note 1	100,000	Overdue receivable are expected to be gradually collected in 2022	-	"
CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	129,715	Note 1	None	N/A	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	\$ 272,902	Note 1	None	N/A	\$ -	None
Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	255,127	Note 1	\$ 251,952	Overdue receivable are expected to be gradually collected in 2022	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	322,323	Note 1	162,900	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	200,031	Note 1	195,480	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	1,809,038	0.00	None	N/A	-	"
Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	217,200	Note 1	217,200	Overdue receivable are expected to be gradually collected in 2022	-	"
Fugang Electric (Kunshan) Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	317,176	Note 1	None	N/A	-	"
Fugang Electric (Tianjin) Ltd.	Fugang Electronic (Kunshan) Co., Ltd.	"	390,960	Note 1	390,960	Overdue receivable are expected to be gradually collected in 2022	-	"
Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	169,416	Note 1	169,416	"	-	"
Foxlink Tianjin Co., Ltd.	CU INTERNATIONAL Ltd.	"	349,616	Note 1	None	N/A	-	"
Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	157,150	Note 1	130,320	Overdue receivable are expected to be gradually collected in 2022	-	"
FUQIANG ELECTRIC (MAANSHAN) CO., LTD.	CU INTERNATIONAL Ltd.	"	615,400	Note 1	606,192	"	-	"
Foxlink Technology Limited	The Company	"	110,720	Note 1	110,720	"	-	"
Studio A Inc.	Dongguan Fuqiang Electronics Co., Ltd.	"	133,091	0.35	None	N/A	-	"
VA Product Inc.	STUDIO A TECHNOLOGY LIMITED	"	388,273	2.92	"	"	-	"
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	300,000	Note 1	"	"	-	"
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	217,200	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	335,949	0.06	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	129,751	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	"	256,028	Note 1	"	"	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Glorytek (Suzhou) Co., Ltd.	Dongguan Fu Wei Electronics Co., Ltd.	Affiliated company	\$ 137,293	0.00	None	N/A	\$ -	None
Dongguan Fu Wei Electronics Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	178,452	Note 1	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	253,110	3.57	"	"	90,372	"
Shinfox Energy Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	182,406	1.26	"	"	19,603	"
Power Quotient Technology (Yancheng) Co.,	Glorytek (Suzhou) Co., Ltd.	"	521,280	Note 1	"	"	-	"

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

Cheng Uei Precision Industry Co., Ltd.
 Significant inter-company transactions during the reporting periods
 Year ended December 31, 2021

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Sales	\$ 15,017,512	Sales prices are based on the mutual agreement	17
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Accounts receivable	3,577,247	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Purchases	23,100,651	Purchase prices are based on the mutual agreement	27
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Other receivables	1,415,872	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Purchases	1,802,928	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	220,007	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Purchases	3,648,336	Purchase prices are based on the mutual agreement	4
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Other receivables	1,182,010	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	1,146,640	"	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Purchases	14,008,282	Purchase prices are based on the mutual agreement	16
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	3,597,151	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Xuzhou) Co., Ltd.	1	Other receivables	108,413	"	-
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Accounts payable	1,138,373	"	1
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK TECHNOLOGY LIMITED	1	Other payables	110,720	"	-
0	Cheng Uei Precision Industry Co., Ltd.	CU INTERNATIONAL Ltd.	1	Prepaid expenses	385,519	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Purchases	\$ 288,992	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Other receivables	365,654	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Accounts payable	245,936	"	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Other receivables	2,052,881	"	2
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Purchases	7,772,509	Purchase prices are based on the mutual agreement	9
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Accounts payable	1,965,593	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Purchases	214,651	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Other receivables	187,333	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Purchases	200,826	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Other receivables	863,655	The collections depend on the financial situation after offsetting the receivables against the payables	1
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	129,715	"	-
1	CU INTERNATIONAL Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	349,616	"	-
1	CU INTERNATIONAL Ltd.	FOXLINK TECHNOLOGY LIMITED	3	Other payables	615,400	"	1
1	CU INTERNATIONAL Ltd.	Zhi De Investment Co., Ltd.	3	Other payables	100,000	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Prepaid expenses	204,875	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	317,176	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Fugang Electronic (Tianjin) Co., Ltd.	3	Other receivables	390,960	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Purchases	2,123,660	Purchase prices are based on the mutual agreement	2

Table 7 Page 2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	\$ 272,902	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	322,323	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Accounts payable	133,091	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Other receivables	200,031	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Accounts receivable	1,809,038	"	2
3	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Energy (Tianjin) Ltd.	3	Other payables	169,416	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Culink Tianjin Co., Ltd.	3	Other payables	217,200	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	3	Sales	494,785	Purchase prices are based on the mutual agreement	1
3	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	157,150	The collections depend on the financial situation after offsetting the receivables against the payables	-
4	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	255,127	"	-
5	Straight A Inc.	Studio A Inc.	3	Sales	124,144	Sales prices are based on the mutual agreement	-
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	1,134,537	"	1
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Accounts receivable	388,273	The collections depend on the financial situation after offsetting the receivables against the payables	-
7	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	3	Other receivables	300,000	Based on the company's policy	-
7	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	217,200	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
8	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	\$ 256,028	Based on the company's policy	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	335,949	"	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	129,751	"	-
9	Glorytek (Yacheng) Co., Lt.	Glory Science Co., Ltd.	3	Sales	131,767	"	-
10	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yacheng) Co., Lt.	3	Other receivables	178,452	The collections depend on the financial situation after offsetting the receivables against the payables	-
11	PQI (Xuzhou) New Energy Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	3	Accounts receivable	137,293	Based on the company's policy	-
12	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	771,631	The flexible collection based on the financial situation	1
12	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	253,110	"	-
13	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	179,685	"	-
13	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	182,406	"	-
14	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	203,883	"	-
14	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	142,634	"	-
15	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	521,280	Based on the company's policy	1

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure of the transactions of related party over \$100 million only and the related party transactions for counterparty are not disclosed.

Note 5: Transaction prices and terms are determined based on mutual agreement as no similar transaction can be compared with.

Cheng Uei Precision Industry Co., Ltd.
Information on investees
Year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
The Company	CU INTERNATIONAL LTD.	British Virgin IS.	Manufacture of electronic telecommunication components and reinvestment business	\$ 12,753,560	\$ 12,483,874	460,750	100	\$ 23,132,826	\$ 645,282	\$ 549,909	
The Company	CULINK INTERNATIONAL LTD.	British Virgin IS.	Reinvestment business	892,071	892,071	32,228	100	1,010,256	203,186	203,186	
The Company	Foxlink International Investment Ltd.	Taiwan	General investments holdings	3,350,000	2,950,000	408,750	100	3,662,947	(101,158)	(101,158)	
The Company	Fu Uei International Investment Ltd.	Taiwan	General investments holdings	3,550,000	2,850,000	355,000	100	2,528,381	(150,235)	(150,555)	
The Company	Well Shin Technology Co., Ltd.	Taiwan	Manufacture and sale of electric wire and cable as well as electronic telecommunication components	270,065	270,065	22,282	18.84	1,157,286	345,312	65,064	
The Company	Darts Technologies Corporation	Taiwan	Manufacture of electronic telecommunication and wireless components	762,566	762,566	42,086	97	772,985	63,022	61,131	
The Company	DU Precision Industry Co., Ltd.	Taiwan	Sale of raw materials and products of various connectors	600,000	600,000	60,000	100	48,910	627	627	
The Company	FOXLINK TECHNOLOGY LIMITED.	HONG KONG	Reinvestment business	307,698	307,698	86,700	100	819,914	5,274	5,274	
The Company	Suntain Co., Ltd.	Taiwan	Electroplating processing services	190,810	90,810	19,500	100	217,009	44,056	44,056	
The Company	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	573,087	573,087	20,704	91.19	422,713	(21,884)	(19,956)	
FOXLINK TECHNOLOGY LIMITED.	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	55,038	55,013	2,000	8.81	40,834	(21,884)	(1,928)	
SINOBEST BROTHERS LIMITED	FOXLINK MYANMAR COMPANY LIMITED	Myanmar	Manufacture of electronic	628,447	628,447	22,704	100	483,022	(27,631)	(27,631)	
DU Precision Industry Co., Ltd.	CELINK INTERNATIONAL LTD.	British Virgin IS.	Sale of raw materials and products of various connectors	457,716	457,716	16,536	100	-	-	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
Darts Technologies Corporation	BENEFIT RIGHT LTD.	British Virgin IS.	General investments holdings	\$ 272,537	\$ 272,537	9,846	100	\$ 814,866	\$ 67,995	\$ 67,995	
BENEFIT RIGHT LTD.	POWER CHANNEL LIMITED	HONG KONG	General investments holdings	213,413	213,413	6	64.25	761,442	106,986	67,911	
CU INTERNATIONAL LTD.	NEW START INDUSTRIES LTD.	British Virgin IS.	Reinvestment business	238,048	238,048	8,600	100	3,017,487	6,704	6,704	
CU INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic	89,351	89,351	209,400	34.30	58,706	(22,076)	(7,557)	
CU INTERNATIONAL LTD.	SOLTERAS LIMITED	British Virgin IS.	Reinvestment business	55,360	55,360	1,960	-	-	-	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	Taiwan	Manufacture of electronic	35,707	35,707	5,000	100	47,636	1,725	1,725	
CULINK INTERNATIONAL LTD.	PACIFIC WEALTH LIMITED	Cayman Islands	General investments holdings	27,680	27,680	1,000	100	(91,848)	13,581	13,581	
CULINK INTERNATIONAL LTD.	Foxlink Technical India Private Ltd.	INDIA	Manufacture of electronic	150,405	150,405	21,546	65.70	96,875	(22,076)	(14,477)	
CULINK INTERNATIONAL LTD.	Foxlink Powerbank International Technology Private Ltd.	INDIA	Manufacture of electronic telecommunication components	600	600	160	0.73	601	521	-	
CULINK INTERNATIONAL LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	600	600	160	0.73	598	(265)	(3)	
PACIFIC WEALTH LIMITED	FOXLINK INTERNATIONAL, INC	USA	Sales of electronic telecommunication components	13,840	13,840	500	100	(91,848)	13,581	13,581	
Foxlink Technical India Private Ltd.	Tegna Electronics Private Limited	INDIA	Manufacture	11,180	11,180	3,001	10	12,773	3,736	194	
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,517,670	1,517,670	58,303	23.67	1,705,377	434,013	63,043	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	Taiwan	Manufacture of electronic telecommunication components and electronic machinery equipment	60,000	60,000	6,000	75	-	-	-	
Foxlink International Investment Ltd.	Microlink Communications Inc.	Taiwan	Manufacture and sale of telecommunication equipment and apparatus	80,000	80,000	6,857	21.43	(21,511)	909	195	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxlink International Investment Ltd.	World Circuit Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components and flexible printed circuit	\$ 469,500	\$ 469,500	15,650	69.56	\$ 180,778	(\$ 4,272)	(\$ 2,971)	
Foxlink International Investment Ltd.	Linkmedia Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	25,000	-	-	-	-	-	
Foxlink International Investment Ltd.	Proconn Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	227,952	-	-	-	(471)	(236)	
Foxlink International Investment Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	900,000	900,000	15,000	13.60	1,524,391	(854,561)	(116,207)	
Foxlink International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture of electronic	160,662	60,662	31,439	13.50	79,383	(262,424)	(49,985)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	Taiwan	Sales of electronic telecommunication components	10,000	10,000	1,000	15.38	9,984	(44)	(7)	
Foxlink International Investment Ltd.	FOXLINK VIETNAM CO., LTD.	Vietnam	Manufacture of electronic	36,089	-	1,300	100	14,782	(20,570)	(20,570)	
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Taiwan	Sales of electronic telecommunication components	257,656	257,656	4,294	3.89	187,916	(854,561)	(33,238)	
World Circuit Technology Co., Ltd.	VALUE SUCCESS LTD.	British Virgin IS.	Holding company and reinvestment business	177,152	177,152	5,000	100	30,353	(105)	(105)	
VALUE SUCCESS LTD.	CAPITAL GUARDIAN LIMITED	HONG KONG	Sales of electronic telecommunication components	177,152	177,152	3,005	100	30,291	(105)	(105)	
CAPITAL GUARDIAN LIMITED	World Circuit Technology (Hong Kong) Limited	HONG KONG	Sales of electronic telecommunication components	30,926	30,926	-	100	34,203	(105)	(105)	
Fu Uei International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	557,248	557,248	14,690	5.97	377,666	434,013	15,683	
Fu Uei International Investment Ltd.	Studio A Inc.	Taiwan	Sales of electronic telecommunication components	96,200	96,200	13,196	51	364,448	151,685	77,359	
Fu Uei International Investment Ltd.	VA Product Inc.	Taiwan	Sales of electronic telecommunication components	16,642	16,642	2,400	100	17,645	6,739	6,739	
Fu Uei International Investment Ltd.	Proconn Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	4,050	-	-	-	(471)	(6)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	Taiwan	General investments holdings	\$ 2,184,388	\$ 2,184,388	170,918	100	\$ 548,623	\$ 22,814	\$ 22,814	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	Taiwan	Venture capital industry	150,000	150,000	15,000	42.86	115,149	477	(2,108)	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Mechanical installation and piping engineering	373,810	130,000	13,335	9.10	535,714	455,838	45,338	
Fu Uei International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture of electronic	728,621	133,640	201,379	86.50	508,483	(262,424)	(212,439)	
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,767,112	1,767,112	21,056	8.55	417,289	434,013	22,767	
Studio A Inc.	Tayih Digital Technology Co., Ltd.	Taiwan	Manufacture of electronic	3,000	3,000	300	60	-	-	-	
Studio A Inc.	Straight A Inc.	Taiwan	Sales of electronic telecommunication components	66,600	66,600	6,660	100	118,120	38,344	38,344	
Studio A Inc.	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	9,050	9,050	2,550	51	234,454	92,472	47,161	
Studio A Inc.	Jing Jing Technology Co., Ltd.	Taiwan	Sales of electronic telecommunication components	3,700	3,700	370	100	7,952	(11)	(11)	
Studio A Inc.	Junezhe Co., Ltd	Taiwan	Dredging industry	100,000	-	10,000	25	101,932	7,727	2,865	
Studio A Technology Limited	Studio A Macau Limited	MACAO	Sales of electronic telecommunication components	1,775	1,775	-	100	1,381	(243)	(242)	
Studio A Technology Limited	ASHOP CO., LTD	South Korea	Sales of electronic telecommunication components	4,152	4,152	10	100	13,797	8,633	8,633	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sale of optical instruments	2,214,868	2,214,868	95,970	100	381,144	(386,782)	(386,782)	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture and sale of image scanners and multifunction printers	3,011,140	3,011,140	164,994	100	3,426,039	510,733	504,520	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Manufacture of electronic	3,372,180	2,172,180	444,691	100	4,414,241	396,198	395,957	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity	\$ 299,952	\$ 760,000	37,500	16.3	\$ 386,629	(\$ 8,560)	(\$ 1,481)	
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics Industry - Renewable energy and Energy technical services	36,760	\$ -	3,676	36.76	35,845	(2,488)	(915)	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin IS	Manufacture and sale of image scanners and multifunction printers	1,001,376	1,001,376	13,241	100	1,531,815	173,844	173,844	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity	957,600	957,600	79,800	34.7	954,227	(8,560)	(2,970)	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	HONG KONG	Holding company and reinvestment business	135,632	135,632	4	35.75	527,626	106,986	165,772	
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin IS	General investments holdings	1,379,545	1,379,545	40,700	100	335,032	(274,232)	(274,232)	
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments holdings	780,074	780,074	25,051	100	525,662	(161,299)	(161,299)	
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin IS	Sales agent	494,837	494,837	16,000	100	(171,357)	(113,038)	(113,038)	
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	99,927	99,927	21,773	99.27	81,351	108	79	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	Tegna Electronics Private Limited	INDIA	Manufacture	11,181	11,181	3,001	10	12,759	3,736	374	
Power Quotient International Co., Ltd.	Power Quotient International(H.K.) Co., Ltd.	HONG KONG	Sales of electronic telecommunication components	376,549	376,549	106,100	100	(4,638)	(87)	(87)	
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24	100	(155,683)	-	-	
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD	British Virgin IS	Specialized investments holding	300,687	300,687	10,863	100	84,000	458,114	458,114	
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin IS	Specialized investments holding	2,864,027	2,864,027	13	100	1,122,827	102,062	102,062	
Power Quotient International Co., Ltd.	PQI Mobility Inc.	Samoa	Specialized investments holding	276,800	276,800	10,000	100	693,916	4,315	4,315	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares (in thousand shares)	Ownership (%)	Book value			
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sale of medical instruments	\$ 10,000	\$ 10,000	1,000	100	\$ 13,053	\$ 3,926	\$ 3,926	
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	1,880,146	561,482	73,519	50.18	2,953,307	455,939	228,790	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	3,000,000	672,000	300,000	100	3,099,949	88,453	88,453	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	120,000	120,000	12,000	80	89,973	(16,878)	(13,502)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	99,000	99,000	9,900	99	102,258	2,082	2,061	
Shinfox Energy Co., Ltd.	Junezhe Co., Ltd	Taiwan	Dredging industry	134,000	-	13,400	33.5	136,595	7,747	2,595	
Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	30,000	-	3,000	100.0	29,954	(46)	(46)	
Shinfox Energy Co., Ltd.	Chung Chia Power Co., Ltd.	Taiwan	Steam power cogeneration	180,000	-	12,000	20	177,038	(18,476)	(3,695)	
SYSCOM DEVELOPMENT CO., LTD	PQI CORPORATION	USA	Sales of electronic telecommunication components	-	199,360	-	-	-	455,779	-	
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	INDIA	Sales of electronic telecommunication components	93,087	93,087	21,790	99.27	81,641	4	4	
Apix LIMITED	Sinocity Industries Limited	HONG KONG	Sales of electronic telecommunication components	2,395,575	2,395,575	6,000	100	886,953	79,406	79,406	
Apix LIMITED	Perennial Ace Limited	British Virgin IS	Specialized investments holding	589,584	589,584	No shares were issued	100	235,746	22,656	22,656	
Sinocity Industries Limited	DG Lifestyle Store Limited	MACAO	Sales of electronic telecommunication components	345	345	100	100	(717)	(1,351)	(1,351)	
Perennial Ace Limited	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	4,998	4,998	1,225	24.5	112,630	92,472	22,656	
Foxlink Powerbank International Technology Private Limited	Tegna Electronics Private Limited	INDIA	Manufacture	11,181	11,181	3,001	10	12,585	3,736	374	

Cheng Uei Precision Industry Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2021

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of year ended December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sale of electronic telecommunication components	\$ 1,477,171	Investment through an existing company in the third area	\$ 1,198,881	\$ -	\$ -	\$ 1,198,881	\$ 165,380	100	\$ 165,380	\$ 5,839,719	\$ -	
Culink Tianjin Co., Ltd.	"	110,720	"	27,680	-	-	27,680	1,651	100	1,651	232,957	-	
Fugang Electric (Kunshan) Co., Ltd.	"	3,363,120	"	3,363,120	-	-	3,363,120	(282,433)	100	(282,433)	3,283,599	-	
Dong Guan Fu Shi Chang Co., Ltd.	"	3,321	"	3,322	-	-	3,322	-	100	-	2,436	-	
Dongguan Fuqiang Electronics Co., Ltd.	"	3,288,661	Investment through an existing company in the third area and the investee company in Mainland China	2,735,061	-	-	2,735,061	821,982	100	821,982	9,135,857	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	188,063	"	83,040	-	-	83,040	31,281	100	31,281	331,393	-	
Foxlink Energy (Tianjin) Ltd.	"	110,720	Investment through an existing company in the third area	110,720	-	-	110,720	1,695	100	1,695	174,294	-	
Fushineng Electronics (Kunshan) Co., Ltd.	"	332,160	"	332,160	-	-	332,160	225,969	100	225,969	1,246,995	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	124,560	"	124,560	-	-	124,560	(9,495)	100	(9,495)	70,837	-	
Fu Gang Electronic (Nan Chang) Co., Ltd.	"	1,384,000	Investment through an existing company in the third area and the investee company in Mainland China	1,384,000	-	-	1,384,000	(28,014)	100	(28,014)	1,110,651	-	
Fugang Electric (YANCHENG) Co., Ltd.	"	83,040	Investment through an existing company in the third area	66,432	-	-	66,432	933	80	747	50,145	-	
FUQIANG ELECTRIC (YANCHENG) Co., Ltd.	"	276,800	"	276,800	-	-	276,800	(5,353)	100	(5,353)	(24,487)	-	
Foxlink Tianjin Co., Ltd.	"	498,240	"	143,936	-	-	143,936	(74,628)	100	(74,628)	1,930,618	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	830,400	Investment through the investee company in Mainland China	830,400	-	-	830,400	96,906	100	96,906	1,665,152	-	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Manufacture and sale of electronic telecommunication components	842,334	Investment through an existing company in the third area and the investee company in Mainland China	276,800	-	-	276,800	(241,496)	100	(241,496)	(113,104)	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	"	415,200	Investment through the investee company in Mainland China	220,333	-	-	220,333	(197)	100	(197)	54,565	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	169,612	"	-	-	-	-	21,799	51	11,118	11,087	-	
Kunshan Fu Shi You Trading Co., Ltd.	"	60,816	"	-	-	-	(44)	51	(44)	13,180	-	-	

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of year ended December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	\$ 8,688	Investment through the investee company in Mainland China	\$ -	\$ -	\$ -	\$ 23,839	51	\$ 23,839	(\$ 77,113)	\$ -		
Shanghai Standard Information Technology Co., Ltd.	"	4,344	"	-	-	-	(7,152)	51	(7,152)	(6,304)	-		
Sharetronic Data Technology Co., Ltd.	Manufacture and sale of electronic telecommunication components	672,965	Investment through an existing company in the third area	213,413	-	-	213,413	19.94	106,988	1,123,279	-		
FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	"	138,400	Investment through the investee company in Mainland China	-	-	-	(1,631)	100	(1,631)	138,966	-		
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	"	1,826,880	Investment through an existing company in the third area	747,360	276,800	-	1,024,160	100	322,994	1,784,941	-		
Dongguan Banrin Robot Technology Co., Ltd.	Manufacture and sale of automated equipment	130,320	Investment through the investee company in Mainland China	-	-	-	19,879	31.03	6,169	129,169	-		
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Manufacture	10,860	"	-	-	-	(2,673)	55.56	(1,587)	23,755	-		
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	434,400	Investment through an existing company in the third area	-	-	-	(6,163)	50	(3,081)	426,531	-		
Changde Fubo Intelligent Technology Co., Ltd.	Manufacture and sale of automated equipment	30,408	Investment through the investee company in Mainland China	-	-	-	-	Note 3	-	-	-		
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	168,926	Investment through an existing company in the third area	168,926	-	-	168,926	100	25,470	271,194	-		
Dong Guan Fu Zhang Precision Industry Co.,Ltd.	Mould development and moulding tool manufacture	224,547	"	165,125	-	-	(44,262)	100.00	(44,262)	214,762	-		
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	221,440	"	138,400	-	-	138,400	100	10,438	258,992	-		
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sale of image scanners, multifunction and parts printers	166,080	"	146,935	-	-	(147,083)	100	(147,083)	362,626	-		
Glorytek (Suzhou) Co., Ltd.	Manufacture	387,520	"	399,490	-	-	(104,137)	100	(104,534)	369,064	-		
Glorytek (Yancheng) Co., Ltd.	"	249,120	"	256,815	-	-	(111,457)	100	(113,028)	(415,158)	-		
Yancheng Yaowei Technology Co., Ltd.	"	43,440	Investment through the investee company in Mainland China	-	-	-	(506)	100	(506)	141,835	-		
Glorytek (Yancheng) Co., Ltd.	"	937,292	Investment through an existing company in the third area and the investee company in Mainland China	326,960	-	-	(163,866)	100	(164,476)	461,742	-		
POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.	Manufacture and sale of electronic telecommunication components	553,600	Investment through an existing company in the third area	Note 1	-	-	4,315	100	4,315	693,916	-		
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sale of electronic telecommunication components	43,440	"	Note 2	-	-	109	100	109	43,561	-		
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,384	Direct investment	1,384	-	-	4,401	100	4,401	18,014	-		

Note 1: The financing amount remitted to PQI's indirect investment of POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd. was through an existing company in the third area.

Note 2: The financing amount remitted to PQI's indirect investment of PQI (Xuzhou) New Energy Co., Ltd. were through POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.

Note 3: Changde Fubo Intelligent Technology Co., Ltd. was formerly the Group's subsidiary, as the Group sold its shares in May 2021 which decreased the share interest down to 9.5%. After the assessment, the Group lost control and significant influence over Changde Fubo Intelligent Technology Co., and reclassified it as financial assets at fair value through other comprehensive income.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Cheng Uei Precision Industry Co., Ltd.	\$ 12,414,817	\$ 13,656,369	The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the certificate of scope of operations issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.
Foxlink Image Technology Co., Ltd.	749,282	896,275	1,611,792
Glory Science Co., Ltd.	983,265	1,161,176	229,053
Power Quotient International Co., Ltd.	1,384	604,670	4,637,498

Note 1: It was the reinvestment in Mainland China through an existing company in the third area by cash and the investment was approved by the Investment Commission of MOEA.

Note 2: Investment income (loss) recognised by the Company for the year ended December 31, 2021 was audited by independent auditors.

Note 3: The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the scope of operations certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.

Note 4: The investments through the investee company in Mainland China of the Company including: Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (MAANSHAN) Co., Ltd., Fuzhan Electronics (Shanghai) Co., Ltd., Fu Gang Electronic (Nan Chang) Co., Ltd., Foxlink Automotive Technology (Kunshan) Co., Ltd., Kunshan Fugang Electric Trading Co., Ltd., Kunshan Fu Shi You Trading Co., Ltd., Shanghai Fugang Electric Trading Co., Ltd., Shanghai Standard Information Technology Co., Ltd., Fuqiang Electric (MAANSHAN) Co., Ltd., Dongguan Banrin Robot Technology Co., Ltd., Suzhou Keyu Rui Automobile Technology Co., Ltd., and Changde Fubo Intelligent Technology Co., Ltd., except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of MOEA.

Cheng Uei Precision Industry Co., Ltd.

Major shareholders information

December 31, 2021

Table 10

Number of major shareholders	Shares	
	Name of shares held	Ownership (%)
HSIN HUNG International Investment Co., Ltd.	100,535,228	19.62%
CENTRAL MOTION PICTURE CORPORATION	32,584,000	6.36%
Foxlink Image Technology Co., Ltd.	27,503,000	5.36%